http://www.oblible.com

**BASE PROSPECTUS** Dated 7 October 2021

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) a regulated market in the EEA or (b) a United Kingdom (UK) regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA) nor offered in (a) the EEA or (b) in the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be** (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 201 to 328 and any applicable Additional Terms and Conditions on pages 413 to 723 (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 350 to 411 and any applicable Additional Terms and Conditions on pages 413 to 723 (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 7 October 2021 (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 724 to 736). 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 the NHI Guarantor pursuant to the relevant Guarantee and pursuant to authorisation, on a case by case basis, by an executive officer of the NHI Guarantor authorised by the NHI Guarantor's Executive Management Board (an **NHI 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*" on pages 724 to 730). 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 and the date that the relevant authorisation was granted. W&C Securities will not be guaranteed by the NSC Guarantor.

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 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 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.

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.

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.bourse.lu* ).

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, the Issuer may make offers of Securities to the public in Switzerland (**Swiss Non-exempt Offers**), in respect of which the Issuer shall complete Final Terms. 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**), in respect of which the Issuer shall complete (i) if the relevant Securities are Non-Exempt Securities, Final Terms, or (ii) otherwise, a Pricing Supplement.

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 LIBOR, 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.

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that ICE Benchmark Administration Limited as the administrator of the LIBOR benchmark is not currently required to obtain authorisation/registration (or, if located outside the European Union (the **EU**), recognition, endorsement or equivalence).

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 742 to 750. 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 201 to 324, "*Terms and Conditions of the W&C Securities*" on pages 350 to 411 and "*Notice to Purchasers and Holders of Securities and Transfer Restrictions*" on pages 742 to 750. 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 794 to 814.

Each issue of Securities will be issued in the form set out in "*Form of the Securities*" on pages 142 to 147.

**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 20 to 88.**

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 103 to 109). 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 7 October 2022 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.

http://www.oblible.com

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 794 to 814). 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 (CHAPTER 289) 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.**

## TABLE OF CONTENTS

**Clause** **Page**


General Description of the Programme ..... 16
Risk Factors ..... 20
Investment Considerations ..... 89
Important Information Relating to Non-Exempt Offers of Securities ..... 100
Documents Incorporated by Reference ..... 103
Available Information ..... 110
Credit Ratings ..... 111
Commonly asked Questions about the Programme ..... 113
Form of the Securities ..... 142
Form of Final Terms for Non-Exempt N&C Securities ..... 148
Terms and Conditions of the N&C Securities ..... 201
Use of Proceeds of the N&C Securities ..... 329
Form of Final Terms for Non-Exempt W&C Securities ..... 330
Terms and Conditions of the W&C Securities ..... 350
Use of Proceeds of the W&C Securities ..... 412


**Annex**


1. Additional Terms and Conditions for Index Linked Securities ..... 413
2. Additional Terms and Conditions for Equity Linked Securities ..... 436
3. Additional Terms and Conditions for FX Linked Securities ..... 461
4. Additional Terms and Conditions for Commodity Linked Securities ..... 466
5. Additional Terms and Conditions for Fund Linked Securities ..... 493
6. Additional Terms and Conditions for Inflation Linked Securities ..... 526
7. Additional Terms and Conditions for Credit Linked Securities (2003 ISDA Credit Derivatives Definitions Version) ..... 545
8. Additional Terms and Conditions for Physical Delivery N&C Securities ..... 605
9. Additional Terms and Conditions for Swedish Securities ..... 613
10. Additional Terms and Conditions for Swiss Securities ..... 623
11. Additional Terms and Conditions for Short Price Payout N&C Securities ..... 631
12. Additional Terms and Conditions for Preference Share Linked N&C Securities ..... 636
13. Additional Terms and Conditions for MOT N&C Securities ..... 640
14. Additional Terms and Conditions for SeDeX W&C Securities ..... 643
15. Additional Terms and Conditions for Credit Linked Securities (2014 ISDA Credit Derivatives Definitions Version) ..... 648

Form of NHI Guarantee ..... 724
Form of NSC Guarantee ..... 731
Book-Entry Clearance Systems ..... 737
Notice to Purchasers and Holders of Securities and Transfer Restrictions ..... 742
Description of the Issuer ..... 751
Description of the NHI Guarantor ..... 760
Description of the NSC Guarantor ..... 769
Taxation ..... 773
Offering and Sale ..... 794
General Information ..... 815

**Schedule 1**

1. Form of Pricing Supplement for Exempt N&C Securities .....819
2. Form of Pricing Supplement for Preference Share Linked Exempt N&C Securities.....870
3. Form of Pricing Supplement for Exempt W&C Securities .....889

## 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 unguaranteed.<br><br>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.<br><br>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 an executive officer of the NHI Guarantor authorised by the NHI Guarantor's Executive Management Board and the date of such authorisation is included in the applicable Final Terms, such W&C Securities will be guaranteed by the NHI Guarantor only. 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.<br><br>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 an executive officer of the NHI Guarantor authorised by the NHI 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) a regulated market in the EEA or (b) a United Kingdom (**UK**) regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) nor offered in (a) the EEA or (b) in the |

UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (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, Tranched Zero Recovery 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 or Swap Rate Linked Interest 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. |
| 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:<br>(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<br>(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).*

**Table of Contents for Risk Factors.**


| | |
|---|---|
| **Risk Factors relating to the Issuer, the Guarantor and the Nomura Group** | Page 21 |
| 1. Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme | Page 21 |
| 2. Factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee | Page 21 |
| 3. Risks relating to the Issuer's business | Page 22 |
| 4. Risks relating to the Nomura Group | Page 24 |
| **Risk Factors relating to the Securities** | Page 38 |
| 5. Risks relating to key features, terms and conditions of the Securities affecting the value and liquidity of and return on the Securities | Page 38 |
| 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 | Page 43 |
| 7. Risks relating to Securities linked to or that reference a financial benchmark | Page 44 |
| 8. Risks relating to particular Reference Items | Page 51 |
| 9. Risks relating to specific product types which may be issued under the Programme | Page 73 |
| 10. Risks relating to regulation of the Securities and the financial markets | Page 83 |


## 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 which are N&C Securities 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 N&C 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 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 be followed by 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 and its clients' trading and investment activities, for example by decreased returns for fixed income products in the prolonged low interest rate environment in Japan.

*The COVID-19 pandemic has affected the Nomura Group's business, clients and employees and this may continue in the future*

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. The COVID-19 pandemic has led to, in many affected areas, successive widespread lockdowns and similar government action worldwide, including Japan, Europe, America and elsewhere, and continues in many of these places. In response to the pandemic and subsequent

lockdowns, the Nomura Group has activated contingency plans, and has implemented robust arrangements for its employees to work remotely. However, these measures may not be successful or sufficient, and may cause additional risks, such as challenges in supervision over employees working remotely or increased risk of cyberattacks. The continuation of such measures, even if limited to certain regions, will continue to impact societal and economic functions, which has and is expected to continue to adversely affect the Nomura Group's business and results of operations. Even while the spread of the disease may gradually subside 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.

*Brexit may adversely affect the Nomura Group's business on various fronts*

On 31 January 2020, the United Kingdom (**UK**) withdrew from the European Union (**EU**) under the Withdrawal Agreement between the UK and the EU (**Brexit**). On 31 December 2020, a transition period during which the rules and regulations of the EU continued to apply to the UK expired. Although the UK and EU entered a trade and cooperation agreement governing their relationship prior to the expiration of the transition period, such agreement does not comprehensively address the financial industry, and there continues to be uncertainty as to the longer term consequences that Brexit may have on the Nomura Group's business.

Prior to Brexit, the Nomura Group conducted business in Europe primarily through Nomura International plc (**NIP**), its broker-dealer arm established in London, as its regional hub; but following the end of the transition period, the Nomura Group moved to a structure that provides client-facing services and other services centered on Nomura Financial Products Europe GmbH (**NFPE**), its licensed broker-dealer in Germany. Although the Nomura Group is taking various measures to manage the risks associated with Brexit and to mitigate the impacts of uncertainty in the market as a whole, delays or other issues in its transition of business to NFPE as well as the risks to the broader financial system associated with the transition may 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 and commissions 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 commission rates, 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 2020 compared to the year ended 31 March 2019 primarily due to a market downturn from February 2020 as a result of the COVID-19 pandemic. While the Nomura Group's investment banking net revenues have increased during the year ended 31 March 2021 compared to the year ended 31 March 2020, M&A activities and other investment banking activities are expected to continue to be negatively impacted by the pandemic for the foreseeable future.

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 amounts. 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 fluctuate or if the financial system is overly stressed and the markets move in a way it has not anticipated.

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 and spreads, it also increases risk as measured by Value-at-Risk (**VaR**) and may expose the Nomura Group to higher risks in connection with its market-making and proprietary businesses. Higher volatility can also cause the Nomura Group to reduce the outstanding positions or size of these businesses in order to avoid increasing its VaR.

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. Despite the Nomura Group's efforts to wind down the relevant positions in a way that would limit losses to the Nomura Group and impacts on the market, volatility in the underlying securities led it to recognise a trading loss of ¥204.2 billion during the year ended 31 March 2021. The Nomura Group also recognises a provision for current expected credit losses of ¥41.6 billion during the same period to reflect a shortfall in the value of securities pledged as collateral by the client against financing provided to the client, caused by a decrease in the value of such securities before the Nomura Group were able to liquidate them. The unwinding of the underlying positions was completed in the first quarter of the fiscal year ending 31 March 2022 and the Nomura Group recognised additional losses of ¥65.4 billion in the three months ending 30 June 2021 as a result. 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. Following the U.S. Prime Brokerage Event, multiple ratings agencies downgraded their outlook with regards to the Nomura Group's ratings, which, if not resolved positively, may lead to downgrades in its ratings.

*Transition from LIBOR to alternative rate indices may adversely affect the Nomura Group's business*

The Nomura Group trades derivatives including interest rate swaps and underwrites bonds and loans which refer to Interbank Offered Rates (**IBORs**) such as the London Interbank Offered Rate (**LIBOR**). Following the LIBOR manipulation scandal in 2012, the FCA confirmed on 5 March 2021 the cessation effective dates of all LIBOR currencies and tenors. Regulators of each country including Japan have expressed their intention to request that financial transactions that refer to LIBOR be converted to alternative rate indices and that measures be taken in preparation for the permanent cessation of LIBOR. All the transaction agreements which refer to LIBOR and remain after LIBOR cessation are expected to be revised or to be amended adding a clause of "fallback" rate that is agreed between the contracting parties in advance of the cessation of LIBOR. However, the details of calculation methodologies of alternative rate indices are under discussion in each country currently, and such transfers will involve the development of new calculation methods for alternative rates, revisions to relevant contracts and modifications to the application of accounting principles to the relevant transactions. 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 refer IBORs as floating rate. 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 large losses*

Holding large and concentrated positions of certain securities can expose the Nomura Group to large losses 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 the recording of significant trading losses, such as occurred 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 that could occur, 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 which the Nomura Group holds. Also, in the event that a market fails in pricing such assets, it will be difficult to estimate their value. 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 against all kinds of risk, 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" derivative exposure to certain equities. In order to hedge the "total return" payments the Nomura Group was obligated to make to the client, it held cash 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 recognised.

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

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 large 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 suffered 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 substantial 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 substantial 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 charges 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. 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.

***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 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 the COVID-19 pandemic in 2020 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 that are indebted to it 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. Although the Nomura Group establishes and maintains allowances for credit losses, such allowances reflect management judgments and assumptions based on information available to them, which may be incorrect or incomplete, meaning 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, such as financial institutions and hedge funds which are counterparties to credit default swaps or 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, or the sufficiency of the collateral the Nomura Group uses in managing, its credit risk*

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.

**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 on the management of Environmental, Social and Governance (ESG) factors in the business makes it imperative that the Nomura Group continues to develop its policies in these areas, and positions itself in a positive light to interested stakeholders including its shareholders, clients and society at large. Lack of sufficient focus on ESG considerations may not only impede the Nomura Group's ability to build a sustainable business model, but may also increase the Nomura Group's vulnerability to ESG related risks such as risks associated with climate change in the medium to long-term.

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. The climate change related risk is broadly divided into two parts; namely Physical Risks and Transition Risks, either of which may materially and adversely affect the Nomura Group.

- Physical Risk: The risk of physical damage or the impairment of the operating capability of the assets of the Nomura Group, clients and business partners due to climate change. This includes the potential impact of extreme weather events, fire and sea level flooding.
- Transition Risk: The risks associated with accelerated policy and external changes associated with the move towards addressing climate risk. This includes changes in government policies, industrial policy or carbon based taxes, changes in social or other preferences and rapid changes in technologies which have the potential to leave stranded assets that are no longer viable.

**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 commercial banks, commercial bank-owned securities subsidiaries,non-Japanese firms and online securities firms in the Japanese market is increasing*

Since the late 1990s, the financial services sector in Japan has undergone deregulation. Banks and certain other financial institutions became able to enter into the securities brokerage business in 2004 and firewalls between commercial banks and securities firms were deregulated in 2009, increasing the ability of securities firms with affiliated commercial banks to cooperate more closely with them. As a result, securities subsidiaries of commercial banks and non-Japanese firms with increased competitiveness have been affecting the Nomura Group's market shares in the sales and trading, investment banking and retail businesses. In recent years, competition is intensifying 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 groups 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 continue to develop 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's global business strategies have not resulted in the anticipated outcome to date, and the Nomura Group may not be able to successfully rebuild them*

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. For example, as a means to bolster the Nomura Group's international operations, the Nomura Group acquired certain Lehman Brothers operations in Europe, the Middle East and Asia in 2008. After the acquisition, however, market structures have changed drastically due to the scaling back of market-related businesses by European financial institutions and the monetary easing policies by European central banks, resulting in a decline in whole-market liquidity and despite the Nomura Group's efforts, it recognised an impairment loss of ¥81,372 million in the fiscal year ended 31 March 2019 in respect of these businesses.

Since April 2019, the Nomura Group has been working to rebuild its global business platform, under which it aims to simplify its operating model, transform its business portfolio and pivot towards client businesses and growth areas, which it believes has been successful. In order to support further development of its international operations, the Nomura Group continues to grow its business organically and inorganically such as the acquisition of Greentech Capital Advisors in 2020. 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.

**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 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 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 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. While the Nomura Group has extensive internal procedures and controls designed to identify and address conflicts of interest on the basis of the Nomura Group Conflicts of Interest Management Policy, a failure, or a perceived failure, to identify, disclose and appropriately address such conflicts could adversely affect its reputation and 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's exposure to legal liability is significant**

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.

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. 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. Although the Nomura Group takes measures such as timely monitoring and establishing internal governance procedures in order to prevent violations of laws and regulations, it 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.

Furthermore, the exact details of the implementation of proposals for regulatory change and its impact on the Nomura Group will depend on the final regulations as they become ultimately adopted by various governmental agencies and oversight boards.

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.

**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, information leakage and the cost of maintaining sufficient cybersecurity could adversely affect the Nomura Group's business**

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.

**Natural disaster, terrorism, military dispute and infectious disease other than COVID-19 could adversely affect the Nomura Group's business**

The Nomura Group has developed a contingency plan for addressing unexpected situations. However, disaster, terrorism, military disputes or widespread infectious diseases afflicting the Nomura Group's management and employees could exceed the assumptions of its plan, and 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 by its management and employees.

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

NHI 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. Depending on the market conditions, the Nomura Group may also 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. For example, Nomura Asset Management Co., Ltd., NHI's subsidiary, ended its operation of money market funds in late August 2016 and executed an accelerated redemption of such funds in September 2016. In addition, debt securities that the Nomura Group offers may default or experience delays in the payment of interest and/or principal. Such losses, early redemption or deposit limit for the products the Nomura Group offers 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 (in the case of N&C Securities or W&C Securities) or the NSC Guarantor (in the case of N&C Securities only) (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 will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Issuer may 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 Securityolders 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*

Notwithstanding any other provision of the Conditions, if at any time the Issuer determines that a Non-Permitted Holder (as defined in the Terms and Conditions of the N&C Securities) holds any legal or beneficial interest in an N&C Security, the Issuer may, from the date of such determination and without notice to the Non-Permitted Holder, suspend deliveries and payments to the Non-Permitted Holder in accordance with Condition 7.6. The suspension may last indefinitely, and may after a period of two years or if earlier, the scheduled maturity of the N&C Securities, result in the Issuer having no further obligations under the N&C Securities held by the Non-Permitted Holder and any rights or claims of the Non-Permitted Holder in respect of such N&C Securities being extinguished, without further recourse to the Issuer.

**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 will occur, 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**) or Euro short-term rate (**€STR**) (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 and €STR for Euro. 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 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 THBFIX. 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 or Compounded Daily €STR, 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 or €STR, 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 or €STR that differs significantly from that set out in the Terms and Conditions and used in relation to N&C Securities referencing SONIA, SOFR or €STR 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 or €STR that differ materially in terms of interest determination when compared with any previous SONIA-, SOFR- or €STR-referenced N&C Securities issued under the Programme. The nascent development of compounded daily SONIA, SOFR and €STR as interest reference rates for the capital markets, as well as continued development of SONIA-, SOFR- and €STR-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-, or €STR-referenced N&C Securities issued under the Programme from time to time.

To the extent the SONIA, SOFR or €STR rate is not published, the applicable rate to be used to calculate the Interest Rate on N&C Securities referencing SONIA, SOFR or €STR, 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 or €STR 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. 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 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.

Following the existence or occurrence of a Fund Event (whether or not such Fund Event is continuing), the Issuer may:

(i) 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 (including, if so specified in the applicable Final Terms, replacing any affected Fund Interest with a replacement Fund Interest);

(ii) redeem or cancel, as applicable, the Securities;

(iii) 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;

(iv) 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

(v) 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.

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 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 Calcuation 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 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 following the occurrence of a Credit Event, the Credit Linked Securities will either (i) cease to bear interest from the Coupon Payment Date immediately preceding the Credit Event Determination Date if "Accrual of Interest upon Credit Event" is specified as Not Applicable in the applicable Final Terms, or (ii) cease to bear interest from the Credit Event Determination Date if "Accrual of Interest upon Credit Event" is specified as being Applicable in the applicable Final Terms.

In the case of Credit Linked Securities other than Zero Recovery Basket Credit Linked N&C Securities or Tranched Zero 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 (**Credit Maturity Redemption**) the Credit Linked Securities may then be early redeemed following a Credit Event which may be prior to their scheduled maturity. 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.

*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 and an Auction Final Price Determination Date occurs, the Auction Final Price will be determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms, a form of which will be published by ISDA on its website at www.isda.org (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 Guarantors' ability to influence the Auction Final Price*

If the Credit Linked Securities are redeemed or cancelled, as applicable, following the occurrence of a Credit Event, the amount payable in respect of the Securities 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, Tranched Zero Recovery 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.

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, 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). 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.

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.

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 an aggregate 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**). However, once the losses resulting from Credit Events exceed a higher threshold percentage (the **Tranche Detachment Level**) an investor will not receive any further amounts in respect of the Securities. 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.

*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 a request is submitted to ISDA for the relevant Credit Derivatives Determinations Committee to consider whether the relevant event constitutes a Credit Event within 60 calendar days of the occurrence of such potential Credit Event unless a Credit Event Determination Date has already occurred with respect to such event.

For the purposes of the succession provisions the look-back period is 90 calendar days and functions similarly. These provisions mean that there is a time limit on the ability to act on a Credit Event or succession and that it is possible that the Credit Linked 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, to determine that the applicable timing requirements of the Credit Linked Conditions (as determined by the Calculation Agent) shall toll and be suspended and remain suspended (such period of suspension, a **Suspension Period**) until 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 date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. During such suspension period none of the Issuer, the Calculation Agent or any 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

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 a Suspension Period falls in any one or more Coupon Period(s), then no interest shall accrue during each portion of a Coupon Period during which a Suspension Period exists; and

(b) if a Coupon Payment Date falls in a Suspension Period, such Coupon Payment Date will be deferred until after the end of the Suspension Period.

*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 **Securitisation Regulation**) and, if so, the Issuer will rely on the exemption in Article 6(6) of the Securitisation Regulation. 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.

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, LIBOR, SOFR, SONIA or €STR. 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.

**Steepener 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 Steepener Securities are 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 form 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 is 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.

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

(i) the risks in converting the 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 in any Relevant Currency (including, without limitation, as a result of any delays, increased costs or discriminatory rates of exchange 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 the interbank foreign exchange market located in a relevant payment jurisdiction through customary legal channels;

(v) the risk of prohibition and prevention of any remittance abroad of funds invested in a relevant payment jurisdiction; and/or

(vi) the risks relating to hedging arrangements.

Upon the occurrence of such an Inconvertibility Event (as defined above) the Issuer may at its discretion instruct the Calculation Agent to make certain adjustments or determinations. 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 the Issuer may be entitled to make payments in a currency other than specified in the Final Terms or 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 and any determination by the Calculation Agent of any relevant currency exchange rate. As a result any such determination of a currency exchange rate may take place at a rate and time that is unfavourable to the Securityholders.

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

**Table of Contents for Investment Considerations**


| | |
|---|---|
| **Investment Considerations relating to the Securities** | Page 89 |
| ***Considerations relating to the features and terms and conditions of the Securities*** | Page 89 |
| ***Considerations relating to particular Reference Items*** | Page 90 |
| ***Considerations relating to the market*** | Page 89 |
| ***Considerations relating to laws and regulation*** | Page 97 |


**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***

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

*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, a prospective investor should understand that the complete terms and conditions of the Credit Linked Securities are as set out in this Base Prospectus and the applicable Final Terms and that neither the 2003 ISDA Definitions nor the 2014 ISDA Definitions are incorporated by reference herein. Consequently, investing in Credit Linked Securities is not necessarily equivalent to investing in a credit default swap that incorporates either set of ISDA Definitions.

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, if applicable, the Issuer is entitled to select an Obligation for delivery (or, if Cash Settlement applies, 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.

*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, 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, 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, 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.

**Consent given in connection with public offers in Switzerland**

In accordance with Article 36(4)(b) FinSA, the Issuer consents, to the extent and under the conditions, if any, specified in the applicable Final Terms, to the use of this Base Prospectus and the applicable Final Terms by any financial intermediary specified in the applicable Final Terms under "Financial intermediaries granted specific consent to use the Base Prospectus for Swiss Non-exempt Offers" for a Swiss Non-exempt Offer on the basis of and in accordance with this Base Prospectus and the applicable Final Terms.

***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 2020 (available at http://dl.bourse.lu/dlp/10e25d648c6583479d80e8f754b5f6b722);

(b) the audited Annual Financial Statements of the Issuer for the year ended 31 March 2021 (available at https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/nif-annual-financial-statement-31Mar2021.pdf);

(c) the unaudited condensed interim financial statements of the Issuer for the three months ended 30 June 2021 (available at: https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/Nomura-International-Funding-Pte-Ltd-Interim-30Jun2021.pdf);

(d) the Form 20-F of the NHI Guarantor dated 30 June 2020, for the year ended 31 March 2020, containing the auditor's report and consolidated financial statements of the NHI Guarantor for that year on pages F-1 to F-142 (but excluding any documents incorporated therein) (available at https://www.nomuraholdings.com/investor/library/sec/20f/200630/200630_e.pdf);

(e) the Form 20-F of the NHI Guarantor dated 25 June 2021, for the year ended 31 March 2021, containing the auditor's report and consolidated financial statements of the NHI Guarantor for that year on pages F-1 to F-144 (but excluding any documents incorporated therein) (available at https://www.nomuraholdings.com/investor/library/sec/20f/210625/210625_e.pdf);

(f) the Form 6-K of the NHI Guarantor dated 26 August 2021, of an English translation of the NHI Guarantor's unaudited Quarterly Securities Report for the three months ended 30 June 2021 (but excluding any documents incorporated therein) (available at https://www.nomuraholdings.com/investor/library/sec/6k/210826/210826.pdf);

(g) the English language audited non-consolidated annual financial statements of the NSC Guarantor for the financial year ended 31 March 2020 including the auditor's report as published on 30 June 2020 (available at: http://dl.bourse.lu/dlp/109e234969537546cab9b1dafd5b7670b8);

(h) the English language audited non-consolidated annual financial statements of the NSC Guarantor for the financial year ended 31 March 2021 including the auditor's report as published on 25 June 2021 (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-2021.pdf);

(i) the English translation of the Japanese language unaudited quarterly financial information for the three months ended 30 June 2021 of the NSC Guarantor as published on 30 July 2021 (available at: https://www.nomuraholdings.com/company/group/nsc/pdf/2022_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:

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);

(i) the Terms and Conditions of the W&C Securities found on pages 334 to 389 of the 2016 Base Prospectus; and

(ii) 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 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 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 Base Prospectus; and

(iii) the Technical Annexes found on pages 408 to 718 of the 2021 Base Prospectus.

The information incorporated by reference above is available as follows:

| **NOMURA INTERNATIONAL FUNDING PTE. LTD** | |
|---|---|
| **Financial Statements for the year ended 31 March 2020** | |
| Directors' statement | Page 1 |
| Independent auditor's report | Pages 2 to 5 |
| Statement of comprehensive income | Page 6 |
| Balance sheet | Page 7 |
| Statement of changes in equity | Page 8 |
| Cash flow statement | Page 9 |
| Notes to the financial statements | Pages 10 to 49 |
| **Financial Statements for the year ended 31 March 2021** | |
| Directors' statement | Page 1 |
| Independent auditor's report | Pages 2 to 5 |
| Statement of comprehensive income | Page 6 |
| Balance sheet | Page 7 |
| Statement of changes in equity | Page 8 |
| Cash flow statement | Page 9 |
| Notes to the financial statements | Pages 10 to 55 |
| **Unaudited Condensed Interim Financial Statements for the three months ended 30 June 2021** | |
| Director's Report | Pages 1 to 2 |
| Independent Review Report | Page 3 |

| | |
|---|---|
| Condensed Interim Statement of Comprehensive Income | Page 4 |
| Condensed Interim Balance Sheet | Page 5 |
| Condensed Interim Statement of Changes in Equity | Page 6 |
| Condensed Interim Cash Flow Statement | Page 7 |
| Notes to the Condensed Interim Financial Statements | Pages 8 to 38 |
| **NOMURA HOLDINGS, INC.** | |
| **Form 20-F for the year ended 31 March 2020** | |
| Consolidated Balance Sheets | Pages F-7 to F-9 |
| Consolidated Statements of Income | Page F-10 |
| Consolidated Statements of Comprehensive Income | Page F-11 |
| Consolidated Statements of Changes in Equity | Pages F-12 to F-13 |
| Consolidated Statements of Cash Flows | Pages F-14 to F-15 |
| Notes to the Consolidated Financial Statements | Pages F-16 to F-142 |
| Report of Independent Registered Public Accounting Firm | Pages F-2 to F-5 |
| **Form 20-F for the year ended 31 March 2021** | |
| Consolidated Balance Sheets | Pages F-6 to F-8 |
| Consolidated Statements of Income | Page F-9 |
| Consolidated Statements of Comprehensive Income | Page F-10 |
| Consolidated Statements of Changes in Equity | Pages F-11 to F-12 |
| Consolidated Statements of Cash Flows | Pages F-13 to F-14 |
| Notes to the Consolidated Financial Statements | Pages F-15 to F-144 |
| Report of Independent Registered Public Accounting Firm | Pages F-2 to F-5 |

| | |
|---|---|
| **Form 6-K for the three months ended 30 June 2021** | |
| Consolidated Balance Sheets (Unaudited) | Pages 23 to 25 |
| Consolidated Statements of Income (Unaudited) | Page 26 |
| Consolidated Statements of Comprehensive Income (Unaudited) | Page 27 |
| Consolidated Statements of Changes in Equity (Unaudited) | Page 28 |
| Consolidated Statements of Cash Flows (Unaudited) | Pages 29 to 30 |
| Notes to the Consolidated Financial Statements (Unaudited) | Pages 31 to 104 |
| Quarterly Review Report of Independent Auditor (English translation) | Pages 105 to 106 |
| **NOMURA SECURITIES CO., LTD.** | |
| **Non-Consolidated Financial Statements for the year ended 31 March 2020** | |
| Non-Consolidated Balance Sheets | Pages 1 to 3 |
| Non-Consolidated Statements of Income | Page 4 |
| Non-Consolidated Statements of Changes in Net Assets | Pages 5 to 6 |
| Non-Consolidated Statements of Cash Flows | Page 7 |
| Significant accounting policies and explanatory notes | Pages 8 to 35 |
| Independent Auditor's Report | Cover pages |
| **Non-Consolidated Financial Statements for the year ended 31 March 2021** | |
| Non-Consolidated Balance Sheets | Pages 2 to 4 |
| Non-Consolidated Statements of Income | Page 5 |
| Non-Consolidated Statements of Changes in Net Assets | Pages 6 to 7 |
| Non-Consolidated Statements of Cash Flows | Page 8 |
| Significant accounting policies and explanatory notes | Pages 9 to 37 |

| | |
|---|---|
| Independent Auditor's Report | Cover pages |
| **Unaudited Quarterly Financial Information for the three months ended 30 June 2021 (English translation)** | |
| Unaudited Unconsolidated Balance Sheets | Page 1 |
| Unaudited Unconsolidated Statements of Income | Page 1 |
| Unaudited Unconsolidated Statements of Income – Quarterly Comparatives | Page 2 |
| Unaudited Supplementary Information | Page 3 |

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.

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 7 October 2021 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:**


1. Who are the Issuer and Guarantors under the Programme?
2. What types of product will be issued under the Programme?
3. How much of my investment is at risk?
4. What should I read before investing?
5. What will the Issuer do with my money?
6. What are the risks of investing in any Securities?
7. What fees and expenses are payable in connection with my Securities?
8. What tax will I have to pay and how will tax affect payments made to me?
9. Will my Securities be listed on a Stock Exchange?
10. What are the terms on which Securities will be offered?
11. How can I hold my Securities?
12. Will I be able to sell my Securities?
13. What do I have to do to exercise my rights in respect of the Securities?
14. Is there a limit on the amount of Securities the Issuer will issue for each series?
15. How are payments made?
16. Will my Securities be guaranteed?
17. What are the Reference Items to which my Securities may be linked?
18. How is the value of my investment affected by the value of the underlying Reference Items?
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 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?
21. Who calculates the amounts payable to me?
22. What are Index Linked Securities?
23. What are Equity Linked Securities?
24. What are FX Linked Securities?
25. What are Commodity Linked Securities?
26. What are Fund Linked Securities?
27. What are Inflation Linked Securities?
28. What are Credit Linked Securities?
29. What is Auction Settlement?

30. Why was Auction Settlement developed?
31. How will Auction Settlement apply in relation to the Securities?
32. What are Swedish Securities?
33. What are Swiss Securities?
34. What are Preference Share Linked N&C Securities?

### *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 751 to 759 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 and are N&C Securities the Guarantor will be either (i) Nomura Holdings, Inc. or (ii) Nomura Securities Co., Ltd. as specified in the applicable Final Terms. If the Securities are guaranteed and are W&C Securities the Guarantor will be Nomura Holdings, Inc. only.

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 760 to 768 of this Base Prospectus and a description of Nomura Securities Co., Ltd. is set out on pages 769 to 772 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) a regulated market in the EEA or (b) a United Kingdom (**UK**) regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) nor offered in (a) the EEA or (b) in the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (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 20 to 88 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 773 to 793 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 and Swiss Securities (for which see "*What are Swedish 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 Depositary 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 depositary 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 Depositary 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 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.

### *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 Guarantee unless (i) it is stated in the applicable Final Terms that the Guarantee is applicable and (ii), in the case of W&C Securities, the application of the Guarantee to any Series of W&C Securities is specifically authorised by an executive officer of the Guarantor authorised by the Guarantor's Executive Management Board 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. The NSC Guarantor will not guarantee any W&C Securities.

### *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 31 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 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 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 29 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 33 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 34 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 Cap. 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 35 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 Cap. 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 Rate1 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 36 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 36 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 36 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, 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 37 of Part A of the relevant 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 31 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 31 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 30 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 30 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 30 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 29 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 29 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 29 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 30 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 29 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 32 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 be determined by reference to a credit index, 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 32 or 36, 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. The basket of Reference Entities and their respective weightings which may refer to or be based on a credit index will be set out in paragraph 32 or 36, 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.

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 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, no further interest payments will be payable in respect of the Securities, 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 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. 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 as specified in the applicable Final Terms. The Final Redemption Amount payable following the redemption of the Tranched 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 32 or 36, 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 Aggregate Reduction Amount if the aggregate of all the Loss Percentages is greater than the Tranche Attachment Level. 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 32 or 36, 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.

In the event the Outstanding Nominal Amount is reduced to zero, the Final Redemption Amount will be zero, no further interest payments will be payable in respect of the Securities, 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) 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 30 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.

***(xxiv) 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 38 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.

***(xxv) 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 39 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.

***(xxvi) 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 24 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.

***(xxvii) 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 24 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.

***(xxviii) 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 23 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 the amount payable at maturity and the amount payable on each interest payment date (if any) 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 the amount which they receive at maturity 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 with respect to a Reference Entity to which your Securities are linked, 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 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. If a Credit Event has occurred with respect to a Reference Entity to which your Securities are linked 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.

### *29. 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.

### *30. 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.

***31. 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, 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. If no auction is held, cash settlement will apply in order to determine the applicable recovery value.

***32. 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 only be issued as 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*".

***33. 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 depositary. 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 depositary, 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 depositary, 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 depositary will determine the number of Securities held through each participant of the clearing system or common depositary. 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*".

### *34. 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 depositary 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 depositary 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 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 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 and/or SIX SIS Ltd on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated on or about 7 October 2021 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 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 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 (Chapter 289) 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] [or] [for the duration of the applicable transition period under FinSA and its implementing ordinance, for which a simplified prospectus pursuant to Article 5(2) of the Swiss Federal Act on Collective Investment Schemes [(**CISA**)], as such article was in effect immediately prior to the entry into effect of FinSA, has been prepared],] [t][T]he Securities are not intended to be offered to private clients within the meaning of [the Swiss Federal Financial Services Act (**FinSA**)] [FinSA] in Switzerland. For these purposes, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client with an asset management agreement according to Article 58(2) FinSA.][3]

[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**)] [CISA] and are not subject to the supervision by the Swiss Financial Market Supervisory Authority FINMA, and investors will not benefit from the specific investor protection under the CISA.][4]

**NOMURA INTERNATIONAL FUNDING PTE. LTD.**

**Legal entity identifier (LEI): [ ]**

**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.]]**

---

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 or, until 30 June 2022, a simplified prospectus under the CISA in its former version 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.

## 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:*

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 7 October 2021 [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.bourse.lu).

[*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.bourse.lu*). 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.bourse.lu*).**] *(N.b. if this option is used, (i) the form of Final Terms from this base prospectus will need to 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*

---

5 Include where applicable.

6 Include where the Final Terms are deposited with SIX Exchange Regulation Ltd. as review body in Switzerland.

7 Include where the Final Terms constitute final terms for the purposes of the Prospectus Regulation.

*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 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] which are incorporated by reference in the Base Prospectus dated 7 October 2021. [[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 7 October 2021 [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.bourse.lu).]

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 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 |

8 Include where applicable.

9 Include where the Final Terms are deposited with SIX Exchange Regulation Ltd. as review body in Switzerland.

10 Include where the Final Terms constitute final terms for the purposes of the Prospectus Regulation.

| | | | |
|---|---|---|---|
| | | | purposes of the Income Tax Act, Chapter 134 of Singapore |

[*If the Securities will qualify as " qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, insert*:

***Where any interest, discount income, prepayment fee, redemption premium or break cost (Relevant Income) from any N&C Securities which constitute " qualifying debt securities" for Singapore income tax purposes (Relevant Securities) is derived by a person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using funds from that person's operations through the Singapore permanent establishment. Any person whose income (including Relevant Income) is not exempt from Singapore income tax is required to declare such income in a return of income under the Income Tax Act, Chapter 134 of Singapore.***]

| | | | |
|---|---|---|---|
| 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 42 below, which is expected to occur on or about [*insert date*]][Not Applicable] |
| 5. | Specified Currency or Currencies: | | [ ] |
| 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)*][11] |
| 8. | (i) | Specified Denominations: | [ ]<br>[ ]<br>(*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).*)<br>(*N.B. Where multiple denominations above the minimum specified denomination are being used the following sample wording should be followed:*<br>"[*€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 |

[11] Not applicable in the case of Conditional Interest N&C Securities

| | | | |
|---|---|---|---|
| | | | Notes in definitive form will be issued with a denomination above [*€19,000/€199,000/specify other*].") |
| | (ii) | Calculation Amount: | [ ]<br>*(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): | [[ ] in each year up to and including the Maturity Date][12]/[*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]<br>(*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]<br>(*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: | | [*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*]][13]/[*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 Tranched 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 Condition 7 and Credit Linked Condition 8]]<br>(*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] |

[12] 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."

[13] 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

| | | | |
|---|---|---|---|
| | | | [*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]<br>[[*specify Reference Rate*]] [[ ] month [LIBOR/EURIBOR]] [Compounded Daily [SONIA/SOFR/€STR]] +/- [ ] per cent. Floating Rate]<br>[Zero Coupon]<br>[Fixed FX Interest N&C Security]<br>[Equity Basket Conditional Interest N&C Security]<br>[Index Basket Conditional Interest N&C Security]<br>[Multi-Rate Interest N&C Security]<br>[Range Accrual Interest N&C Security]<br>[Dual Range Accrual Interest N&C Security]<br>[Leveraged Inflation Interest N&C Security]<br>[Swap Rate Linked Interest N&C Security]<br>[Non-Interest bearing]<br>(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]<br>[FX Redemption N&C Security]<br>[Fixed Denomination FX Redemption N&C Security]<br>[Equity Basket Knock-In N&C Security]<br>[Equity Basket Barrier Knock-In N&C Security]<br>[Equity Basket Bonus Barrier Knock-In N&C Security]<br>[Index Basket Knock-In N&C Security]<br>[Index Basket Barrier Knock-In N&C Security]<br>[Index Basket Bonus Barrier Knock-In N&C Security]<br>[Equity Basket Autocall N&C Security]<br>[Index Basket Autocall N&C Security]<br>[Zero Recovery Single Name Credit Linked N&C Security]<br>[Zero Recovery Basket Credit Linked N&C Security]<br>[Tranched Zero Recovery Credit Linked N&C Security]<br>[Equity Delta One Redemption N&C Security]<br>[Reverse Convertible Swap Rate Redemption N&C Security]<br>[Geared Put Swap Rate Redemption N&C Security]<br>[Auction to Cash Settled Credit Linked N&C Security] |

| | | |
|---|---|---|
| 15. | Change of Coupon Basis: | [Applicable/Not Applicable]<br>[*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]<br>[Issuer Call]<br>[(further particulars specified below)]<br>[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]<br>*(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][14] |
| | (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]<br>(*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)<br>Actual/Actual<br>Actual/Actual (ISDA)<br>Actual/365 (Fixed)[15]<br>Actual/365 (Sterling)<br>Actual/360<br>30/360 (ICMA)<br>30/360<br>360/360<br>Bond Basis<br>30E/360<br>Eurobond Basis<br>30E/360 (ISDA)<br>1/1<br>Calculation/252<br>RBA Bond Basis]<br>(*NB*: *Actual/Actual (ICMA) is normally only appropriate for Fixed Rate N&C Securities denominated in euros*) |

[14] 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"

[15] Applicable to Renminbi denominated Fixed Rate N&C Securities

| | | | |
|---|---|---|---|
| | (v) | Determination Date(s): | [ ] in each year<br>(*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]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Specified Period(s)/Specified Coupon Payment Dates: | [ ] [, 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] |
| | (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]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | | Reference Rate: | [[ ] month]<br>[LIBOR/ EURIBOR/Compounded Daily SONIA / Compounded Daily SOFR / Compounded Daily €STR] |
| | | Relevant Financial Centre: | [London/Brussels]<br>(*include for LIBOR (London) and EURIBOR (Brussels) respectively)* |
| | | Observation Method: | [Not Applicable/Lag/Shift] |
| | | Observation Look-Back Period: | [ ]/ [Not Applicable] [Unless otherwise agreed with the [Principal Agent] / [Calculation Agent], [ ] [London Banking Days] / [U.S. Government Securities Business Days][TARGET2 Business Days]]<br>(*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 GBP LIBOR*: First London Banking Day of each Coupon Period]<br><br>[*Insert for USD LIBOR*: Second London Banking Day prior to the start of each Coupon Period]<br><br>[*Insert for Euro LIBOR or EURIBOR*: Second TARGET2 System Business Day prior to the start of each Coupon Period]<br><br>[*Insert for SONIA–non Index Determination:* Second London Banking Day prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period)]<br><br>[*Insert for SONIA – Index Determination:* The day falling the Relevant Number of London Banking 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*]]<br><br>[*Insert for SOFR–non Index Determination:* Second 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)]<br><br>[*Insert for SOFR – Index Determination:* The day falling the Relevant Number of 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) and **Relevant Number** means [*insert number being two or greater*]]<br><br>[Insert for *€STR*: Second TARGET2 System Business Day prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period)] |
| | Relevant Screen Page: | [ ]<br><br>(*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] |
| | ISDA Definitions: | [2006 ISDA Definitions/2021 ISDA Definitions] |

(*The 2021 ISDA Definitions should not be selected before their effective date of 4 October 2021 and confirmation from Structuring should be obtained*)

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)*)

Designated Maturity: [ ][Not Applicable]

(*A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate*)

Reset Date: [ ]

(*In the case of a LIBOR or EURIBOR based option, the first day of the Coupon Period*)

Compounding/Averaging/Index: [Applicable/Not Applicable]

(*Specify as Applicable if the Calculated Rate Style is identified as "Compounded Floating Rate Option" in the Floating Rate Matrix*)

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

Compounding Method: [OIS Compounding]

[Compounding with Lookback

Compounding with Lookback Period: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]

[Compounding with Observation Period Shift

Compounding with Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)

[Observation Period Shift Additional Business Days: [●]/[Not Applicable]]]

Set-in-Advance: [Applicable/Not Applicable]]

[Compounding with Lockout

Compounding with Lockout Period: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]

[Lockout Period Business Days: [●]/[Applicable Business Days]]]

Averaging Method: [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:] [[ ]/Not Applicable] |
| | | [[ ] Lockout Period Business Days] |
| | | [Lockout Period Business Days:] [[ ] [Applicable Business Days]] |
| | Daily Capped Rate and/or Daily Floored Rate: | [Applicable/Not Applicable] |
| | | (*If not applicable, delete the Daily Capped Rate and Daily Floored Rate prompts immediately below*) |
| | | [Daily Capped Rate:] [[ ]%] |
| | | [Daily Floored Rate:]] [[ ]%] |
| | Index provisions: | [Applicable/Not Applicable] |
| | | (*If not applicable, delete the Index Method prompt immediately below*) |
| | Index Method: | [Standard Index Method/Compounded Index Method/ Compounded Index Method with Observation Period Shift][Not Applicable] |
| | | [Set-in-Advance:] [Applicable] [Not Applicable] |
| | | [Observation Period Shift:] [[ ]Observation Period Shift Business Days] |
| | | [Observation Period Shift Additional Business Days:]][[ ]/Not Applicable] |
| (vii) | Linear Interpolation: | [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Coupon Period shall be calculated using Linear Interpolation (*specify for each short or long coupon period*)] |
| (viii) | Margin(s): | [+/-] [ ] per cent. per annum |
| (ix) | Minimum Rate of Interest: | [[ ] per cent. per annum]/[Not Applicable] |
| | | (*Specify per Coupon Period, if the Minimum Rate of Interest varies between Coupon Periods*) |
| (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)<br>Actual/Actual<br>Actual/Actual (ISDA)<br>Actual/365 (Fixed) |

| | | |
|---|---|---|
| | | Actual/365 (Sterling)<br>Actual/360<br>30/360 (ICMA)<br>30/360<br>360/360<br>Bond Basis<br>30E/360<br>Eurobond Basis<br>30E/360 (ISDA)<br>1/1<br>Calculation/252<br>RBA Bond Basis]<br><br>(*NB: Actual/Actual (ICMA) is normally only appropriate for Fixed Rate N&C Securities denominated in euros)* |
| | (xii) Determination Date(s) | [[ ] in each year<br><br>[*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]<br><br>(*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]<br><br>(*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]<br>[Actual/360]<br>[Actual/365] |
| 22. | Reference Item Linked Interest N&C Securities | [Applicable/Not Applicable]<br><br>(*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]<br><br>[*If applicable*:<br><br>The provisions of Condition 22.1.[1]/[2]/[3]/[4]/[5]/[6]/[7]/[8] [and Annex [1]/[2]/[3]/[6] of the Terms and Conditions |

| | | |
|---|---|---|
| | | (*Additional Terms and Conditions for [insert applicable reference item] Linked Securities*)] shall apply. Also see item [29]/[30]/[31]/[33]/[34]/[35]/[36]/[37] 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 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]<br>(*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*] |
| (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]<br>(*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]<br>(*Specify per Coupon Period, if the Maximum Rate of Interest varies between Coupon Periods*) |
| (viii) | Day Count Fraction: | [Actual/Actual (ICMA)<br>Actual/Actual<br>Actual/Actual (ISDA)<br>Actual/365 (Fixed)<br>Actual/365 (Sterling)<br>Actual/360<br>30/360 (ICMA)<br>30/360<br>360/360<br>Bond Basis<br>30E/360<br>Eurobond Basis<br>30E/360 (ISDA)<br>1/1<br>Calculation/252<br>RBA Bond Basis]/<br>[Not Applicable] |

(*NB: Actual/Actual (ICMA) is normally only appropriate for Fixed Rate N&C Securities denominated in euros*)

**PROVISIONS RELATING TO REDEMPTION**

| | | | |
|---|---|---|---|
| 23. | Issuer Call: | | [Applicable/Not Applicable]<br>(*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<br>(*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<br>(*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*) |
| 24. | Notice periods for tax redemption under Condition 8.2: | | |
| | (i) | Maximum period: | [●] days |
| | (ii) | Minimum period: | [●] days<br>(*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*) |
| 25. | 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] |
| 26. | 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<br>(*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*) |
| 27. | Final Redemption Amount of each N&C Security: | [[ ] per Calculation Amount]/[See provisions in paragraph [29][30][31][32][38][39] below"]<br>(*For Non Exempt Redemption N&C Securities cross refer to paragraphs 29 – 32 or 38 or 39 (in each case as applicable) and complete the relevant sections in those paragraphs below*) |
| 28. | Early Redemption Amount(s): | [As per Condition 8.7]/[[ ] per Calculation Amount]<br>(*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**

| | | |
|---|---|---|
| 29. | Index Linked N&C Securities: | [Applicable/Not Applicable]<br>(*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]<br>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*]<br>[The [ ] Index is a multi-exchange 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]<br><br>[*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]<br><br>[All Indices Basis]<br><br>[Per Index Basis] |
| (viii) | Exchange Business Day: | [Single Index Basis]<br><br>[All Indices Basis]<br><br>[Per Index Basis]<br><br>(*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:<br><br>[Change in Law]<br><br>[Hedging Disruption]<br><br>[Increased Cost of Hedging] |
| (xiii) | Provisions for Index Basket Conditional Interest N&C Securities: | [Applicable/Not Applicable]<br><br>(*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): | [ ] |
| (xiv) | Provisions for Index Basket Knock-In N&C Securities: | | [Applicable/Not Applicable]<br>(*if not applicable, delete the remaining sub-paragraphs 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]<br>(*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: | [ ] |
| (xvi) | Provisions for Index Basket Bonus Barrier Knock-In N&C Securities: | | [Applicable/Not Applicable]<br>(*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: | [ ] |
| (xvii) | Provisions for Index Basket Autocall N&C Securities: | | [Applicable/Not Applicable]<br>(*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]<br>(*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: | [ ] |
| 30. | Equity Linked N&C Securities: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs 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]<br><br>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]: | [ ]<br><br>(*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]<br><br>[*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]<br><br>[All Share Basis]<br><br>[Per Share Basis] |
| (vi) | Exchange(s): | [ ] |
| (vii) | Related Exchange: | [ ]/[All Exchanges]/[Hedging Exchanges] |
| (viii) | Exchange Business Day: | [Single Share Basis]<br><br>[All Share Basis]<br><br>[Per Share Basis]<br><br>(*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:<br>[Change in Law]<br>[Hedging Disruption]<br>[Increased Cost of Hedging]<br>[Increased Cost of Stock Borrow]<br>[Initial Stock Loan Rate: [ ]]<br>[Insolvency Filing]<br>[Loss of Stock Borrow]<br>[Maximum Stock Loan Rate: [ ]] |
| (xv) | Provisions for Equity Basket Conditional Interest N&C Securities: | [Applicable/Not Applicable]<br>(*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]<br>(*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]<br>(*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]<br>(*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]<br>(*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]<br>(*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: | [ ] |
| 31. | FX Linked N&C Securities: | | [Applicable/Not Applicable]<br>(*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]<br>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*)<br>(*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]<br>[*For FX Redemption N&C Securities insert*: The provisions of Condition 22.2.1 apply.]<br>[*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:<br>[Change in Law]<br>[Dual Exchange Rate]<br>[General Inconvertibility]<br>[General Non-Transferability]<br>[Hedging Disruption Event]<br>[Illiquidity]<br>[Material Change in Circumstance]<br>[Nationalisation]<br>[Price Materiality]<br>[Price Source Disruption] |
| (xii) | Consequence of a Disruption Event: | The following fallback provisions apply to the N&C Securities:<br>[Calculation Agent Determination of Settlement Rate]<br>[Fallback Reference Price]<br>[Settlement Postponement]<br>[Termination] |
| (xiii) | Maximum Days of Disruption: | [ ] |
| (xiv) | Provisions for FX Redemption N&C Securities: | [Applicable/Not Applicable]<br>(*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 sub-paragraphs 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 sub-paragraphs 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 [……..] |
| 32. | Credit Linked N&C Securities: | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br><br>The provisions of [Condition [22.2.10][22.2.15] [22.2.16] 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. |
| | (i) Final Redemption Amount: | [[ ] per Calculation Amount/See Condition [22.2.10/22.2.16]<br><br>[*If the Securities are Tranched Zero Recovery Credit Linked N&C Securities insert and compete the following:*<br><br>Tranche Attachment Level: [ ] per cent.<br><br>Tranche Detachment Level: [ ] per cent.<br><br>Tranche Width: [ ] per cent. (*N.b. this is equal to the Tranche Detachment Level minus the Tranche Attachment Level*)] |
| | (ii) Settlement Method: | [Auction Settlement/Not Applicable (See Condition [22.2.10][22.2.15][22.2.16])]<br><br>(*N.b. if the Securities are Zero Recovery Basket Credit Linked N&C Securities, Zero Recovery Single Name Credit Linked N&C Securities or Tranched Zero Recovery Credit Linked N&C Securities specify "Not Applicable", and include the appropriate cross reference to Condition 22.2.10 or 22.2.15 or 22.2.16 as applicable*) |
| | (iii) Calculation Agent City: | [London]/[ ] |
| | (iv) Reference Entit[y][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 32 where relevant state: "See the Table annexed to these Final Terms"*]<br><br>[*If the Securities are Tranched Zero Recovery Credit Linked N&C Securities or Zero Recovery Basket Credit Linked N&C Securities linked to a credit index insert and complete as applicable:*<br><br>The Reference Entities and their relevant weighting percentages comprising the Index as at the Trade Date<br><br>**Index** means, [ ] |

| | | |
|---|---|---|
| | | **Index Publisher** means, [ ] |
| | | **Index Sponsor** means, [ ]] |
| (v) | Reference Obligations: | [Standard Reference Obligation: [Applicable] [Not Applicable]] |
| | | [*If Standard Reference Obligation is specified, insert and complete as applicable:* Seniority Level: [Senior Level][Subordinated Level]] |
| | | [*If the Securities are Tranched Zero Recovery Credit Linked N&C Securities or Zero 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] |
| | | (*N.b. " Standard Reference Obligation" should not be elected if Annex 7 applies*) |
| | [The obligations identified as follows: | [ ] |
| | Primary Obligor: | [ ] |
| | Guarantor: | [ ] |
| | Maturity: | [ ] |
| | Coupon: | [ ] |
| | CUSIP/ISIN: | [ ]] |
| (vi) | All Guarantees: | [Applicable/Not Applicable/See Physical Settlement Matrix] |
| | | [*Insert and complete if Annex 7 applies:* Provisions relating to Qualifying Guarantee and Underlying Obligation: [Applicable/Not Applicable]] |
| (vii) | Credit Events: | [See Physical Settlement Matrix] |
| | | [Bankruptcy] |
| | | [Failure to Pay] |
| | | [Grace Period Extension: [Applicable/Not Applicable/See Physical Settlement Matrix] |
| | | [*If Applicable insert*: |
| | | Grace Period: [ ]]] |
| | | [Obligation Default] |
| | | [Obligation Acceleration] |
| | | [Repudiation/Moratorium] |
| | | [Restructuring] |

Provisions relating to Restructuring Credit Event: Credit Linked Condition 14 [Applicable/Not Applicable]

Provisions relating to Multiple Holder Obligation: Credit Linked Condition 15 [Applicable/Not Applicable]

[*Insert and complete if Annex 7 applies:* Restructuring Maturity Limitation and Fully Transferable Obligation [Applicable/Not Applicable]]

[*Insert and complete if Annex 7 applies:* Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [Applicable/Not Applicable]]

[*Insert and complete if Annex 15 applies:* Mod R [Applicable/Not Applicable]]

[*Insert and complete if Annex 15 applies:* Mod Mod R [Applicable/Not Applicable]]

[Governmental Intervention]

Default Requirement: [ ]

Payment Requirement: [ ]

Credit Event Backstop Date Amendment: [Applicable/Not Applicable]

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

[*If Applicable insert*:

Public Source(s): [As defined in Credit Linked Condition 13]/[*specify other*]

Specified Number: [2]/[*specify other*]]

(ix) 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]<br>[Domestic Currency means: [*specify currency*]]<br>[Not Domestic Law]<br>[Listed]<br>[Not Domestic Issuance] |
| | Additional Obligation(s) | [None]/[*specify other*] |
| (x) | Excluded Obligation(s): | [None]/[*specify other*] |
| (xi) | Accrual of Interest upon Credit Event: | [Applicable/Not Applicable]<br>(*N.b. If Condition 22.2.10 or 22.2.16 applies, this item (xi) and item (xxv) below should be specified as* "*Not Applicable*") |
| (xii) | Merger Event: | Credit Linked Condition 12 [Applicable/Not Applicable]<br>[*If Applicable insert*:<br>[Merger Event Redemption Amount:[ ]]<br>Merger Event Redemption Date:[ ]] |
| (xiii) | Unwind Costs: | [Standard Associated Costs/*other*/Not Applicable] |
| (xiv) | Provisions relating to Monoline Insurer as Reference Entity: | Credit Linked Condition 16 [Applicable/Not Applicable/See Physical Settlement Matrix] |
| (xv) | Provisions relating to LPN Reference Entities: | Credit Linked Condition 18 [Applicable/Not Applicable/See Physical Settlement Matrix] |
| (xvi) | 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])] |
| (xvii) | Credit Event Redemption Date: | [Subject to Credit Linked Condition 11 (Settlement Suspension), [the later of ] [(a) [ ] Business Days following the latest of] [the date falling [ ] 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] [and (b) the Scheduled Maturity Date]/[Not Applicable] |
| (xviii) | Valuation Date: | [Applicable/Not Applicable]<br>[Single Valuation Date:<br>[ ] Business Days]<br>[Multiple Valuation Dates:<br>[ ] Business Days; and each [ ] Business Days thereafter<br>Number of Valuation Dates: [ ]] |
| (xix) | Valuation Time: | [11 a.m. London time]/[ ]/[Not Applicable] |

| | | |
|---|---|---|
| (xx) | Indicative Quotations: | [Applicable/Not Applicable] |
| (xxi) | Quotation Method: | [Bid/Offer/Mid-market]/[Not Applicable] |
| (xxii) | Quotation Amount: | [[ ]/Representative Amount]/[Not Applicable] |
| (xxiii) | Minimum Quotation Amount: | [ ]/[Not Applicable] |
| (xxiv) | Quotation Dealers: | [ ]/[Not Applicable] |
| (xxv) | Accrued Interest: | [Include Accrued Interest/Exclude Accrued Interest/Not Applicable] |
| (xxvi) | Valuation Method: | [Market/Highest/Weighted Highest]<br>[Average Market/Highest/Average Highest]<br>[Blended Market/Blended Highest]<br>[Average Blended Market/Average Blended Highest]<br>[Not Applicable]<br>(*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* | |
| (xxvii) | Fallback Settlement Method: | [Cash Settlement]/[Not Applicable] |
| (xxviii) | Succession Event Backstop Date subject to adjustment in accordance with Business Day Convention: | [Yes/No] [Not Applicable] (*specify Not Applicable if Annex 15 applies*) |
| (xxix) | 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* | |
| (xxx) | 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 only:* | |
| | Deliverable Obligation Category:<br>(*select one only*) | [See Physical Settlement Matrix]<br>[Payment]<br>[Borrowed Money]<br>[Reference Obligation Only]<br>[Bond]<br>[Loan] |

| | | |
|---|---|---|
| | | [Bond or Loan] |
| | Deliverable Obligation Characteristics: | [See Physical Settlement Matrix] |
| | | [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 Deliverable Obligation(s): | [ ] |
| (xxxi) | Excluded Deliverable Obligation(s): | [ ] |

*Other terms*

| | | |
|---|---|---|
| (xxxii) | Physical Settlement Matrix: | [Applicable/Not Applicable] |
| | | [*If the Physical Settlement Matrix applies insert*: |
| | | 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 or Zero Recovery Basket Credit Linked N&C Securities insert:* |
| | | For the purposes of the Reference Entities listed in the Index, the Transaction Type under the Physical Settlement Matrix is as specified in the Index. As at the Trade Date the Reference Entities comprising the Index are [*specify each relevant Transaction Type from the list above*]] |
| | | (*N.b. 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*) |
| (xxxiii) | Subordinated European Insurance Terms: | [Applicable/Not Applicable/See Physical Settlement Matrix] |
| | | (*N.b. if Annex 7 applies, this should always be specified as "Not Applicable"*) |
| (xxxiv) | Financial Reference Entity Terms: | [Applicable/Not Applicable/See Physical Settlement Matrix] |
| | | (*N.b. if Annex 7 applies, this should always be specified as "Not Applicable"*) |
| (xxxv) | Reference Obligation Only Termination Amount: | [[ ]/Not Applicable] |
| | | (*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"*) |
| | (xxxvi) | Provisions relating to CoCo Reference Entities: | Credit Linked Condition 25: [Applicable/Not Applicable/See Physical Settlement Matrix]<br>[*If Applicable, insert if required:*<br>Trigger Percentage: [ ]]<br>(*N.b. If applicable this should be specified for each Reference Entity*) |
| | (xxxvii) | Credit Linked Business Day Convention: | [Following/Modified Following/Preceding] |
| | (xxxviii) | 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] |
| | (xxxix) | Provisions relating to Senior Non-Preferred Reference Obligations: | Credit Linked Condition 27: [Applicable/Not Applicable/See Physical Settlement Matrix]<br>(*If Applicable, or if See Physical Settlement Matrix is selected, specify the following:*)<br>[Seniority Level: Senior Non-Preferred Level] |
| | (xl) | 2019 Narrowly Tailored Credit Event Provisions: | Credit Linked Condition 28: [Applicable/Not Applicable/See Physical Settlement Matrix]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[Fallback Discounting: [Applicable/Not Applicable/See Physical Settlement Matrix]<br>Credit Deterioration Requirement: [Applicable/Not Applicable/See Physical Settlement Matrix]] |
| | (xli) | Limited Recourse Provisions: | [Applicable/Not Applicable/See Physical Settlement Matrix]<br>(*NB. If Annex 7 applies this should always be specified "Not Applicable")* |
| 33. | Multi-Rate Interest N&C Securities: | | [Applicable<br>The provisions of Condition 22.1.4 shall apply.]<br>[Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Floating Rate Option: | In respect of the First Rate: [ ]<br>In respect of the Second Rate: [ ] |
| | (ii) | Designated Maturity: | In respect of the First Rate: [ ]<br>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] | |
| | | (*Also insert and complete in relation to each of the above rates any required options from item 20(vi)(ISDA Determination) above*) | | |
| (iv) | Cap: | [ ] | | |
| (v) | Floor: | [ ] | | |
| (vi) | First Rate Amount: | [ ] (*Specify per Coupon Period*) | | |
| (vii) | First Rate Cap: | [Not Applicable][ ] (*Specify per Coupon Period*) | | |
| (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*) | | |
| 34. | Range Accrual Interest N&C Securities: | [Applicable<br>The provisions of Condition 22.1.5 shall apply.]<br>[Not Applicable]<br>(*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: | [ ]/ | |
| | | [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] | |
| | | | [[ ] (*Specify per Coupon Period*)][The | |

| | | |
|---|---|---|
| | | In respect of [the relevant Range Rate Day Rate][Dual Rate 1 Determination Date] and Dual Rate 2]: |
| | | (*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*]/[TARGET2] |
| (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]] |
| 35. | 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]: | [[ ] (*Specify per Coupon Period*)][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]: | [[ ] (*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*]/[TARGET2] | |
| (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 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]<br>(*N.b. only specify Not Applicable if Single Rate Observation Date applies*)<br>[Rate Cut-off Date: [ ][calendar days][Business Days]] | |
| (xv) | Range Day Denominator: | [Calendar days][Business Days][Not Applicable]<br>(*N.b. only specify Not Applicable if Single Rate Observation Date applies*) | |
| (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]<br>[*If applicable, insert*:<br>Rate Observation Date[s]: | [[ ] (*Specify per Coupon Period*)][The [first]/[last] day of the relevant Coupon Period]] |
| 36. | Leveraged Inflation Interest N&C Securities: | [Applicable]<br>[The provisions of Condition 22.1.7 and *Annex 6* (*Additional Terms and Conditions for Inflation Linked Securities*) shall apply.]<br>[Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* | |
| (i) | Index/Index Sponsor(s): | [*Insert details of relevant Index and Index Sponsor*] | |
| (ii) | Related Bond: | [Applicable/Not Applicable]<br>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]<br>[*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:<br>x = [●]; and<br>y = [●]. |
| 37. | Swap Rate Linked Interest N&C Securities | | [Applicable<br>The provisions of Condition 22.1.8 shall apply.]<br>[Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Rate of Interest determination basis:<br>(*N.b. specify per Coupon Period*)<br>[*For each Coupon Period for which Single Swap Rate Determination applies insert:* | |
| | | **For Coupon Period[s]:** | [ ] [*e.g. First Coupon Period or Second Coupon Period or 1 and 2*]<br>(*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*) |
| | | Determination basis: | Single Swap Rate Determination |
| | | Reference Swap Rate: | [ ] |
| | | Floating Rate Option: | [ ] |
| | | Designated Maturity: | [ ] |
| | | Reset Date: | [ ][The [first]/[last] day of the relevant Coupon Period]] |

(*Also insert and complete in relation to the above rate any required options from item 20(vi)(ISDA Determination) above*)

[*For each Coupon Period for which Dual Swap Rate Determination applies insert*:

**For Coupon Period[s]:** [ ] [*e.g. First Coupon Period or Second Coupon Period or 1 and 2*]

(*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*)

Determination basis: [Dual Swap Rate Determination/Dual Swap Rate Outperformance Determination] (*include such of the below prompts as are relevant)*

$LF_1$: [ ]

$LF_2$: [ ]

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]

(*Also insert and complete in relation to the above rate any required options from item 20(vi)(ISDA Determination) above*)

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]

(*Also insert and complete in relation to the above rate any required options from item 20(vi)(ISDA Determination) above*)

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 |
| 38. | Reverse Convertible Swap Rate Redemption N&C Securities: | | [Applicable<br>The provisions of Condition 22.2.13 shall apply.]<br>[Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (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]<br>(*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: | [ ] |
| 39. | Geared Put Swap Rate Redemption N&C Securities: | | [Applicable<br>The provisions of Condition 22.2.14 shall apply.]<br>[Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs 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]<br>(*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: | [ ] |
| 40. | 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] |
| 41. | Additional Business Centre(s): | | [ ]/[Not Applicable][See item [20(xiii)][22(v)] above] |

**GENERAL PROVISIONS APPLICABLE TO THE N&C SECURITIES**

42. 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:<br><br>[Regulation S Global N&C Security registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]]<br><br>[Rule 144A Global N&C Security registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg.]]<br><br>[Swiss N&C Securities:<br><br>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.]<br><br>(*Include any additional terms required in respect of Swiss Securities, e.g. in respect of notices or provisions for meetings of Securityholders*) |
| 43. | New Global Note: | [Yes][No] |
| 44. | Additional Financial Centre(s) (*for Payment Day purposes*): | [Not Applicable/*give details*]<br><br>(*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)*) |
| 45. | 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 /[Bourse de Luxembourg/Luxembourg Stock Exchange's 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.]<br><br>[*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 [Bourse de Luxembourg/Luxembourg Stock Exchange's 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]<br><br>[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)*].]<br><br>[*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*]<br><br>(*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 32 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] Securities Code: | [●][Not Applicable] |

(*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 supplement or 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/*give name(s) and number(s)*][*For Securities listed on Borsa Italiana include details of relevant Monte Titoli clearing arrangement*] |
| (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): | [ ]<br>(*N.B. In respect of Swiss Securities include details of the relevant Swiss Paying 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.]<br>[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.]<br>(*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 commitments/quotas (material features)] ***: | [Not Applicable/*give names,* [*and addresses and underwriting commitments*]***]<br>(*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers*)*** |
| (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 [ ].]<br><br>(*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.]<br><br>(*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]<br><br>(*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)*]<br><br>(*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]<br>(*If the Securities clearly do not constitute "packaged" products or the Securities do constitute "packaged" products and a 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 PRIIPs KID, 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*]]<br>[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]<br>(*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*) |
| | [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]<br>(*N.b. advice should be taken from Belgian counsel before disapplying this selling restriction*) |
| (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]]<br>[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]<br><br>(*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*) |
| | 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.]<br><br>[Not Applicable]]<br><br>(*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)*]<br><br>(*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]<br><br>[Applicable: Certain amounts under the Securities are calculated by reference to [LIBOR/EURIBOR/SONIA/SOFR/ €STR/*insert name[s] of benchmark(s)*], which [is/are] provided by [ICE Benchmark Administration Limited/ European Money Markets Institute/The Bank of England/The Federal Reserve Bank of New York/The European Central Bank/*insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark*].<br><br>As at the date of these Final Terms, [ICE Benchmark Administration Limited/ European Money Markets Institute/The Bank of England/The Federal Reserve Bank of New York/The European Central Bank/*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*)

[As at the date of these Final Terms and as far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmark Regulation (Regulation (EU) 2016/1011) apply, such that ICE Benchmark Administration Limited as the administrator of the LIBOR benchmark is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]

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/*give details*] |
| Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants: | [Not Applicable/*give details*] |
| Details of the method and time limits for paying up and delivering the N&C Securities: | [Not Applicable/*give details*] |
| Manner and date in which results of the offer are to be made public: | [Not Applicable/*give details*] |
| Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable/*give details*] |
| Whether tranche(s) have been reserved for certain countries: | [Not Applicable/*give details*] |
| Process for notifying applicants of an amount allotted and indication whether dealing may begin before notification is made: | [Not Applicable/*give details*] |
| Amount of any expenses and taxes charged to the subscriber or purchaser: | [Not Applicable/*give details*]<br>(*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)* |

| | |
|---|---|
| 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/*give details*]. |
| [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/give details*] |

## 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

**Clause** **Page**


1. Form, Denomination and Title ..... 206
   1.1 Form ..... 206
   1.2 Interest and Redemption ..... 206
   1.3 Coupons attached ..... 208
   1.4 Title to Bearer N&C Securities and Registered N&C Securities in definitive form ..... 208
   1.5 Title to Securities represented by a Global N&C Security ..... 208
2. Transfers of N&C Securities in registered form ..... 209
   2.1 Transfers of interests in Global N&C Securities ..... 209
   2.2 Transfers of Registered N&C Securities in definitive form ..... 209
   2.3 Registration of transfer upon partial redemption ..... 209
   2.4 Costs of registration ..... 209
   2.5 Transfers of interests in Regulation S Global N&C Securities ..... 210
   2.6 Transfers of interests in Legended N&C Securities ..... 210
   2.7 Definitions ..... 211
3. Status of the N&C Securities and the Guarantee ..... 211
   3.1 Status of the N&C Securities ..... 211
   3.2 Status of the Guarantee ..... 212
4. Negative Pledge ..... 212
   4.1 Issuer ..... 212
   4.2 Guarantor ..... 212
5. Redenomination ..... 213
   5.1 Redenomination ..... 213
   5.2 Definitions ..... 214
6. Interest ..... 215
   6.1 Day Count Fraction ..... 215
   6.2 Interest on Fixed Rate N&C Securities ..... 218
   6.3 Interest on Floating Rate N&C Securities and Non-Exempt Interest N&C Securities ..... 219
   6.4 Interest on Exempt N&C Securities ..... 240
   6.5 Accrual of interest ..... 240
   6.6 Payments in respect of interest on early redemption ..... 242
7. Payments ..... 242
   7.1 Payment in respect of Bearer N&C Securities ..... 242
   7.2 Payments in respect of Registered N&C Securities ..... 244
   7.3 Specific provisions in relation to payments in respect of certain types of Exempt N&C Securities ..... 245
   7.4 Method of Payment ..... 246
   7.5 CNY Currency Event ..... 248
   7.6 Non-Permitted Holders and suspension of deliveries and payments at the option of the Issuer ..... 250
8. Redemption, Purchase, Administrator/Benchmark Events and Inconvertibility Event ..... 252
   8.1 Redemption at maturity ..... 252
   8.2 Redemption for tax reasons ..... 252
   8.3 Redemption at the option of the Issuer (Issuer Call) ..... 253
   8.4 Redemption at the option of the Securityholders (Investor Put) ..... 254
   8.5 Redemption upon a Regulatory Event ..... 255
   8.6 Redemption for Illegality ..... 255
   8.7 Early Redemption Amounts ..... 256

8.8 Specific redemption provisions applicable to certain types of Exempt N&C Securities ..... 257
8.9 Purchases ..... 258
8.10 Cancellation ..... 258
8.11 Late payment on Zero Coupon N&C Securities ..... 258
8.12 Adjustment or Redemption following an Administrator/Benchmark Event ..... 258
8.13 Inconvertibility Event ..... 261
9. Taxation ..... 264
10. Prescription ..... 265
11. Events of Default and Enforcement ..... 265
12. Replacement of N&C Securities, Receipts, Coupons and Talons ..... 267
13. Agents ..... 268
13.1 Status of Agents ..... 268
13.2 Variation or termination of Appointment of Agents ..... 268
14. Calculation Agent ..... 268
14.1 Status of Calculation Agent ..... 268
14.2 Conflict of Interest ..... 270
15. Exchange of Talons ..... 271
16. Notices ..... 271
17. Meetings of Securityholders, Modification and Waiver ..... 272
18. Substitution ..... 273
18.1 Substitution of the Issuer ..... 273
18.2 Substitution of the Guarantor ..... 275
18.3 Deposit of Guarantor Substitution Documents ..... 277
18.4 Notice of Substitution ..... 277
18.5 Substituted Guarantor ..... 277
18.6 NIHK/NHI Joint Guarantee ..... 277
19. Further Issues ..... 277
20. Contracts (Rights of Third Parties) Act 1999 ..... 278
21. Governing Law and Submission to Jurisdiction ..... 278
21.1 Governing law ..... 278
21.2 Submission to jurisdiction ..... 278
21.3 Process Agent for the Issuer and the Guarantors ..... 278
22. Additional Conditions relating to Non-Exempt Interest N&C Securities and Non-Exempt Redemption N&C Securities ..... 278
22.1 Non-Exempt Interest N&C Securities ..... 278
22.2 Non-Exempt Redemption N&C Securities ..... 296

***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, and/or Annex 13 in the case of MOT N&C 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 7 October 2021 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 Citigroup Global Markets Europe AG 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 7 October 2021 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 Receiptholders 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**) or (b) a United Kingdom (**UK**) regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) nor offered in (a) the EEA or (b) in the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (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.

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 7 October 2021 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.bourse.lu). 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.bourse.lu). 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 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 N&C Security, a Physical Delivery N&C Security (**Physical Delivery N&C Securities**), a Swedish Security (**Swedish 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) or a Swap Rate Linked Interest 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 or Tranched Zero Recovery 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 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 or Swap Rate Linked Interest 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, 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 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 relevant period from (and including) the most recent Coupon Payment Date (or, if none, the Coupon Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

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, in the case of a Coupon Payment Date falling 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 period from (and including) the most recent Coupon Payment Date (or, if none, the Coupon Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

**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;

$M_1$ 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 (i) that day is the last day of February or (ii) such number would be 31, in which case $D_1$ will be 30; and

$D_2$ is the calendar day, expressed as a number, immediately following the last day included in the 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 $D_2$ 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:

$$\text{Day Count Fraction} = \left({}^{D_{CDp}}/_{252}\right)$$

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 final Coupon Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

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. 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*

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 either:

(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, **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, 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 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 TARGET2 System) specified in the applicable Final Terms;

(b) if TARGET2 System 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 (TARGET2) System (the **TARGET2 System**) 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 the TARGET2 System is open;

**London Banking Day** means any day on which commercial banks are open for general business (including 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 Non-Exempt Securities will be determined in accordance with this Condition 6.3.2. The Rate of Interest payable from time to time in respect of 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

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 Principal Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Agent or 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;

(4) if the Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the applicable Final Terms:

(i) OIS Compounding;

(ii) Compounding with Lookback;

(iii) Compounding with Observation Period Shift (and if so, Set-in-Advance is applicable if specified as such in the Final Terms); or

(iv) Compounding with Lockout; and

(5) the relevant Payment Date is the relevant Coupon Payment Date,

provided that if the 2021 Definitions apply:

(i) where '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, 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 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; and

(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.

For the purposes of this sub-paragraph 6.3.2.1, **Floating Rate**, **Floating Rate Option**, **Designated Maturity**, **Reset Date**, **Overnight Floating Rate Option**, **Overnight Rate Compounding Method**, **Compounding with Lookback**, **Compounding with Observation Period Shift**, **Compounding with Lockout**, **OIS Compounding**, **Generic Fallback Provisions**, **Permanent Cessation Fallback**, **Administrator/Benchmark Event Fallback** and **Permanent Cessation Trigger** have the meanings given to those terms in the ISDA Definitions. In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers, financial centres or other items specified in the relevant confirmation shall be deemed to be references to the numbers, financial centres or other items specified for such purpose in the applicable Final Terms.

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, 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.

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 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.

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 Rate of Interest 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 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 make any related or consequential changes the Terms and Conditions (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, 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 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.

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 or Compounded Daily €STR, 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:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i-pLBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

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 Banking 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 Banking Days in the relevant SONIA Observation Period;

***i*** means a series of whole numbers from 1 to d0, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking 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 Banking Day*** or ***LBD*** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

***$n_i$***, for any day *i*, means the number of calendar days from and including such day i up to but excluding the following London Banking Day;

***SONIA Observation Period*** means the period from and including the date falling p London Banking 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 Banking 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 Banking Days included in the **Observation Look-Back Period** specified in the applicable Final Terms;

***SONIA reference rate***, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day); and

***$SONIA_{i\text{-pLBD}}$*** 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 Banking Day i falling in the relevant Coupon Period, the SONIA reference rate for the London Banking Day falling p London Banking 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) SONIAi, where SONIAi is, in respect of any London Banking 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).

$$Compounded\ Daily\ SONIA\ rate = \left(\frac{SONIA\ Compounded\ Index_{y}}{SONIA\ Compounded\ Index_{x}} - 1\right) x \frac{365}{d}$$

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 Banking 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 Banking Days prior to the day on which the relevant Coupon Period ends (but which but 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:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-pUSBD}\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

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;

$d_0$, 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;

***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;

***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;

$SOFR_{i\text{-}pUSBD}$ 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) SOFRi, where SOFRi 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).

$$Compounded\ Daily\ SOFR\ rate\ = \left(\frac{SOFR\ Compounded\ Index_{\ y}}{SOFR\ Compounded\ Index_{\ x}} - 1\right) x \frac{365}{d}$$

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:

$$\left[\prod_{i=1}^{d_o}\left(1 + \frac{Relevant\ €STR_i \times n_i}{360}\right) - 1\right] \times \frac{360}{d}$$

*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 Observation Period;

$d_O$ is the number of TARGET2 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 Observation Period;

***€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 reference rate***, in respect of any TARGET2 Business Day, is a reference rate equal to the daily euro short term ("**€STR**") rate for such TARGET2 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 TARGET2 Business Day or if the ECB's Website is unavailable as otherwise published by or on behalf of the relevant administrator;

$€STR_{i\text{-}pTBD}$ means, in respect of any TARGET2 Business Day "i", the €STR reference rate for the TARGET2 Business Day falling "p" TARGET2 Business Days prior to the relevant TARGET2 Business Day "i";

***i*** is a series of whole numbers from one to dO, each representing the relevant TARGET2 Business Day in chronological order from, and including, the first TARGET2 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 Observation Period;

$n_i$, for any TARGET2 Business Day "i", means the number of calendar days from and including such TARGET2 Business Day "i" up to but excluding the following TARGET2 Business Day;

**Observation Look-Back Period p** is as specified in the applicable Final Terms;

**Observation Period** means the period from (and including) the day falling "p" TARGET2 Business Days prior to the first day of the relevant Coupon Period to (but excluding) the day falling "p" TARGET2 Business Days prior to 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 TARGET2 Business Days included in the **Observation Look-Back Period** specified in the applicable Final Terms;

**Relevant €STR$_i$** means, in respect of any TARGET2 Business Day "i":

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, €STRi-pTBD; or

(b) where "Shift" is specified as the Observation Method in the applicable Final Terms, €STRi-, where €STRi- is, in respect of any TARGET2 Business Day i falling in the relevant Observation Period, the €STR reference rate for such day;

**TARGET2 Business Day** means a day on which the TARGET2 System is open; and

**TBD** means a TARGET2 Business Day.

**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 Principal Agent, in the case of Floating Rate N&C Securities, and the Calculation Agent, in the case of Non-Exempt Interest N&C Securities, 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. In the case of Non-Exempt Interest N&C Securities, 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 Principal Agent, in the case of Floating Rate N&C Securities, and the Calculation Agent, in the case of Non-Exempt Interest N&C Securities, 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 Principal Agent or the Calculation Agent, as applicable, 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 Principal Agent, or the Calculation Agent, as applicable, 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 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).

**Euro 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 Euro Benchmark, then "Euro Benchmark" means the applicable Benchmark Replacement.

**Euro LIBOR Benchmark** means, initially, Euro-LIBOR of the appropriate tenor; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Euro-LIBOR, or the then-current Euro LIBOR Benchmark, then "Euro LIBOR 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 where the Relevant Benchmark is (1) USD LIBOR Benchmark, (2) Sterling LIBOR Benchmark, (3) Euro LIBOR Benchmark or (4) Euro 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 USD LIBOR Benchmark, 11:00 a.m. (London time) on the day that is two London Banking Days preceding the date of such determination;

(2) where the Relevant Benchmark is Sterling LIBOR, 11:00 a.m. (London time) on the date of such determination;

(3) where the Relevant Benchmark is Euro LIBOR Benchmark or Euro Benchmark, 11:00 am (Brussels time) on the day that is two TARGET2 Business Days preceding the date of such determination;

(4) 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;

(5) where the Relevant Benchmark is SONIA Benchmark, 9:00 a.m. (London time) on the London Banking Day immediately following the date of such determination;

(6) where the Relevant Benchmark is €STR Benchmark, 11:00 am (Brussels time) on the TARGET2 Business Day immediately following the date of such determination; and

(7) 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 LIBOR and the Specified Currency is United States Dollars, the USD LIBOR Benchmark;

(2) where the Reference Rate specified in the applicable Final Terms is LIBOR and the Specified Currency is Pounds Sterling, the Sterling LIBOR Benchmark;

(3) where the Reference Rate specified in the applicable Final Terms is LIBOR and the Specified Currency is Euro, the Euro LIBOR Benchmark;

(4) where the Reference Rate specified in the applicable Final Terms is EURIBOR, the Euro Benchmark;

(5) where the Reference Rate specified in the applicable Final Terms is Compounded Daily SOFR, the SOFR Benchmark;

(6) where the Reference Rate specified in the applicable Final Terms is Compounded Daily SONIA, the SONIA Benchmark; or

(7) where the Reference Rate specified in the applicable Final Terms is Compounded Daily €STR, the €STR Benchmark,

and the term "Relevant Benchmark" will include any related component rate, tenor or compounded index rate including without limitation, the SONIA Compounded Index and the SOFR 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:

(1) where the Relevant Benchmark is the USD LIBOR Benchmark, Compounded Daily SOFR;

(2) where the Relevant Benchmark is the Sterling LIBOR Benchmark, Compounded Daily SONIA; or

(3) where the Relevant Benchmark is the Euro LIBOR Benchmark or the Euro Benchmark, Compounded Daily €STR.

**RFR Benchmark** means where the Relevant Benchmark is (1) SOFR Benchmark, (2) SONIA Benchmark or (3) €STR Benchmark.

**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.

**Sterling LIBOR** Benchmark means, initially, Sterling-LIBOR of the appropriate tenor; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Sterling-LIBOR, or the then-current Sterling LIBOR Benchmark, then "Sterling LIBOR Benchmark" means the applicable Benchmark Replacement.

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

**USD LIBOR Benchmark** means, initially, United States dollar-LIBOR of the appropriate tenor; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to United States Dollar-LIBOR, or the then-current United States dollar LIBOR Benchmark, then "USD LIBOR Benchmark" means the applicable Benchmark Replacement.

**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 and Inflation Linked Interest 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 Coupon Payment Date immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date is a Coupon Payment Date such Coupon Payment Date or, if the Credit Event Determination Date falls prior to the first Coupon Payment Date, 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

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.

**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 calculated as follows:

(i) where the Rate of Interest applicable to the next Coupon Payment Date can be determined prior to the relevant due date for payment of the relevant Early Redemption Amount or Optional Redemption Amount (as applicable) on the basis of the Conditions, adjusted only so that the due date for early redemption is deemed to be the final Coupon Payment Date, then the amount payable shall be calculated as the amount of accrued but unpaid interest payable in respect of the Securities determined on such basis and applying the Day Count Fraction as specified in the applicable Final Terms or otherwise as the Calculation Agent determines appropriate taking into account the period elapsed since the previous Coupon Payment Date or (if none) the Issue Date; or

(ii) in all other cases, as an amount determined by the Calculation Agent as reflecting 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).

For the avoidance of doubt, no such amount in respect of the interest element of the N&C Securities shall be payable in respect of Conditional Interest N&C Securities, unless all conditions to interest being due on the next Coupon Payment Date have been met.

**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 preceding Coupon Payment Date or, as the case may be, the Coupon Commencement 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 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 TARGET2 System); and

(3) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 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 TARGET2 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** If the Issuer determines acting in good faith and in a commercially reasonable manner that a Non-Permitted Holder holds any legal or beneficial interest in an N&C Security, the Issuer may, from the time of such determination and without notice to the Non-Permitted Holder, suspend all Relevant Deliveries and Payments to the Non-Permitted Holder for so long as the Affected Period continues.

**7.6.2** During the Affected Period the Issuer may but is not required to 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 the Non-Permitted Holder. If the Issuer determines that it is so permitted, the Issuer may but is not required to liaise with the Non-Permitted Holder 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.

**7.6.3** 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 the Non-Permitted Holder, in which case:

(a) the Issuer shall have no further obligations under the N&C Securities then held by the Non-Permitted Holder and shall not be required to reimburse or otherwise account to the Non-Permitted Holder for any Relevant Deliveries and Payments;

(b) the 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 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 in respect of such N&C Securities and any Relevant Deliveries and Payments shall be extinguished and the Non-Permitted Holder shall have no further recourse to the Issuer, irrespective of whether the Non-Permitted Holder complies with its obligation to surrender the N&C Securities under this Condition 7.6.3.

**7.6.4** Notwithstanding any other provision of these Conditions, if at any time following the commencement of the Affected Period and provided the Issuer has not then cancelled the N&C Securities pursuant to Condition 7.6.3 above the Issuer has reasonable grounds to

believe that (i) due to a change in Sanctions or any other applicable law or regulation a Securityholder is no longer a Non-Permitted Holder, or (ii) the 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, the Issuer may but is not required to, and only if permitted by the Issuer Requirements:

(a) resume deliveries and payments in respect of N&C Securities then held by the Securityholder; 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 Securityholder which the Issuer determines is equal to any Relevant Deliveries and Payments not received by the Securityholder as a result of the Issuer's exercise of its rights under Condition 7.6.1, provided that the Securityholder shall not be entitled to receive any interest on or other compensation in relation to the delay in such Relevant Deliveries and Payments.

**7.6.5** 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.

For these purposes:

**Affected Period** means the period beginning on and including the date upon which the Issuer makes a determination under Condition 7.6.1 and continuing for so long as the Issuer remains of the view that there are reasonable grounds to believe the relevant holder remains a Non-Permitted Holder.

**Non-Permitted Holder** means, in relation to any Series of N&C Securities, any legal or natural person who is listed on a Sanctions List or is otherwise subject to Sanctions for any reason which is relevant for the purposes of Relevant Deliveries and Payments under the N&C Securities, whether specifically affected itself or as a result of having a relevant connection with a person who is so affected.

**OFAC** means the Office of Foreign Assets Control of the US Department of the Treasury.

**Relevant Deliveries and Payments** means all deliveries and all payments of principal, interest and any other amounts which are or would become due and payable to the Non-Permitted Holder but for the Issuer's exercise of its right to suspend such deliveries and payments under Condition 7.6.1.

**Sanctions** means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority.

**Sanctions Authority** means:

(a) the Security Council of the United Nations;

(b) the United States of America;

(c) the European Union;

(d) the United Kingdom;

(e) Japan; and

(f) the governments and institutions or agencies of any of paragraphs (a) to (e) above, including OFAC, the US Department of State, the Council of the European Union, Her 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 Her 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.

## 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, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, 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 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:

$$\text{Early Redemption Amount} = \text{RP x } (1 + \text{AY})^{y}$$

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** instruct the Calculation Agent to make such adjustments to the Conditions of the N&C Securities as the Calculation Agent may determine appropriate to account for the relevant event or circumstance, including to take into account any and all costs and expenses (including any licensing costs) associated or incurred by the Issuer and/or a Hedging Party in connection with maintaining the exposure of the N&C Securities to the Affected Benchmark, all as determined by the Calculation Agent. The Calculation Agent will give notice of such adjustments to the Issuer and the Issuer shall take such additional actions as it considers necessary to effect such adjustments; or

**8.12.2** instruct the Calculation Agent to, select a Replacement Benchmark to replace the exposure of the N&C Securities to the Affected Benchmark or, if the Calculation Agent determines a

Replacement Benchmark is not available or appropriate, replace the Affected Benchmark with a Fixed Rate and, in each case, make such other modifications to the Conditions of the N&C Securities as the Calculation Agent determines necessary or appropriate in order to account for the effect of the replacement of the Affected Benchmark with the Replacement Benchmark or Fixed Rate, including to apply any spread adjustment (which may be positive, negative or zero) or otherwise account for any and all Replacement Related Costs, and to preserve as closely as practicable the economic equivalence of the N&C Securities before as after the replacement of the Affected Benchmark with the Fixed Rate; or

**8.12.3** having given not less than 10 nor more than 30 days' notice to the Securityholders of N&C Securities in accordance with Condition 16, on expiry of such notice redeem all, but not some only, of the N&C Securities, each unit or nominal amount of N&C Securities equal to the Calculation Amount being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the Interest Period End Date, or where no Interest Period End Dates are specified in respect of the N&C Securities, the Interest Payment Date, coinciding with or immediately preceding the date of redemption.

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. The Issuer may at its option determine whether to apply any consequences for an Administrator/Benchmark Event at any relevant time and, without limitation, this may include that it is not then appropriate or that the impact of the Administrator/Benchmark Event is not then material for the N&C Securities. This will not prevent it applying consequences under this Condition in the future in relation to the occurrence of the relevant Administrator/Benchmark Event. If the Issuer decides to apply one or more consequence(s) with respect to an Administrator/Benchmark Event that has occurred pursuant to paragraph (5) of the definition of "Administrator/Benchmark Event", such consequences must not apply earlier than the effective date on which the relevant Benchmark will no longer be representative as referred to in paragraph (5) (such effective date may be the date of such announcement or another date). Neither the Issuer nor the Calculation Agent will have any duty to monitor, enquire or satisfy itself as to whether any Administrator/Benchmark Event has occurred. In determining whether an Administrator/Benchmark Event has occurred, the Calculation Agent will act in accordance with Condition 14 and it may, but is not obliged to, refer to any publicly available information and pronouncements from regulators or industry bodies. In selecting a Replacement Benchmark, if applicable, the Calculation Agent will act in a commercially reasonable manner. For the avoidance of doubt, the Issuer and/or the Calculation Agent 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 an Administrator/Benchmark Event, irrespective of the fact that such event may have occurred prior to the Issue Date.

For the avoidance of doubt, the above is additional, and without prejudice, to any other terms of the N&C Securities. In the event that under any such terms any other consequences could apply in relation to an event or occurrence the subject of an Administrator/Benchmark Event the Issuer shall determine which terms shall apply in its sole discretion acting in good faith and may consult with the Calculation Agent or any Hedging Party and may but does not have to take into account the approach to the relevant event or circumstance taken in any hedging arrangements.

For the purposes of this Condition 8.12.

**Administrator/Benchmark Event** means the Calculation Agent determines that

(1) a Benchmark Modification or Cessation Event has occurred or will occur or the level or value of a Benchmark is otherwise unavailable or cannot be used as provided for in the Conditions of the N&C Securities on any relevant day; or

(2) the Issuer or the Calculation Agent or any Hedging Party or any other entity (including any counterparty of a Hedging Party) is not, or will not be, permitted under any applicable law or regulation to use the relevant Benchmark to perform its or their respective obligations under the N&C Securities or maintain relevant hedging arrangements; or

(3) a Benchmark has been superseded or is no longer the industry standard for transactions that would previously have referenced such Benchmark, as a matter of law, regulation, market practice or based upon any official announcement of, or protocol published by, any industry body, including, without limitation, the International Swaps and Derivatives Association, Inc. (**ISDA**) and any committee sponsored by or constituted at the request of a central bank or any supervisory authority which is responsible for supervising the administrator of the Benchmark;

(4) (i) it is not commercially reasonable to continue the use of the relevant Benchmark in connection with the N&C Securities or any hedging arrangements from the perspective of the Issuer or the Calculation Agent or a Hedging Party or (ii) the Issuer or the Calculation Agent suffers or will suffer an increased cost as a result of any applicable licensing restrictions or changes in the cost of obtaining or maintaining any relevant licence (including, without limitation, where the Issuer, the Calculation Agent or any Hedging Party or any other entity is required to hold a valid licence in order to issue or perform its obligations in respect of the N&C Securities or any hedging arrangements and for any reason such licence is either not obtained, not renewed or is revoked or there is a material change in the cost of obtaining or renewing such licence); or

(5) the regulatory supervisor for the administrator and/or sponsor of a relevant Benchmark (i) 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 (ii) 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.

**Affected Benchmark** means the Benchmark the subject of or affected by the relevant Administrator/Benchmark Event.

**Benchmark** means any figure, level, rate, or value by reference to which any amount payable or deliverable under the N&C Securities, or the value of the N&C Securities, is determined in whole or in part, including, without limitation, any benchmark as defined in the Benchmarks Regulation, all as determined by the Calculation Agent.

**Benchmark Modification or Cessation Event** means, in respect of a Benchmark any of the following:

(i) the definition of, or the methodology or formula for the determination of, such Benchmark, or other means of calculating the Benchmark, is materially changed or is reasonably likely to be changed;

(ii) the provision of such Benchmark or its publication is or is reasonably likely to be permanently or indefinitely cancelled or such provision ceases or is reasonably likely to cease; or

(iii) a regulator or other official sector entity prohibits the use of such Benchmark.

**Benchmarks Regulation** means the EU Benchmarks Regulation (Regulation (EU) 2016/1011) or such Regulation as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (as that Act is amended from time to time).

**Fixed Rate** means an amount, percentage, rate or value which in the determination of the Calculation Agent it is appropriate to substitute for references to the amount, percentage, rate or value of the

Affected Benchmark in the Conditions in order to represent the fair market value of the pro rata share the Affected Benchmark represents within the N&C Securities' fair market value adjusted further to take into account Replacement Related Costs. 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 Administrator/Benchmark Event.

**hedging arrangements** has the meaning given in Condition 14.

**Hedging Party** has the meaning given in Condition 14.

**Replacement Benchmark** means, in respect of an Affected Benchmark, (1) such index, benchmark or other price source (i) as is recognised or adopted as being an appropriate replacement index, benchmark or other price source for the Affected Benchmark in the over-the-counter derivatives market or other relevant market(s) in which the Hedging Party maintains hedging arrangements (if any) in relation to the Affected Benchmark for the purposes of the N&C Securities and (ii) which reflects most closely those hedging arrangements or (2) if no relevant hedging arrangement are maintained at any time then such index, benchmark or other price source as the Calculation Agent determines to be an appropriate replacement index, benchmark or other price source for the Affected Benchmark for purposes of the relevant N&C Securities. Where the Affected Benchmark is an interest rate (howsoever described) then in making such determination the Calculation Agent shall have regard to any index, benchmark or other price source formally recommended for use by the administrator of the Affected Benchmark or any index, benchmark or other price source which is formally recommended for use by any of (a) the central bank for the currency most closely associated with the Affected Benchmark or any central bank or other supervisor which is responsible for supervising either the Affected Benchmark or the administrator of the Affected Benchmark or (b) any working group or committee officially endorsed or convened by (i) the central bank for the currency most closely associated with the Affected Benchmark, (ii) any central bank or other supervisor which is responsible for supervising either the Affected Benchmark or the administrator of the Affected Benchmark, (iii) a group of those banks or other supervisors or (iv) the Financial Stability Board provided that in each case the Calculation Agent will not be required to select any such index, benchmark or other price source if this would not reflect the hedging arrangements (if any) maintained by the Hedging Party in relation to the Affected Benchmark for purposes of the N&C Securities or would otherwise not be commercially appropriate for any reason for purposes of the N&C Securities, all as determined by the Calculation Agent.

**Replacement Related Costs** means an amount per nominal amount or unit of the N&C Securities equal to such N&C Securities' *pro rata* share of the total amount of any and all costs associated or incurred by the Issuer and/or Hedging Party in connection with replacing the Affected Benchmark with a Replacement Benchmark or Fixed Rate, including, without limitation, any costs associated with unwinding, substituting, re-establishing and/or incurring any funding costs relating to the proportion the Affected Benchmark represents of the overall N&C Securities' value and/or any costs associated with unwinding, substituting, re-establishing and/or incurring any hedging arrangements relating to the proportion the Affected Benchmark represents of the overall N&C Securities' value and/or any related licensing costs, all as determined by the Calculation Agent.

## 8.13 Inconvertibility Event

### 8.13.1 *Consequences of an Inconvertibility Event*

Unless Inconvertibility Event is specified as "Not Applicable" in the applicable Final Terms, if an Inconvertibility Event occurs at any time on or after the Trade Date, the Issuer may (at its option) instruct the Calculation Agent to make such determinations under and/or adjustments to the Conditions of the N&C Securities as the Calculation Agent may determine

appropriate to account for the Inconvertibility Event, including to take into account any and all amounts, costs and expenses associated with such Inconvertibility Event or incurred by the Issuer resulting from the Inconvertibility Event in relation to the N&C Securities (including any related hedging arrangements) (**Relevant Costs**). The Calculation Agent is permitted to make such determinations and adjustments which may include, but are not limited to:

(A) payments under the N&C Securities being made in a Relevant Currency other than that which is specified for payment in the Final Terms;

(B) deduction of an amount from payment or delivery amounts otherwise due to Securityholders under the relevant N&C Securities, to account for any increase in Relevant Costs;

(C) determination by the Calculation Agent of any relevant Settlement Rate at such time(s) as it deems appropriate by reference to such source(s) (which may include, without limitation, any related hedging arrangements) taking into consideration all available information that it deems relevant, in good faith;

(D) non-payment or non-delivery of any relevant payment or amount otherwise due under the N&C Securities and delay of such payment or delivery and, if applicable, determination of any relevant Settlement Rate until such time as the relevant Inconvertibility Event has ceased provided that, if the Inconvertibility Event continues to exist for more than 365 days (or such lesser number of days as the Calculation Agent selects as would fall immediately prior to the due date for final redemption of the N&C Securities), the provisions of paragraph (E) below shall apply; and/or

(E) regardless of whether or not the Calculation Agent has first applied the provisions of any of the above paragraphs, a determination that each N&C Security will be redeemed by the Issuer at the Early Redemption Amount, with the relevant payments in respect of such redemption being made as specified in the relevant notice provided to Securityholders.

Once determined, the Calculation Agent will give notice of any such determinations and/or adjustments to the Issuer and the Issuer shall take such additional actions as it considers necessary to effect such determinations and/or adjustments, and shall give notice to Securityholders in relation to all such determinations and/or adjustments, in accordance with N&C Securities Condition 16. The Calculation Agent may make one or more adjustments or determinations in relation to the same Inconvertibility Event and will not be limited in its ability to select any adjustment or determination it may previously have made in relation to the same or a similar Inconvertibility Event.

For the avoidance of doubt, the above provisions are additional, and without prejudice, to any other terms of the N&C Securities. In the event that other consequences could apply under any such other terms in relation to an event or occurrence which would constitute an Inconvertibility Event, the Issuer shall determine which terms shall apply in its sole discretion acting in good faith and may consult with the Calculation Agent or any Hedging Party and may (but is not obliged to) take into account the approach to the relevant event or circumstance taken under any related hedging arrangements.

**8.13.2** *Definitions*

For purposes of this Condition 8.13:

**hedging arrangements** has the meaning given in Condition 14.1.2.

**Hedging Disruption Event** means an event that renders a Hedging Party unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the foreign exchange risk (in whole or in part) incurred by the Issuer as a result of the issuance of the N&C Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**Hedging Party** has the meaning given in Condition 14.1.2.

**Inconvertibility Event** means any action, event or circumstance whatsoever as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner which from a legal, regulatory or practical perspective:

(a) has or will have the direct or indirect effect of hindering, limiting or restricting:

(i) the convertibility of any Relevant Currency into another Relevant Currency through customary legal channels;

(ii) the convertibility of a Relevant Currency into another Relevant Currency at a rate at least as favourable as the rate for domestic institutions located in a Relevant Payment Jurisdiction;

(iii) the convertibility, transfer or remittance of a Relevant Currency from accounts within a Relevant Payment Jurisdiction to another country or countries;

(iv) the ability of the Issuer to make payment in any Relevant Currency (including, without limitation, as a result of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation or exchange of one Relevant Currency into another Relevant Currency);

(v) the hedging arrangements (which may include the occurrence of a Hedging Disruption Event);

(b) results or will result in the unavailability of a Relevant Currency in the interbank foreign exchange market located in a Relevant Payment Jurisdiction through customary legal channels; and/or

(c) prohibits or prevents or will prohibit or prevent the remittance abroad of funds invested in a Relevant Payment Jurisdiction,

in each case including but not limited to, as a direct or indirect result of any force majeure events, actual, anticipated or potential imposition of any capital controls or changes in law or regulation relating to foreign investment, tax, corporate or foreign ownership in a Relevant Payment Jurisdiction, by any relevant political or regulatory authorities.

For the avoidance of doubt, an Inconvertibility Event may occur in relation to the N&C Securities on more than one occasion. Where there are multiple occurrences of an Inconvertibility Event, different Relevant Currencies may be selected in each case.

**Relevant Currency** means each currency comprised in a currency pair relevant to the N&C Securities as determined and selected by the Calculation Agent where each such currency is any of (i) a currency specified for payment in the Final Terms, (ii) the currency of denomination or trading of the N&C Securities, (iii) a currency most closely associated with any asset deliverable under the Conditions in respect of the N&C Securities, (iv) a currency most closely associated with any underlying reference asset(s) or basis(es) for the N&C Securities, (v) a currency relevant to any hedging arrangements, or (vi) United States dollars.

**Relevant Payment Jurisdiction** means each jurisdiction in which the relevant Relevant Currency is the lawful currency, as selected by the Calculation Agent.

**Settlement Rate** means, where applicable, any rate specified or used in connection with the provisions of the Conditions or the applicable Final Terms for the conversion of one Relevant Currency into another Relevant Currency.

## 9. TAXATION

All payments of principal and interest in respect of the N&C Securities, Receipts and Coupons by or on behalf of the Issuer or, if applicable in respect of Guaranteed N&C Securities, the Guarantor will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law. In such event, the Issuer or the Guarantor, as applicable (or as the case may be, the relevant Paying Agent) will make such payment after the withholding or deduction of such taxes, duties, assessments or governmental charges has been made, shall account to the relevant authorities for the amount required to be withheld or deducted and:

**9.1.1** in the case of N&C Securities which are specified as being Reference Item Linked N&C Securities in the applicable Final Terms, unless the provisions of Condition 9.1.2 are stated in the applicable Final Terms to apply to the relevant N&C Securities, the Issuer or the Guarantor, as applicable, shall not pay any additional amounts to the holders of the N&C Securities, Receipts or Coupons; and

**9.1.2** in the case of N&C Securities which are not specified as being Reference Item Linked N&C Securities in the applicable Final Terms or any Reference Item Linked N&C Securities to which the provisions of this Condition 9.1.2 are stated in the applicable Final Terms to apply, the Issuer or the Guarantor, as applicable, will, subject to certain limitations and exceptions (set forth below), pay such additional amounts as may be necessary in order that the net amounts received by the Securityholders, Receiptholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the N&C Securities, or, as the case may be, Receipts or Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any N&C Security, Receipt or Coupon:

9.1.2.1 presented for payment or in respect of which payment is requested in the Issuer's Jurisdiction or the Guarantor's Jurisdiction (as relevant);

9.1.2.2 presented for payment or in respect of which payment is requested by or on behalf of:

(i) (in the case of payments made by the Issuer, including payments made by the Issuer through a Paying Agent) a holder who is liable for such taxes or duties

in respect of such N&C Security, Receipt or Coupon by reason of their having some connection with the Issuer's Jurisdiction other than the mere holding of such N&C Security, Receipt or Coupon; or

(ii) (in the case of payments made by the Guarantor, including payments made by the Guarantor through a Paying Agent) a holder (a) who is, for tax purposes in the Guarantor's Jurisdiction or (b) who is otherwise subject to such taxes and duties by reason of having some connection with the Guarantor's Jurisdiction, other than the mere holding of such N&C Security, Receipt or Coupon; or

9.1.2.3 presented for payment or in respect of which payment is requested more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.4.3).

In addition, no such additional amounts shall be payable with respect to (i) any withholding or deduction required pursuant to Section 871(m) of the Code, and (ii) 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.

As used herein:

**Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Securityholders in accordance with Condition 16; and

**Tax Jurisdiction** means the Issuer's Jurisdiction or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or the Guarantor's Jurisdiction or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor) or, in either case, any other jurisdiction or any political subdivision or any authority thereof or therein having the power to tax to which payments made by the Issuer or the Guarantor, as the case may be, of principal or interest on the N&C Securities become generally subject.

## 10. PRESCRIPTION

The N&C Securities (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.1 or any Talon which would be void pursuant to Condition 7.1.

## 11. EVENTS OF DEFAULT AND ENFORCEMENT

If any one or more of the following events (each an **Event of Default**) shall have occurred and be continuing namely:

**11.1.1** default for 30 days in payment when due of amounts payable in respect of principal of any of the N&C Securities or in the delivery of any securities due in respect of any of the N&C Securities; or

**11.1.2** default for 30 days in payment of interest due on any of the N&C Securities;

**11.1.3** failure by the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) to observe or perform any other covenant or agreement of the Issuer or the Guarantor (in the case of Guaranteed N&C Securities), as the case may be, in the N&C Securities or the relevant Guarantee (if applicable) or any covenant or agreement for the benefit of the Securityholders in the Agency Agreement continuing, in each case for 90 days after written notice shall have been given to the Issuer and, in the case of Guaranteed N&C Securities, the Guarantor (either directly or through the Agent) by any Securityholder requesting the Issuer or the Guarantor, as the case may be, to remedy such default; or

**11.1.4** (i) any indebtedness for borrowed money other than the N&C Securities having an aggregate outstanding principal amount of at least U.S.$10,000,000 (or its equivalent in any other currency or currencies) of the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) is accelerated and becomes prematurely repayable following a default and for these purposes such an event will be deemed not to be continuing if such indebtedness has been repaid in full, or (ii) the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) defaults in the repayment of any such indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor (or in the case of such indebtedness due on demand, defaults in the payment of such indebtedness at the expiration of three business days after demand therefor or, if longer, any applicable grace period therefor) and in any such case such indebtedness is not repaid in full within 15 days following the due date or expiry of any applicable grace period or (iii) any guarantee of or indemnity of any indebtedness for borrowed money of others having a principal amount or aggregate principal amount for the time being outstanding of at least U.S.$10,000,000 (or its equivalent in any other currency or currencies) given by the Issuer or the Guarantor, as the case may be, shall not be honoured when due and called upon at the expiration of any applicable grace period or, if longer, 15 days following the date demand is made in respect of the guarantee or indemnity; or

**11.1.5** a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) bankrupt or insolvent or approving as properly filed a petition seeking reorganisation of the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) under any applicable bankruptcy, insolvency or reorganisation law of the Issuer's Jurisdiction or the Guarantor's Jurisdiction (if applicable) and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) or of all or substantially all of the property of the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) or for the winding-up or liquidation of the affairs of the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) shall have been entered under any applicable bankruptcy, insolvency or reorganisation law of the Issuer's Jurisdiction or the Guarantor's Jurisdiction (if applicable) and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or

**11.1.6** the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) shall institute proceedings to be adjudicated a voluntary bankrupt or shall consent to the filing of a bankruptcy proceeding against it or shall file a petition or answer or consent seeking moratorium of payments (in respect of the Issuer only), reorganisation or arrangement under the applicable bankruptcy or reorganisation law of the Issuer's Jurisdiction or the Guarantor's

Jurisdiction (if applicable), or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or substantially all of its property, or shall make an assignment for the benefit of its creditors or shall make any composition with its creditors or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) in furtherance of any of the aforesaid purposes; or

**11.1.7** the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) shall cease to carry on the whole or substantially the whole of its business or shall dispose of the whole or substantially the whole of its assets, in each case except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction the terms whereof have been approved by an Extraordinary Resolution of the Securityholders or except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction under which the continuing entity effectively assumes the entire obligations of the Issuer or the Guarantor (in the case of Guaranteed N&C Securities) under the N&C Securities or the relevant Guarantee, respectively; provided, however, that in the case of the Guarantor, this paragraph shall not be applicable in the event of a reorganisation of the Guarantor as or under a holding company resulting in the cessation of the whole or substantially the whole of the Guarantor's business or the disposal of the whole or substantially the whole of its assets; or

**11.1.8** in respect of Guaranteed N&C Securities only, for any reason whatsoever the Guarantee (including any Guarantee to be executed by a successor Guarantor resulting from a reorganisation referred to in paragraph 11.1.7 above) is not (or is claimed by the Guarantor not to be) in full force and effect,

then any Securityholder may, provided that the relevant Event of Default is then continuing, by written notice to the Issuer and (in the case of Guaranteed N&C Securities) the Guarantor (with a copy to the Principal Agent for information purposes only), declare such N&C Security(ies) held by the holder to be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount as described in Condition 8.7 without presentment, demand, protest or other notice of any kind, unless such Event of Default shall be cured prior to receipt of such written notice by the Issuer and, in the case of Guaranteed N&C Securities, the Guarantor.

For the purpose of paragraph 11.1.4 above, any indebtedness for borrowed money which is in a currency other than U.S. dollars shall be translated at the "spot" rate for the sale of the relevant currency against the purchase of U.S. dollars in London as quoted by a leading bank selected by the Principal Agent for this purpose on the day in London on which such premature repayment becomes due or, as the case may be, such default occurs (or, if for any reason such a rate is not available on that day, on the earliest possible date thereafter).

## 12. REPLACEMENT OF N&C SECURITIES, RECEIPTS, COUPONS AND TALONS

Should any N&C Security, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Agent (in the case of Bearer N&C Securities, Receipts or Coupons) or the Registrar (in the case of Registered N&C Securities) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced N&C Securities, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 13. AGENTS

### 13.1 Status of Agents

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

**13.1.1** there will at all times be a Principal Agent and a Registrar;

**13.1.2** so long as the N&C Securities are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer N&C Securities) and a Transfer Agent (in the case of Registered N&C Securities) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

**13.1.3** so long as any of the Global N&C Securities in registered form payable in a currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City; and

**13.1.4** there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated or is resident for tax purposes.

If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

### 13.2 Variation or termination of Appointment of Agents

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.4.2. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Securityholders promptly by the Issuer in accordance with Condition 16.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and (in the case of Guaranteed N&C Securities) the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Securityholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## 14. CALCULATION AGENT

### 14.1 Status of Calculation Agent

**14.1.1** *Determinations*

In relation to each issue of N&C Securities, the Calculation Agent (whether it be Nomura International plc or another entity) acts solely as agent of the Issuer and (in the case of Guaranteed N&C Securities) the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. All calculations and determinations made in respect of the N&C Securities by the Calculation Agent under the Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor and the Securityholders. The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

**14.1.2** *Exercise of Discretion*

In exercising its discretion under the Conditions, the Calculation Agent shall act in good faith and in a commercially reasonably manner. In doing so, the Calculation Agent may take into account such factors as it determines appropriate in each case, which may include in particular any circumstances or events which have or may have a material impact on the hedging arrangements entered into by the Issuer and/or a Hedging Party in respect of the N&C Securities. The exercise of the Calculation Agent's discretion under the Conditions are necessary because certain circumstances or events (for example a material modification or disruption to the underlying asset or reference basis to which the N&C Securities are linked) may occur subsequent to the issuance of the N&C Securities which may materially affect the costs to the Issuer and/or a Hedging Party of maintaining the relevant N&C Securities or relevant hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the N&C Securities. In addition, as a result of certain circumstances or events (e.g. unavailability or material disruption to any reference source) it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of the underlying asset or otherwise in connection with the N&C Securities to be made on this basis, and thus making it necessary for the Calculation Agent to exercise its discretion in such a case. As used herein, **Hedging Party** means the Issuer and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations under the N&C Securities from time to time. Such hedging arrangements may be carried out on a portfolio basis (i.e. where the hedging party maintains arrangements for hedging the Securities together with other obligations of the Issuer or its Affiliates). As used herein, **hedging arrangements** means the arrangements, if any, the Issuer makes to have available to it the relevant cash amounts or assets to be paid or delivered under the N&C Securities as these fall due. This may involve the Issuer and/or a Hedging Party investing directly in the underlying asset(s) or reference basis to which the N&C Securities are linked. Alternatively, the Issuer and/or a Hedging Party may make an indirect investment by entering into or acquiring a derivative contract referencing the underlying asset(s) or reference basis to which the N&C Securities are linked. The Issuer will select hedging arrangements which are efficient for it in the context of the tax, regulatory and business environment in which it operates. The Issuer and/or a Hedging Party may also adjust hedging arrangements from time to time but will not always be able to avoid adverse costs, taxes or regulatory changes which affect its hedging arrangements. For the avoidance of doubt, the Issuer is under no obligation to enter into any hedging arrangements.

**14.1.3** *Determination of amounts payable or deliverable*

The Calculation Agent will employ the methodology described in these Conditions and the applicable Final Terms to determine amounts payable or deliverable in respect of the N&C Securities, Receipts and Coupons. When making any such determination in relation to any amounts so payable or deliverable, the Calculation Agent may in its sole and absolute discretion consider any relevant information, which may but is not required to include, without limitation, one or more of the following:

14.1.3.1 quotations (either firm or indicative) supplied by one or more third parties or information sources;

14.1.3.2 information consisting of relevant market data in the relevant markets supplied by one or more third parties or information sources including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads correlation or other relevant market data in the relevant market; or

14.1.3.3 information of the types described in 14.1.3.1 or 14.1.3.2 above from internal sources (including any Affiliates of the Calculation Agent) or other information of a type used by the Calculation Agent in the regular course of its business or in connection with similar transactions.

The Calculation Agent's determination in the application of such methodology or of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent under the N&C Securities shall be final, conclusive and binding on the Issuer, the Guarantor and the Securityholders except in the case of manifest error.

Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under the N&C Securities including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion.

**14.1.4** *Modifications*

Without prejudice to the provisions of Conditions 14.1.2, 14.1.3 or 17 or any Technical Annex, the Calculation Agent shall be free to modify the methodology described in these Conditions from time to time as it, acting in good faith and in a commercially reasonable manner, 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. Any modification made by the Calculation Agent pursuant to this Condition 14.1.4 shall be notified to Holders by the Calculation Agent in accordance with Condition 16 below.

**14.1.5** *Disclaimer of liability*

The Calculation Agent makes no express or implied representations or warranties as to (i) the advisability of investing in or obtaining exposure to the N&C Securities, (ii) the value of the N&C Securities at any particular time on any particular date, or (iii) any amounts that may become payable or deliverable in respect of the N&C Securities. The Calculation Agent shall not act as agent or trustee for the Securityholders.

Without limiting any of the foregoing, in no event shall the Calculation Agent have any liability (whether in negligence or otherwise) to any Securityholders for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages.

**14.2 Conflict of Interest**

In addition to providing calculation agency services to the Issuer, the Calculation Agent or any of its Affiliates may perform further or alternative roles relating to the Issuer, the Guarantor and any Tranche of N&C Securities including, but not limited to, for example, being involved in arrangements relating to any of the underlying reference assets or bases (for example as a calculation agent or, in the case of a proprietary index for example, as index sponsor). Furthermore, the Calculation Agent or any of its Affiliates may contract with the Issuer or the Guarantor and/or enter into transactions which relate to

the Issuer, the Guarantor, the N&C Securities or any of the underlying reference assets or bases and as a result the Calculation Agent may face a conflict between its obligations as Calculation Agent and its and/or its Affiliates' interests in other capacities. Subject to all regulatory obligations, none of the Issuer, the Guarantor or the Calculation Agent in respect of the N&C Securities shall owe any duty or responsibility to any Securityholder to avoid any conflict or to act in the interests of any Securityholder.

## 15. EXCHANGE OF TALONS

On and after the Coupon Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the N&C Security to which it appertains) a further Talon, subject to the provisions of Condition 10.

## 16. NOTICES

All notices regarding the Bearer N&C Securities will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer N&C Securities are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered N&C Securities will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Registered N&C Securities are for the time being listed or by which they have been admitted to trading.

Until such time as any definitive N&C Securities are issued, there may, so long as any Global N&C Securities representing the N&C Securities are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the N&C Securities. Any such notice shall be deemed to have been given to the holders of the N&C Securities on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Securityholder shall be in writing and given by lodging the same, together (in the case of any N&C Security in definitive form) with the relative N&C Security or N&C Securities, with the Principal Agent (in the case of Bearer N&C Securities) or the Registrar (in the case of Registered N&C Securities). Whilst any of the N&C Securities are represented by a Global N&C Security, such notice may be given by any holder of a N&C Security to the Principal Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

All notices given pursuant to this Condition 16 in respect of N&C Securities that are admitted to trading on the Luxembourg Stock Exchange, shall also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

## 17. MEETINGS OF SECURITYHOLDERS, MODIFICATION AND WAIVER

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the N&C Securities, the Receipts, the Coupons, the Guarantee, the Deed of Covenant or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor and shall be convened by the Issuer if required in writing by Securityholders holding not less than 10 per cent. in nominal amount or number of units of the N&C Securities for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in nominal amount or number of units of the N&C Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Securityholders whatever the nominal amount or number of units of the N&C Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the N&C Securities, the Receipts, the Coupons, the Guarantee or the Deed of Covenant (including modifying the date of maturity of the N&C Securities or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the N&C Securities or altering the currency of payment of the N&C Securities, the Receipts or the Coupons, and as more fully described in the Agency Agreement), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount or number of units of the N&C Securities for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount or number of units of the N&C Securities for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the N&C Securities for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the N&C Securities for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Securityholders. An Extraordinary Resolution passed by the Securityholders will be binding on all the Securityholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Receiptholders and Couponholders. For the purposes of the provisions for convening meetings of the Securityholders, any N&C Securities which are for the time being held by or for the benefit of the Issuer or (in the case of Guaranteed N&C Securities) the Guarantor or any of their Affiliates shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

The Principal Agent and the Issuer may agree, without the consent of the Securityholders, Receiptholders or Couponholders, to:

**17.1.1** any modification of the N&C Securities, the Receipts, the Coupons, any applicable Guarantee, the Deed of Covenant or the Agency Agreement which in the sole opinion of the Issuer is not materially prejudicial to the interests of the Securityholders; or

**17.1.2** any modification of the N&C Securities, the Receipts, the Coupons, any applicable Guarantee, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Securityholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Securityholders in accordance with Condition 16 as soon as reasonably practicable thereafter, provided that failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

## 18. SUBSTITUTION

### 18.1 Substitution of the Issuer

**18.1.1** *Conditions precedent to Substitution of the Issuer*

The Issuer may, without the consent of the Securityholders, be replaced and substituted by the Substituted Obligor (as defined below) in respect of the N&C Securities provided that:

18.1.1.1 a deed poll (the **Deed Poll**) and such other documents (if any) shall be executed by the Substituted Obligor and the Guarantor (in the case of Guaranteed N&C Securities) as may be necessary to give full effect to the substitution (together with the Deed Poll, the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Obligor shall undertake in favour of each Securityholder to be bound by these Conditions (as amended in the manner provided in paragraph 18.1.2 below) and the provisions of the Agency Agreement and the Deed of Covenant as fully as if the Substituted Obligor had been named in the N&C Securities, the Agency Agreement and the Deed of Covenant as the principal obligor in respect of the N&C Securities in place of the Issuer (or any previous Substituted Obligor) and pursuant to which the Guarantor (in the case of Guaranteed N&C Securities) shall unconditionally and irrevocably guarantee in favour of each Securityholder the payment of principal, interest and all other amounts payable or deliverable in respect of such Guaranteed N&C Securities of the Substituted Obligor as such principal obligor;

18.1.1.2 the Documents shall contain a warranty and representation by:

(1) the Substituted Obligor:

(A) that it has obtained all necessary corporate, governmental and regulatory approvals and consents for such substitution and for the performance by it of its obligations under the Documents and that all such approvals and consents are in full force and effect; and

(B) that the obligations assumed by it under the Documents are all legal, valid and binding in accordance with their respective terms; and

(2) the Guarantor (in respect of N&C Securities guaranteed by it and the guarantee given by it pursuant to the Deed Poll):

(A) that the Guarantor has obtained all necessary corporate, governmental and regulatory approvals and consents for the giving of such guarantee and the performance by the Guarantor of its obligations under the Documents and that all such approvals and consents are in full force and effect; and

(B) that the obligations assumed by the Guarantor under the Documents and the guarantee are all legal, valid and binding in accordance with their respective terms;

18.1.1.3 each (if any) stock exchange, competent listing authority and/or quotation system which has the N&C Securities listed thereon shall have confirmed that following the proposed substitution of the Substituted Obligor the N&C Securities would continue to be listed, quoted and/or traded on such stock exchange, competent listing authority and/or quotation system;

18.1.1.4 the Issuer and the Substituted Obligor, as the case may be, shall have delivered to the Principal Agent for its safekeeping or procured the delivery to the Principal Agent for its safekeeping of a legal opinion addressed to the Dealers from a reputable firm of lawyers in England and Wales acting for the Issuer, to the effect that the Documents constitute legal, valid and binding obligations of the Issuer and the Substituted Obligor under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Principal Agent;

18.1.1.5 the Substituted Obligor shall have delivered to the Principal Agent for its safekeeping or procured the delivery to the Principal Agent for its safekeeping of a legal opinion addressed to the Dealers from a reputable firm of lawyers from the jurisdiction of the Substituted Obligor (the **Substituted Obligor's Jurisdiction**) acting for the Substituted Obligor, to the effect that the Substituted Obligor has the capacity and authority to enter into the Documents under the laws of the Substituted Obligor's Jurisdiction and, where the Substituted Obligor's Jurisdiction is other than England, that the Documents constitute legal, valid and binding obligations of the relevant Substituted Obligor under such laws, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Principal Agent;

18.1.1.6 in the case of Guaranteed N&C Securities, the Guarantor shall have delivered to the Principal Agent for its safekeeping or procured the delivery to the Principal Agent for its safekeeping of a legal opinion addressed to the Dealers from a reputable firm of lawyers in England and Wales acting for the Guarantor, to the effect that the Documents (including the guarantee given by the Guarantor in respect of the Substituted Obligor) constitute legal, valid and binding obligations of the Guarantor, under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Principal Agent;

18.1.1.7 in the case of Guaranteed N&C Securities, the Guarantor shall have delivered to the Principal Agent for its safekeeping or procured the delivery to the Principal Agent for its safekeeping of a legal opinion addressed to the Dealers from a reputable firm of lawyers from the Guarantor's Jurisdiction acting for the Guarantor to the effect that the Guarantor has the capacity and authority to enter into the Documents (including the guarantee given by the Guarantor in respect of the Substituted Obligor) under the laws of the Guarantor's Jurisdiction and, that the Documents constitute legal, valid and binding obligations of the Guarantor, under the laws of the Guarantor's Jurisdiction, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Principal Agent; and

18.1.1.8 there is no outstanding Event of Default in respect of the N&C Securities.

**18.1.2** *Assumption by Substituted Obligor*

Upon the execution of the Documents as referred to in paragraph 18.1.1 above, the Substituted Obligor shall be deemed to be named in the N&C Securities as the principal obligor in place of the Issuer (or of any previous Substituted Obligor) and the N&C Securities shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer (or such previous Substituted Obligor) from all of its obligations as principal obligor in respect of the N&C Securities.

**18.1.3** *Deposit of Documents*

The Documents shall be deposited with and held by the Principal Agent for so long as any N&C Security remains outstanding and for so long as any claim made against the Substituted Obligor or, in the case of Guaranteed N&C Securities, the Guarantor by any Securityholder in relation to the N&C Securities or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Obligor and, in the case of Guaranteed N&C Securities, the Guarantor, shall acknowledge in the Documents the right of every Securityholder to the production of the Documents for the enforcement of any of the N&C Securities or the Documents.

**18.1.4** *Notice of Substitution*

Not later than 15 days after the execution of the Documents, the Substituted Obligor shall give notice thereof to the Securityholders in accordance with Condition 16.

**18.1.5** *Substituted Obligor*

**Substituted Obligor** means any company which is 100 per cent. directly or indirectly owned by Nomura Holdings, Inc.

**18.2 Substitution of the Guarantor**

**18.2.1** *Conditions precedent to Substitution of a Guarantor*

In respect of Guaranteed N&C Securities, a Guarantor may, without the consent of the Securityholders, be replaced and substituted by a Substituted Guarantor (as defined below) in respect of the N&C Securities it guarantees provided that:

18.2.1.1 such substitution shall only occur pursuant to a reorganisation of or within the group of companies consisting of Nomura Holdings, Inc. and its consolidated subsidiaries;

18.2.1.2 such documents shall be executed by the Substituted Guarantor as may be necessary to give full effect to the substitution (the **Guarantor Substitution Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Guarantor shall undertake in favour of each Securityholder to be bound by these Conditions (as amended in the manner provided in paragraph 18.2.2 below) and the provisions of the Agency Agreement as fully as if the Substituted Guarantor had been named in the N&C Securities and the Agency Agreement as the guarantor in respect of such N&C Securities in place of the Guarantor (or any previous Substituted Guarantor);

18.2.1.3 the Guarantor Substitution Documents shall contain a warranty and representation by the Substituted Guarantor:

(1) that it has obtained all necessary corporate, governmental and regulatory approvals and consents for such substitution and for the performance by it of its obligations under, the Guarantor Substitution Documents and that all such approvals and consents are in full force and effect; and

(2) that the obligations assumed by it under the Guarantor Substitution Documents are all legal, valid and binding in accordance with their respective terms;

18.2.1.4 each (if any) stock exchange, competent listing authority and/or quotation system which has such N&C Securities listed thereon shall have confirmed that following the proposed substitution of the Substituted Guarantor such N&C Securities would continue to be listed, quoted and/or traded on such stock exchange, competent listing authority and/or quotation system;

18.2.1.5 the Guarantor and the Substituted Guarantor, as the case may be, shall have delivered to the Principal Agent for its safekeeping or procured the delivery to the Principal Agent for its safekeeping of legal opinions addressed to the Dealers from:

(1) a reputable firm of lawyers in England and Wales acting for the Guarantor, to the effect that the Guarantor Substitution Documents constitute legal, valid and binding obligations of the Guarantor and the Substituted Guarantor under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Guarantor for the Guarantor and to be available for inspection by Securityholders at the specified office of the Principal Agent;

(2) a reputable firm of lawyers from the Guarantor's Jurisdiction acting for the Guarantor, to the effect that the Guarantor has the capacity and authority to enter into the Guarantor Substitution Documents under the laws of the Guarantor's Jurisdiction and that the Guarantor Substitution Documents constitute legal, valid and binding obligations of the Guarantor under the laws of the Guarantor's Jurisdiction, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Guarantor for the Guarantor and to be available for inspection by Securityholders at the specified office of the Principal Agent; and

(3) a legal opinion from a reputable firm of lawyers from the jurisdiction of the Substituted Guarantor (the **Substituted Guarantor's Jurisdiction**) acting for the Substituted Guarantor, to the effect that the Substituted Guarantor has the capacity and authority to enter into the Guarantor Substitution Documents under the laws of the Substituted Guarantor's Jurisdiction and, where the Substituted Guarantor's Jurisdiction is other than England, that the Guarantor Substitution Documents constitute legal, valid and binding obligations of the Substituted Guarantor under the relevant law, such opinion to be dated not more than seven days prior to the date of

substitution of the Substituted Guarantor for the Guarantor and to be available for inspection by Securityholders at the specified office of the Principal Agent; and

18.2.1.6 there is no outstanding Event of Default in respect of the N&C Securities.

**18.2.2** *Assumption by Substituted Guarantor*

Upon the execution of the Guarantor Substitution Documents as referred to in paragraph 18.1.1 above, the Substituted Guarantor shall be deemed to be named in the N&C Securities as the guarantor for such N&C Securities in place of the Guarantor (or of any previous Substituted Guarantor) and the N&C Securities shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Guarantor Substitution Documents shall operate to release the Guarantor as guarantor (or such previous Substituted Guarantor) from all of its obligations as guarantor in respect of the N&C Securities.

**18.3 Deposit of Guarantor Substitution Documents**

The Guarantor Substitution Documents shall be deposited with and held by the Principal Agent for so long as any N&C Security remains outstanding and for so long as any claim made against the Substituted Guarantor by any Securityholder in relation to the N&C Securities or the Guarantor Substitution Documents shall not have been finally adjudicated, settled or discharged. The Substituted Guarantor shall acknowledge in the Guarantor Substitution Documents the right of every Securityholder to the production of the Guarantor Substitution Documents for the enforcement of any of the N&C Securities or the Guarantor Substitution Documents.

**18.4 Notice of Substitution**

Not later than 15 days after the execution of the Guarantor Substitution Documents, the Substituted Guarantor shall give notice thereof to the Securityholders in accordance with Condition 16.

**18.5 Substituted Guarantor**

**Substituted Guarantor** means any company which is either the ultimate parent company of the Issuer or a company with the same ultimate parent company as the Issuer, save that in the latter case such Substituted Guarantor shall have a credit rating at least equal to that of the Guarantor as at the date of substitution.

**18.6 NIHK/NHI Joint Guarantee**

In the case of any Guaranteed N&C Securities to which the NIHK/NHI Joint Guarantee applies, this Condition 18 will apply only to the NHI Guarantor. The NIHK Guarantor may not be substituted under this Condition 18.

**19. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Securityholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the N&C Securities or the same in all respects save for the issue date, the issue price, as the case may be, the amount and date of the first payment of interest thereon the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding N&C Securities.

## 20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this N&C Security under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 21. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 21.1 Governing law

The Agency Agreement, the Guarantee, the Deed of Covenant, the N&C Securities, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Deed of Covenant, the N&C Securities, the Receipts and the Coupons, are governed by and shall be construed in accordance with English law.

### 21.2 Submission to jurisdiction

**21.2.1** Subject to Condition 21.2.3 below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the N&C Securities, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the N&C Securities, the Receipts and/or the Coupons (a **Dispute**) and all Disputes will be submitted to the exclusive jurisdiction of the English courts.

**21.2.2** For the purposes of the Condition 21.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

**21.2.3** This Condition 21.2.3 is for the benefit of the Securityholders, the Receiptholders and the Couponholders only. To the extent allowed by law, the Securityholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### 21.3 Process Agent for the Issuer and the Guarantors

The Issuer and each Guarantor irrevocably appoints Nomura International plc at its registered office at 1 Angel Lane, London EC4R 3AB as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Nomura International plc being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for the service of process in respect of any Dispute. The Issuer and each Guarantor agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

## 22. ADDITIONAL CONDITIONS RELATING TO NON-EXEMPT INTEREST N&C SECURITIES AND NON-EXEMPT REDEMPTION N&C SECURITIES

Notwithstanding anything to the contrary in this Condition 22, the provisions set out below may be applied to Exempt N&C Securities if so specified in the applicable Pricing Supplement.

### 22.1 Non-Exempt Interest N&C Securities

Condition 22.1.1 below applies to Non-Exempt Interest N&C Securities specified in the applicable Final Terms as Fixed FX Interest N&C Securities.

Condition 22.1.2 below applies to Non-Exempt Interest N&C Securities specified in the applicable Final Terms as Equity Basket Conditional Interest N&C Securities.

Condition 22.1.3 below applies to Non-Exempt Interest N&C Securities specified in the applicable Final Terms as Index Basket Conditional Interest N&C Securities.

Condition 22.1.4 below applies to Non-Exempt Interest N&C Securities specified in the applicable Final Terms as Multi-Rate Interest N&C Securities.

Condition 22.1.5 below applies to Non-Exempt Interest N&C Securities specified in the applicable Final Terms as Range Accrual Interest N&C Securities.

Condition 22.1.6 below applies to Non-Exempt Interest N&C Securities specified in the applicable Final Terms as Dual Range Accrual Interest N&C Securities.

Condition 22.1.7 below applies to Non-Exempt Interest N&C Securities specified in the applicable Final Terms as Leveraged Inflation Interest N&C Securities.

Condition 22.1.8 below applies to Non-Exempt Interest N&C Securities specified in the applicable Final Terms as Swap Rate Linked Interest N&C Securities.

**22.1.1 Fixed FX Interest N&C Securities**

*This Condition 22.1.1 applies to N&C Securities specified in the applicable Final Terms as Fixed FX Interest N&C Securities. Interest payments for Fixed FX Interest N&C Securities are calculated by reference to a specified currency or a basket of currencies as further described below.*

*If the N&C Securities are Fixed FX Interest N&C Securities, the Additional Terms and Conditions contained in Annex 3 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.1.1.*

*The applicable Final Terms also contains provisions applicable to Fixed FX Interest N&C Securities, including the determination of the Rate of Interest thereon, and must be read in conjunction with this Condition 22.1.1 for full information on Fixed FX Interest N&C Securities. In particular, the applicable Final Terms will identify the Base Rate of Interest, the Consequences of a Disruption Event, any Currency Pair, the Disruption Events, each FX Price Source, the Maximum Days of Disruption, the Price Materiality Percentage, the Primary Rate, the Secondary Rate, the Settlement Currency, each Specified Financial Centre, the Valuation Date and the Valuation Time.*

The interest payable in respect of the N&C Securities will be an amount in the Settlement Currency.

The Rate of Interest for each Coupon Period shall be a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) in the case of a Fixed FX Interest N&C Security specified as a Currency 2 Fixed Rate N&C Security in the applicable Final Terms, the Base Rate of Interest multiplied by the relevant Settlement Rate, calculated by the Calculation Agent as of the relevant Valuation Date; or

(b) in the case of a Fixed FX Interest N&C Security specified as a Currency 1 Fixed Rate N&C Security in the applicable Final Terms, the Base Rate of Interest divided by the relevant Settlement Rate, calculated by the Calculation Agent as of the relevant Valuation Date.

Where:

**Currency Pair** means each currency pair (if any) specified as such in the applicable Final Terms.

**Base Rate of Interest** means the rate specified as such in the applicable Final Terms.

**FX Price Source** means, in respect of a Settlement Rate Option, the source specified as such in the applicable Final Terms for the Specified Currency/Settlement Currency or, as applicable, a Currency Pair.

**Reference Exchange Rate** means the spot exchange rate for the Specified Currency quoted against the Settlement Currency expressed as the number of units of the Specified Currency quoted per one unit of the Settlement Currency.

**Relevant Currency** means each of the Specified Currency and the Settlement Currency.

**Settlement Rate** means the Reference Exchange Rate on the relevant Valuation Date at the Valuation Time as determined by the Calculation Agent by reference to the Settlement Rate Option (and such determination may be made, without limitation, with such adjustments as are, at the discretion of the Calculation Agent, necessary to the published quoting conventions and/or implying the Reference Exchange Rate from more than one Settlement Rate Option) unless a Disruption Event exists or occurs, in which case, the Settlement Rate will be determined by the Calculation Agent in accordance with FX Linked Condition 3.

**Settlement Rate Option** means the rate published for the Specified Currency/Settlement Currency fixing rate on the FX Price Source at or about the Valuation Time on the relevant Valuation Date or, if the Reference Exchange Rate is to be implied from more than one Settlement Rate Option, the rate, for each Currency Pair, published for the Currency Pair fixing rate on the FX Price Source at or about the Valuation Time on the Valuation Date.

### 22.1.2 Equity Basket Conditional Interest N&C Securities

*This Condition 22.1.2 applies to N&C Securities specified in the applicable Final Terms as Equity Basket Conditional Interest N&C Securities. Interest payments for Equity Basket Conditional Interest N&C Securities are calculated by reference to a specified share or a basket of shares as further described below.*

*If the N&C Securities are Equity Basket Conditional Interest N&C Securities, the Additional Terms and Conditions contained in Annex 2 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.1.2.*

*The applicable Final Terms also contains provisions applicable to Equity Basket Conditional Interest N&C Securities, including the determination of the Rate of Interest thereon, and must be read in conjunction with this Condition 22.1.2 for full information on Equity Basket Conditional Interest N&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events, the Base Rate of Interest, the Conditional Coupon Barrier Level, the Disruption Cut-Off Date, each Equity Currency, the Exchanges, Exchange Business Days, the Floor Rate of Interest, the Initial Valuation Date, each Observation Date, the Related Exchanges, the Share Basket, Scheduled Trading Days, the Valuation Dates and the Valuation Time and whether Options Exchange Adjustment and Share Substitution apply.*

The Rate of Interest for a Coupon Payment Date shall be a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) if no Conditional Coupon Barrier Event has occurred on the Observation Date immediately preceding such Coupon Payment Date, the Base Rate of Interest; or

(b) if a Conditional Coupon Barrier Event has occurred on the Observation Date immediately preceding such Coupon Payment Date, the Floor Rate of Interest.

All Equity Basket Conditional Interest N&C Securities are Conditional Interest N&C Securities.

Where:

**Base Rate of Interest** means the percentage specified as such in the applicable Final Terms.

**Conditional Coupon Barrier Event** means the Coupon Reference Performance in respect of any Share on an Observation Date is equal to or less than the Conditional Coupon Barrier Level in respect of such Observation Date.

**Conditional Coupon Barrier Level** means, in respect of an Observation Date, the percentage specified as such in the applicable Final Terms.

**Coupon Reference Performance** means, in respect of an Observation Date and a Share, a percentage determined by the Calculation Agent equal to the Reference Performance of such Share in respect of such Observation Date.

**Floor Rate of Interest** means the percentage specified as such in the applicable Final Terms and which, for the avoidance of doubt, may be zero.

$_i$ means a Share.

$_o$ means an Observation Date.

**Observation Price** means, in respect of an Observation Date and a Share and subject as provided in Equity Linked Condition 1 (*Consequences of Disrupted Days*), an amount equal to the Closing Price of such Share on such Observation Date.

**Reference Performance** means, in respect of an Observation Date and a Share, a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Observation Price}_{i,o}}{\text{Strike Price}_i}$$

### 22.1.3 Index Basket Conditional Interest N&C Securities

*This Condition 22.1.3 applies to N&C Securities specified in the applicable Final Terms as Index Basket Conditional Interest N&C Securities. Interest payments for Index Basket Conditional Interest N&C Securities are calculated by reference to a specified index or a basket of indices as further described below. If the N&C Securities are Index Basket Conditional Interest N&C Securities, the Additional Terms and Conditions contained in Annex 1 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.1.3.*

*The applicable Final Terms also contains provisions applicable to Index Basket Conditional Interest N&C Securities, including the determination of the Rate of Interest there, and must be read in conjunction with this Condition 22.1.3 for full information on Index Basket Conditional Interest N&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events, the Base Rate of Interest, the Conditional Coupon Barrier Level, the Disruption Cut-Off Date, the Exchanges, Exchange Business Days, the Floor Rate of Interest, the Index Basket, each Index Currency, each Index Sponsor, the Initial Valuation Date, each Observation Date, the Related Exchanges, Scheduled Trading Days, the Valuation Dates and the Valuation Time.*

The Rate of Interest for a Coupon Payment Date shall be a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) if no Conditional Coupon Barrier Event has occurred on the Observation Date immediately preceding such Coupon Payment Date, the Base Rate of Interest; or

(b) if a Conditional Coupon Barrier Event has occurred on the Observation Date immediately preceding such Coupon Payment Date, the Floor Rate of Interest.

All Index Basket Conditional Interest N&C Securities are Conditional Interest N&C Securities.

Where:

**Base Rate of Interest** means the percentage specified as such in the applicable Final Terms.

**Conditional Coupon Barrier Event** means the Coupon Reference Performance in respect of any Index on an Observation Date is equal to or less than the Conditional Coupon Barrier Level in respect of such Observation Date.

**Conditional Coupon Barrier Level** means, in respect of an Observation Date, the percentage specified as such in the applicable Final Terms.

**Coupon Reference Performance** means, in respect of an Observation Date and an Index, a percentage determined by the Calculation Agent equal to the Reference Performance of such Index in respect of such Observation Date.

**Floor Rate of Interest** means the rate specified as such in the applicable Final Terms and which, for the avoidance of doubt, may be zero.

**Observation Level** means, in respect of an Observation Date and an Index and subject as provided in Equity Linked Condition 1 (*Consequences of Disrupted Days*), an amount equal to the Closing Level of such Index on such Observation Date.

$_i$ means an Index.

$_o$ means an Observation Date.

**Reference Performance** means, in respect of an Observation Date and an Index, a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Observation Level}_{i,o}}{\text{Strike Level}_i}$$

### 22.1.4 Multi-Rate Interest N&C Securities

*This Condition 22.1.4 applies to N&C Securities specified in the applicable Final Terms as Multi-Rate Interest N&C Securities. The interest payable in respect of Multi-Rate Interest N&C Securities is calculated by reference to a number of underlying benchmark interest rates as further described below.*

*The applicable Final Terms contains provisions applicable to Multi-Rate Interest N&C Securities, including the determination of the Rate of Interest thereon, and must be read in conjunction with this Condition 22.1.4 for full information on Multi-Rate Interest N&C Securities. In particular, the applicable Final Terms will identify the Cap, each Designated Maturity, each First Rate Amount, each First Rate Cap, each First Rate Floor, each Floating Rate Option, the Floor, each relevant Reset Date, each Second Rate Amount, each Second Rate Cap, each Second Rate Floor and each Third Rate.*

The Rate of Interest for each Coupon Period shall be a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) the Cap; or, if lesser

(b) (i) the Floor or, if greater, (ii) the Rates Performance in respect of such Coupon Period.

Where:

**Cap** means the percentage specified as such in the applicable Final Terms.

**Designated Maturity** is as specified in the applicable Final Terms.

**First Rate** means, in respect of a Coupon Period, the rate that would be determined for that Coupon Period pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the First Rate, the Floating Rate Option for the First Rate, the Designated Maturity for the First Rate and the Reset Date for the First Rate were to apply and were ISDA Determination to be applicable provided that:

(i) if a First Rate Cap is specified in respect of the relevant Coupon Period and the rate so calculated is greater than the relevant First Rate Cap, the First Rate shall be the First Rate Cap; and

(ii) if a First Rate Floor is specified in respect of the relevant Coupon Period and the rate so calculated is less than the relevant First Rate Floor, the First Rate shall be the First Rate Floor.

**First Rate Amount** means, in respect of a Coupon Period, the number specified as such (which may be positive or negative) for such Coupon Period in the applicable Final Terms.

**First Rate Cap** means, in respect of a Coupon Period, the rate specified as such (which may be positive or negative) for such Coupon Period in the applicable Final Terms.

**First Rate Floor** means, in respect of a Coupon Period, the rate specified as such (which may be positive or negative) for such Coupon Period in the applicable Final Terms.

**Floating Rate Option** is as specified in the applicable Final Terms.

**Floor** means the percentage specified as such in the applicable Final Terms.

**Rates Performance** means, in respect of a Coupon Period, a rate expressed as a percentage calculated by the Calculation Agent equal to the sum of:

(a) the product of (i) the First Rate Amount and (ii) the First Rate, in each case in respect of such Coupon Period;

(b) the product of (i) the Second Rate Amount and (ii) the Second Rate, in each case in respect of such Coupon Period; and

(c) the Third Rate in respect of such Coupon Period.

**Reset Date** is as specified in the applicable Final Terms.

**Second Rate** means, in respect of a Coupon Period, the rate that would be determined for that Coupon Period pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the Second Rate, the Floating Rate

Option for the Second Rate, the Designated Maturity for the Second Rate and the Reset Date for the Second Rate were to apply and were ISDA Determination to be applicable, provided that:

(i) if a Second Rate Cap is specified in respect of the relevant Coupon Period and the rate so calculated is greater than the relevant Second Rate Cap, the Second Rate shall be the Second Rate Cap; and

(ii) if a Second Rate Floor is specified in respect of the relevant Coupon Period and the rate so calculated is less than the relevant Second Rate Floor, the Second Rate shall be the Second Rate Floor.

**Second Rate Amount** means, in respect of a Coupon Period, the number (which may be positive or negative) specified as such for such Coupon Period in the applicable Final Terms.

**Second Rate Cap** means, in respect of a Coupon Period, the rate specified as such (which may be positive or negative) for such Coupon Period in the applicable Final Terms.

**Second Rate Floor** means, in respect of a Coupon Period, the rate specified as such (which may be positive or negative) for such Coupon Period in the applicable Final Terms.

**Third Rate** means, in respect of a Coupon Period, the rate specified as such for such Coupon Period in the applicable Final Terms.

### 22.1.5 Range Accrual Interest N&C Securities

*This Condition 22.1.5 applies to N&C Securities specified in the applicable Final Terms as Range Accrual Interest N&C Securities. The interest payable in respect of Range Accrual Interest N&C Securities is calculated by reference to a number of underlying benchmark interest rates as further described below.*

*The applicable Final Terms contains provisions applicable to Range Accrual Interest N&C Securities, including the determination of the Rate of Interest thereon, and must be read in conjunction with this Condition 22.1.5 for full information on Range Accrual Interest N&C Securities. In particular, the applicable Final Terms will identify each Designated Maturity, each First Rate Amount, each Floating Rate Option, each Rate Determination Centre, the Rate Observation Date (if any), any Rate of Interest Cap, the Rate of Interest Floor, Rates Performance Cap, the Rates Performance Floor, each relevant Reset Date, each Second Rate Amount and each Third Rate.*

The Rate of Interest for each Coupon Period shall be a rate expressed as a percentage (which will not be greater than the Rate of Interest Cap (if any) or less than the Rate of Interest Floor but will otherwise be calculated by the Calculation Agent as equal to the product of (a) and (b) below:

(a) the lesser of (i) and (ii) below:

  (i) the Rates Performance Cap; or

  (ii) the greater of (x) the Rates Performance Floor and (y) the Rates Performance in respect of such Coupon Period; and

(b) the Range Day Accrual Rate in respect of such Coupon Period.

Where:

**Designated Maturity** is as specified in the applicable Final Terms.

**Dual Rate 1** means, in respect of any day, the rate that would be determined for that day pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to Dual Rate 1, the Floating Rate Option for Dual Rate 1, the Designated Maturity for Dual Rate 1 and the Reset Date for Dual Rate 1 were to apply and were ISDA Determination to be applicable.

**Dual Rate 2** means, in respect of any day, the rate that would be determined for that day pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to Dual Rate 2, the Floating Rate Option for Dual Rate 2, the Designated Maturity for Dual Rate 2 and the Reset Date for Dual Rate 2 were to apply and were ISDA Determination to be applicable.

**First Rate** means, in respect of a Coupon Period, the rate that would be determined for that Coupon Period pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the First Rate, the Floating Rate Option for the First Rate, the Designated Maturity for the First Rate and the Reset Date for the First Rate were to apply and were ISDA Determination to be applicable.

**First Rate Amount** means, in respect of a Coupon Period, the number (which may be positive or negative) specified as such for such Coupon Period in the applicable Final Terms.

**Floating Rate Option** is as specified in the applicable Final Terms.

**Lower Barrier** means the percentage specified as such in the applicable Final Terms.

**Range Day Accrual Rate** means, in respect of a Coupon Period:

(a) if Single Rate Observation Date is specified as "Applicable" in the applicable Final Terms:

(i) if on the relevant Rate Observation Date the Range Day Rate is equal to or greater than the Lower Barrier and equal to or less than the Upper Barrier, then 1; and

(ii) if on the relevant Rate Observation Date the Range Day Rate is lower than the Lower Barrier or greater than the Upper Barrier, then zero,

provided that, in each case, if the Rate Observation Date is not a Rate Determination Date, the Range Day Rate used for these purposes shall be the Range Day Rate in respect of the Rate Determination Date immediately preceding such Rate Observation Date.

(b) if Single Rate Observation Date is specified as "Not Applicable" in the applicable Final Terms, a rate expressed as a percentage calculated by the Calculation Agent equal to the quotient of (a) the Range Day Numerator (as numerator) and (b) the Range Day Denominator (as denominator), in each case in respect of such Coupon Period.

**Range Day Denominator** means, in respect of a Coupon Period:

(a) if "Calendar days" is specified in respect of the Range Day Denominator in the applicable Final Terms, the total number of calendar days in such Coupon Period; or

(b) if "Business Days" is specified in respect of the Range Day Denominator in the applicable Final Terms, the total number of Business Days in such Coupon Period.

**Range Day Numerator** means, in respect of a Coupon Period:

(a) if "Calendar days" is specified in respect of the Range Day Numerator in the applicable Final Terms, the total number of calendar days in such Coupon Period in respect of which the Range Day Rate is equal to or greater than the Lower Barrier and equal to or less than the Upper Barrier; or

(b) if "Business Days" is specified in respect of the Range Day Numerator in the applicable Final Terms, the total number of Business Days in such Coupon Period in respect of which the Range Day Rate is equal to or greater than the Lower Barrier and equal to or less than the Upper Barrier,

For the purposes of the determination of the Range Day Numerator, the Range Day Rate for any day from and including the day the Rate Cut-off Date in respect of the relevant Coupon Period shall be the Range Day Rate in respect of the relevant Rate Cut-off Date.

**Range Day Rate** means:

(a) if Single Rate Determination is specified in the applicable Final Terms:

(i) in respect of a day that is a Rate Determination Date, the rate that would be determined for that day pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the Range Day Rate, the Floating Rate Option for the Range Day Rate, the Designated Maturity for the Range Day Rate and the Reset Date for the Range Day Rate were to apply and were ISDA Determination to be applicable; and

(ii) in respect of a day that is not a Rate Determination Date, the Range Day Rate in respect of the Rate Determination Date immediately preceding such day; or

(b) if Dual Rate Determination is specified in the applicable Final Terms:

(i) in respect of a day that is a Rate Determination Date, a rate calculated as follows:

Range Day Rate = Dual Rate 1 minus Dual Rate 2; and

(ii) in respect of a day that is not a Rate Determination Date, the Range Day Rate in respect of the Rate Determination Date immediately preceding such day.

**Rate Cut-off Date** means, in respect of a Coupon Period, the date falling the number of days specified in the applicable Final Terms prior to the Coupon Payment Date (determined without taking into account any business day adjustment) for such Coupon Period.

**Rate Determination Centre** is as specified in the applicable Final Terms.

**Rate Determination Date** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Rate Determination Centre specified in the applicable Final Terms or, if the specified Rate Determination Centre is TARGET2, a day on which the TARGET2 System is open.

**Rate Observation Date** means, in respect of a Coupon Period, the date specified in respect of such Coupon Period in the applicable Final Terms.

**Rate of Interest Cap** means the percentage specified as such in the applicable Final Terms.

**Rate of Interest Floor** means the percentage specified as such in the applicable Final Terms or if no such percentage is so specified, zero.

**Rates Performance** means, in respect of a Coupon Period, a rate expressed as a percentage calculated by the Calculation Agent equal to the sum of:

(a) the product of (i) the First Rate Amount and (ii) the First Rate, in each case in respect of such Coupon Period;

(b) the product of (i) the Second Rate Amount and (ii) the Second Rate, in each case in respect of such Coupon Period; and

(c) the Third Rate in respect of such Coupon Period.

**Rates Performance Cap** means the percentage specified as such in the applicable Final Terms.

**Rates Performance Floor** means the percentage specified as such in the applicable Final Terms.

**Reset Date** is as specified in the applicable Final Terms.

**Second Rate** means, in respect of a Coupon Period, the rate that would be determined for that Coupon Period pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the Second Rate, the Floating Rate Option for the Second Rate, the Designated Maturity for the Second Rate and the Reset Date for the Second Rate were to apply and were ISDA Determination to be applicable.

**Second Rate Amount** means, in respect of a Coupon Period, the number (which may be positive or negative) specified as such for such Coupon Period in the applicable Final Terms.

**Third Rate** means, in respect of a Coupon Period, the rate specified as such for such Coupon Period in the applicable Final Terms.

**Upper Barrier** means the percentage specified as such in the applicable Final Terms.

### 22.1.6 Dual Range Accrual Interest N&C Securities

*This Condition 22.1.6 applies to N&C Securities specified in the applicable Final Terms as Dual Range Accrual Interest N&C Securities. The interest payable in respect of Dual Range Accrual Interest N&C Securities is calculated by reference to a number of underlying benchmark interest rates as further described below.*

*The applicable Final Terms contains provisions applicable to Dual Range Accrual Interest N&C Securities, including the determination of the Rate of Interest thereon, and must be read in conjunction with this Condition 22.1.6 for full information on Dual Range Accrual Interest N&C Securities. In particular, the applicable Final Terms will identify each Designated Maturity, each First Rate Amount, each Floating Rate Option, each Rate Determination Centre, the Rate Observation Date (if any), any Rate of Interest Cap, the Rate of Interest Floor, the Rates Performance Cap, the Rates Performance Floor, each relevant Reset Date, each Second Rate Amount and each Third Rate.*

*The Rate of Interest for each Coupon Period shall be a rate expressed as a percentage which will not be greater than the Rate of Interest Cap (if any) or less than the Rate of Interest Floor but will otherwise be calculated by the Calculation Agent as equal to the product of (a) and (b) below:*

(a) the lesser of (i) and (ii) below:

(i) the Rates Performance Cap; or

(ii) the greater of (x) the Rates Performance Floor and (y) the Rates Performance in respect of such Coupon Period; and

(b) the Range Day Accrual Rate in respect of such Coupon Period.

Where:

**Designated Maturity** is as specified in the applicable Final Terms.

**Dual Rate 1** means, in respect of any day and a Range Day Rate, the rate that would be determined for that day pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to Dual Rate 1 in respect of the relevant Range Day Rate, the Floating Rate Option, the Designated Maturity and the Reset Date, in each case as specified in respect of Dual Rate 1 for such Range Day Rate were to apply and were ISDA Determination to be applicable.

**Dual Rate 2** means, in respect of any day and a Range Day Rate, the rate that would be determined for that day pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to Dual Rate 2 in respect of the relevant Range Day Rate, the Floating Rate Option, the Designated Maturity and the Reset Date, in each case as specified in respect of Dual Rate 2 for such Range Day Rate were to apply and were ISDA Determination to be applicable.

**First Rate** means, in respect of a Coupon Period, the rate that would be determined for that Coupon Period pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the First Rate, the Floating Rate Option for the First Rate, the Designated Maturity for the First Rate and the Reset Date for the First Rate were to apply and were ISDA Determination to be applicable.

**First Rate Amount** means, in respect of a Coupon Period, the number (which may be positive or negative) specified as such for such Coupon Period in the applicable Final Terms.

**Floating Rate Option** is as specified in the applicable Final Terms.

**Lower Barrier** means, in respect of a Range Day Rate, the percentage specified as such in respect of such Range Day Rate in the applicable Final Terms.

**Range Day Accrual Rate** means, in respect of a Coupon Period:

(a) if Single Rate Observation Date is specified as "Applicable" in the applicable Final Terms:

(i) if on the relevant Rate Observation Date both:

(A) Range Day Rate 1 is equal to or greater than its Lower Barrier and equal to or less than its Upper Barrier; and

(B) Range Day Rate 2 is equal to or greater than its Lower Barrier and equal to or less than its Upper Barrier,

then 1; and

(ii) if on the relevant Rate Observation Date either or both of the following conditions is met:

(A) Range Day Rate 1 is less than its Lower Barrier or greater than its Upper Barrier; or

(B) Range Day Rate 2 is less than its Lower Barrier or greater than its Upper Barrier,

then zero,

provided that, in each case, if the Rate Observation Date is not a Rate Determination Date, each Range Day Rate used for these purposes shall be the respective Range Day Rate in respect of the Rate Determination Date immediately preceding such Rate Observation Date.

(b) if Single Rate Observation Date is specified as "Not Applicable" in the applicable Final Terms, a rate expressed as a percentage calculated by the Calculation Agent equal to the quotient of (a) the Range Day Numerator (as numerator) and (b) the Range Day Denominator (as denominator), in each case in respect of such Coupon Period.

**Range Day Denominator** means, in respect of a Coupon Period:

(a) if "Calendar days" is specified in respect of the Range Day Denominator in the applicable Final Terms, the total number of calendar days in such Coupon Period; or

(b) if "Business Days" is specified in respect of the Range Day Denominator in the applicable Final Terms, the total number of Business Days in such Coupon Period.

**Range Day Numerator** means, in respect of a Coupon Period:

(a) if "Calendar days" is specified in respect of the Range Day Numerator in the applicable Final Terms, the total number of calendar days in such Coupon Period in respect of which both:

(i) Range Day Rate 1 is equal to or greater than its Lower Barrier and equal to or less than its Upper Barrier; and

(ii) Range Day Rate 2 is equal to or greater than its Lower Barrier and equal to or less than its Upper Barrier.

(b) if "Business Days" is specified in respect of the Range Day Numerator in the applicable Final Terms, the total number of Business Days in such Coupon Period in respect of which both:

(i) Range Day Rate 1 is equal to or greater than its Lower Barrier and equal to or less than its Upper Barrier; and

(ii) Range Day Rate 2 is equal to or greater than its Lower Barrier and equal to or less than its Upper Barrier.

For the purposes of the determination of the Range Day Numerator, a Range Day Rate for any day from and including the Rate Cut-off Date in respect of the relevant Coupon Period shall be Range Day Rate 1 or Range Day Rate 2 (as applicable) in respect of the relevant Rate Cut-off Date

**Range Day Rate** means either Range Day Rate 1 or Range Day Rate 2.

**Range Day Rate 1** means:

(a) if Single Rate Determination is specified in the applicable Final Terms:

(i) in respect of a day that is a Rate Determination Date, the rate that would be determined for that day pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to Range Day Rate 1, the Floating Rate Option for Range Day Rate 1, the Designated Maturity for Range Day Rate 1 and the Reset Date for Range Day Rate 1 were to apply and were ISDA Determination to be applicable; and

(ii) in respect of a day that is not a Rate Determination Date, Range Day Rate 1 in respect of the Rate Determination Date immediately preceding such day; or

(b) if Dual Rate Determination is specified in the applicable Final Terms:

(i) in respect of a day that is a Rate Determination Date, a rate calculated as follows:

Range Day Rate 1 = Dual Rate 1 *minus* Dual Rate 2; and

(ii) in respect of a day that is not a Rate Determination Date, Range Day Rate 1 in respect of the Rate Determination Date immediately preceding such day.

**Range Day Rate 2** means:

(a) if Single Rate Determination is specified in respect of Range Day Rate 2 in the applicable Final Terms:

(i) in respect of a day that is a Rate Determination Date, the rate that would be determined for that day pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to Range Day Rate 2, the Floating Rate Option for Range Day Rate 2, the Designated Maturity for Range Day Rate 2 and the Reset Date for Range Day Rate 2 were to apply and were ISDA Determination to be applicable; and

(ii) in respect of a day that is not a Rate Determination Date, Range Day Rate 2 in respect of the Rate Determination Date immediately preceding such day; or

(b) if Dual Rate Determination is specified in respect of Range Day Rate 2 in the applicable Final Terms:

(i) in respect of a day that is a Rate Determination Date, a rate calculated as follows:

Range Day Rate 2 = Dual Rate 1 *minus* Dual Rate 2; and

(ii) in respect of a day that is not a Rate Determination Date, Range Day Rate 2 in respect of the Rate Determination Date immediately preceding such day.

**Rate Cut-off Date** means, in respect of a Coupon Period, the date falling the number of days specified in the applicable Final Terms prior to the Coupon Payment Date (determined without taking into account any business day adjustment) for such Coupon Period.

**Rate Determination Centre** is as specified in the applicable Final Terms.

**Rate Determination Date** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Rate Determination Centre specified in the applicable Final Terms or, if the specified Rate Determination Centre is TARGET2, a day on which the TARGET2 System is open.

**Rate Observation Date** means, in respect of a Coupon Period, the date specified in respect of such Coupon Period in the applicable Final Terms.

**Rate of Interest Cap** means the percentage specified as such in the applicable Final Terms.

**Rate of Interest Floor** means the percentage specified as such in the applicable Final Terms or if no such percentage is so specified, zero.

**Rates Performance** means, in respect of a Coupon Period, a rate expressed as a percentage calculated by the Calculation Agent equal to the sum of:

(a) the product of (i) the First Rate Amount and (ii) the First Rate, in each case in respect of such Coupon Period;

(b) the product of (i) the Second Rate Amount and (ii) the Second Rate, in each case in respect of such Coupon Period; and

(c) the Third Rate in respect of such Coupon Period.

**Rates Performance Cap** means the percentage specified as such in the applicable Final Terms.

**Rates Performance Floor** means the percentage specified as such in the applicable Final Terms.

**Reset Date** is as specified in the applicable Final Terms.

**Second Rate** means, in respect of a Coupon Period, the rate that would be determined for that Coupon Period pursuant to Condition 6.3.2 if references therein to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the Second Rate, the Floating Rate Option for the Second Rate, the Designated Maturity for the Second Rate and the Reset Date for the Second Rate were to apply and were ISDA Determination to be applicable.

**Second Rate Amount** means, in respect of a Coupon Period, the number (which may be positive or negative) specified as such for such Coupon Period in the applicable Final Terms.

**Third Rate** means, in respect of a Coupon Period, the rate specified as such for such Coupon Period in the applicable Final Terms.

**Upper Barrier** means, in respect of a Range Date Rate, the percentage specified as such in respect of such Range Day Rate in the applicable Final Terms.

### 22.1.7 Leveraged Inflation Interest N&C Securities

*This Condition 22.1.7 applies to N&C Securities specified in the applicable Final Terms as Leveraged Inflation Interest N&C Securities. The interest payable in respect of Leveraged Inflation Interest N&C Securities is calculated by reference to the level of an inflation index as further described below.*

*If the N&C Securities are Leveraged Inflation Interest N&C Securities, the Additional Terms and Conditions contained in Annex 6 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.1.7.*

*The applicable Final Terms also contains provisions applicable to Leveraged Inflation Interest N&C Securities, including the determination of the Rate of Interest thereon, and must be read in conjunction with this Condition 22.1.7 for full information on Leveraged Inflation Interest N&C Securities. In particular, the applicable Final Terms will identify the Base Rate of Interest, the Cap, the Floor, the Index and Index Sponsor, the Index Description, the Leverage, the Related Bond (if any), the Strike,*

*the Number of Calendar Months (Initial Index Level) and the Number of Calendar Months (Reference Index Level) and whether Acceleration upon Rebasing of Index, Fallback Bond, Linear Interpolation Related Bond and Related Bond Redemption Event applies.*

The Rate of Interest for each Coupon Period shall be a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to the sum of:

(a) the Base Rate of Interest; and

(b) (i) the Cap; or, if less

(ii) (x) the Floor or, if greater, (y) the Leveraged Index Performance in respect of such Coupon Period.

Where:

**Base Rate of Interest** means the percentage specified as such in the applicable Final Terms.

**Cap** means the percentage specified as such in the applicable Final Terms.

**Final Index Level** means, in respect of a Coupon Period:

(a) if "Linear Interpolation" is specified as "Applicable" in the applicable Final Terms, a level calculated by the Calculation Agent in accordance with the following formula:

$$IL_{m-\mathrm{x}} + \frac{(nbd_{final}\ )-1}{ND_m} \text{ x } (IL_{m-\mathrm{y}} - IL_{m-\mathrm{x}})$$

Where:

**x** means the number specified in the applicable Final Terms;

**y** means the number specified in the applicable Final Terms;

**$IL_{m-x}$** means, in respect of a Coupon Period, the Index Level for the calendar month that is x months prior to the month in which the Coupon Accrual Date for such Coupon Period is scheduled to fall;

**$IL_{m-y}$** means, in respect of a Coupon Period, the Index Level for the calendar month that is y months prior to the month in which the Coupon Payment Date for such Coupon Period is scheduled to fall;

**$nbd_{final}$** means, in respect of a Coupon Period, the actual number of calendar days in the period from and including the first day of the month in which the Coupon Accrual Date for such Coupon Period is scheduled to fall to and including such Coupon Accrual Date; and

**$ND_m$** means, in respect of a Coupon Period, the number of calendar days in the month in which the Coupon Accrual Date for such Coupon Period is scheduled to fall.

For the purposes of the Inflation Linked Conditions, each of:

(i) the month in respect of which the relevant Index Level referred to in the definition of $IL_{m-x}$ is determined; and

(ii) the month in respect of which the relevant Index Level referred to in the definition of $IL_{m-y}$ is determined,

shall be deemed to be the relevant Reference Month for the purposes of determining $IL_{m-x}$ and $IL_{m-y}$ respectively. For the avoidance of doubt, each Index Level required to be determined for the purposes of determining each of $IL_{m-x}$ and $IL_{m-y}$ will be a Relevant Level for the purposes of the Inflation Linked Conditions.

(b) if "Linear Interpolation" is specified as "Not Applicable" in the applicable Final Terms, the Index Level for the relevant Reference Month for such Coupon Period.

**Floor** means the percentage specified as such in the applicable Final Terms.

**Index Level** means, in respect of any month, and subject to the provisions of Inflation Linked Condition 1.3 and unless otherwise provided in Inflation Linked Condition 3 in relation to the relevant Index, the first publication or announcement of a level of the Index for such month.

**Index Performance** means, in respect of a Coupon Period, a rate expressed as a percentage calculated by the Calculation Agent equal to the quotient of (a) (i) the Final Index Level in respect of such Coupon Period minus (ii) the Initial Index Level in respect of such Coupon Period (as numerator) and (b) the Initial Index Level in respect of such Coupon Period (as denominator).

**Initial Index Level** means, in respect of a Coupon Period the Index Level for the calendar month falling the Number of Calendar Months (Initial Index Level) prior to the calendar month in which the first day of such Coupon Period falls.

**Leverage** means the percentage specified as such in the applicable Final Terms.

**Leveraged Index Performance** means, in respect of a Coupon Period, a rate expressed as a percentage calculated by the Calculation Agent equal to the product of (a) the Leverage and (b) (i) the Index Performance in respect of such Coupon Period minus (ii) the Strike.

**Number of Calendar Months (Initial Index Level)** means the number of calendar months specified as such in the applicable Final Terms.

**Number of Calendar Months (Reference Index Level)** means the number of calendar months specified as such in the applicable Final Terms.

**Reference Month** means, in respect of a Coupon Period and subject as provided in the definition of Final Index Level above, the calendar month falling the Number of Calendar Months (Reference Index Level) prior to the calendar month in which the Coupon Accrual Date in respect of such Coupon Period falls.

**Strike** means the percentage specified as such in the applicable Final Terms.

### 22.1.8 Swap Rate Linked Interest N&C Securities

*This Condition 22.1.8 applies to N&C Securities specified in the applicable Final Terms as Swap Rate Linked Interest N&C Securities. The interest payable in respect of Swap Rate Linked Interest N&C Securities is calculated by reference to a number of underlying benchmark swap rates as further described below.*

*The applicable Final Terms contains provisions applicable to Swap Rate Linked Interest N&C Securities, including the determination of the Rate of Interest thereon, and must be read in conjunction with this Condition 22.1.8 for full information on Swap Rate Linked Interest N&C Securities. In particular, the applicable Final Terms will identify each Designated Maturity, each First Swap Rate, each First Swap Rate Cap, each First Swap Rate Floor, each Floating Rate Option, the value of each applicable leverage factor ($LF_1$ and $LF_2$), each Rate Performance Multiplier, each Rate Deduction*

*Factor, each Reference Swap Rate, each relevant Reset Date, each Second Swap Rate, each Second Swap Rate Cap, each Second Swap Rate Floor and each Single Swap Rate.*

Subject to any Maximum Rate of Interest or Minimum Rate of Interest specified in the applicable Final Terms, the Rate of Interest for each Coupon Period shall be a rate expressed as a percentage calculated by the Calculation Agent which is equal to either:

(a) if Single Swap Rate Determination is specified in respect of the relevant Coupon Period in the applicable Final Terms, the relevant Single Swap Rate specified in respect of such Coupon Period;

(b) if Dual Swap Rate Determination is specified in respect of the relevant Coupon Period in the applicable Final Terms, the Swap Rate Performance for such Coupon Period; or

(c) if Dual Swap Rate Outperformance Determination is specified in respect of the relevant Coupon Period in the applicable Final Terms, the Outperformance Rate for such Coupon Period.

Where:

References to a numbered Coupon Period (e.g. First Coupon Period or Coupon Period 1) in the applicable Final Terms are references to the Coupon Period occurring in that order under the N&C Securities (e.g. in the above example, the first Coupon Period to occur).

**Designated Maturity** means, in respect of a Swap Rate and a Coupon Period, the designated maturity specified in respect of such Swap Rate and such Coupon Period in the applicable Final Terms.

**First Swap Rate** means, in respect of a Coupon Period for which Dual Swap Rate Determination or Dual Swap Rate Outperformance Determination applies, the rate determined for the relevant Reference Swap Rate as if it was a Rate of Interest to be determined for such Coupon Period by reference to Condition 6.3.2 and as if references in Condition 6.3.2 to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the First Swap Rate, each of the Floating Rate Option, the Designated Maturity and the Reset Date for the First Swap Rate were to apply and as if ISDA Determination was applicable, provided that, (i) if the rate so determined is greater than the First Swap Rate Cap (if any) for such Coupon Period, the First Swap Rate will be equal to the First Swap Rate Cap and (ii) if the rate so determined is less than the First Swap Rate Floor (if any) for such Coupon Period, the First Swap Rate will be equal to the First Swap Rate Floor.

**First Swap Rate Cap** means, in respect of a Coupon Period for which Dual Swap Rate Determination or Dual Swap Rate Outperformance Determination applies, the percentage (if any) specified as such in the applicable Final Terms.

**First Swap Rate Floor** means, in respect of a Coupon Period for which Dual Swap Rate Determination or Dual Swap Rate Outperformance Determination applies, the percentage (if any) specified as such in the applicable Final Terms.

**Floating Rate Option** means, in respect of a Swap Rate and a Coupon Period, the floating rate option specified in respect of such Swap Rate and such Coupon Period in the applicable Final Terms.

**Outperformance Rate** means, in respect of a Coupon Period, a rate expressed as a percentage calculated by the Calculation Agent as follows:

Outperformance Rate = RPM x [FSR - SSR - RDF]

Where:

**FSR** means the relevant First Swap Rate for such Coupon Period;

**RPM** means the Rate Performance Multiplier, being, in respect of a Coupon Period, the percentage specified as such in the applicable Final Terms;

**RDF** means the Rate Deduction Factor being, in respect of a Coupon Period, the percentage or number specified as such in the applicable Final Terms; and

**SSR** means the relevant Second Swap Rate for such Coupon Period.

**Reference Swap Rate** means, in respect of a Swap Rate and a Coupon Period, the reference swap rate specified in respect of such Swap Rate and such Coupon Period in the applicable Final Terms.

**Reset Date** means, in respect of a Swap Rate and a Coupon Period, the reset date specified in respect of such Swap Rate and such Coupon Period in the applicable Final Terms.

**Second Swap Rate** means, in respect of a Coupon Period for which Dual Swap Rate Determination or Dual Swap Rate Outperformance Determination applies, the rate determined for the relevant Reference Swap Rate as if it was a Rate of Interest to be determined for such Coupon Period by reference to Condition 6.3.2 and as if references in Condition 6.3.2 to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the Second Swap Rate, each of the Floating Rate Option, the Designated Maturity and the Reset Date for the Second Swap Rate were to apply and as if ISDA Determination was applicable, provided that, (i) if the rate so determined is greater than the Second Swap Rate Cap (if any) for such Coupon Period, the Second Swap Rate will be equal to the Second Swap Rate Cap and (ii) if the rate so determined is less than the Second Swap Rate Floor (if any) for such Coupon Period, the Second Swap Rate will be equal to the Second Swap Rate Floor.

**Second Swap Rate Cap** means, in respect of a Coupon Period for which Dual Swap Rate Determination or Dual Swap Rate Outperformance Determination applies, the percentage (if any) specified as such in the applicable Final Terms.

**Second Swap Rate Floor** means, in respect of a Coupon Period for which Dual Swap Rate Determination or Dual Swap Rate Outperformance Determination applies, the percentage (if any) specified as such in the applicable Final Terms.

**Single Swap Rate** means, in respect of a Coupon Period for which Single Swap Rate Determination applies, the rate determined for the relevant Reference Swap Rate as if it was a Rate of Interest to be determined for such Coupon Period by reference to Condition 6.3.2 and as if references in Condition 6.3.2 to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the Single Swap Rate, each of the Floating Rate Option, the Designated Maturity and the Reset Date for the Single Swap Rate were to apply and as if ISDA Determination was applicable.

**Swap Rate** means any Single Swap Rate, First Swap Rate or Second Swap Rate.

**Swap Rate Performance** means, in respect of a Coupon Period, a rate expressed as a percentage calculated by the Calculation Agent as follows:

Swap Rate Performance = RPM x [FSR + $LF_1$ x SSR + $LF_2$ x RDF]

Where:

**FSR** means the relevant First Swap Rate for such Coupon Period;

**$LF_1$** means the applicable leverage factor for such Coupon Period, being the number specified as such in the applicable Final Terms;

**$LF_2$** means the applicable leverage factor for such Coupon Period, being the number specified as such in the applicable Final Terms;

**RPM** means the Rate Performance Multiplier, being, in respect of a Coupon Period, the percentage specified as such in the applicable Final Terms;

**RDF** means the Rate Deduction Factor being, in respect of a Coupon Period, the percentage specified as such in the applicable Final Terms; and

**SSR** means the relevant Second Swap Rate for such Coupon Period.

## 22.2 Non-Exempt Redemption N&C Securities

Condition 22.2.1 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as FX Redemption N&C Securities.

Condition 22.2.2 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Equity Basket Knock-In N&C Securities.

Condition 22.2.3 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Equity Basket Barrier Knock-In N&C Securities.

Condition 22.2.4 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Equity Basket Bonus Barrier Knock-In N&C Securities.

Condition 22.2.5 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Index Basket Knock-In N&C Securities.

Condition 22.2.6 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Index Basket Barrier Knock-In N&C Securities.

Condition 22.2.7 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Index Basket Bonus Barrier Knock-In N&C Securities.

Condition 22.2.8 below applies to applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Equity Basket Autocall N&C Securities.

Condition 22.2.9 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Index Basket Autocall N&C Securities.

Condition 22.2.10 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Zero Recovery Basket Credit Linked N&C Securities.

Condition 22.2.11 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Equity Delta One Redemption N&C Securities.

Condition 22.2.12 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Fixed Denomination FX Redemption N&C Securities.

Condition 22.2.13 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Reverse Convertible Swap Rate Redemption N&C Securities.

Condition 22.2.14 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Geared Put Swap Rate Redemption N&C Securities.

Condition 22.2.15 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Zero Recovery Single Name Credit Linked N&C Securities.

Condition 22.2.16 below applies to Non-Exempt Redemption N&C Securities specified in the applicable Final Terms as Tranched Zero Recovery Credit Linked N&C Securities.

**22.2.1 FX Redemption N&C Securities**

*This Condition 22.2.1 applies to N&C Securities specified in the applicable Final Terms as FX Redemption N&C Securities. The Final Redemption Amount for FX Redemption N&C Securities is calculated by reference to a specified currency or a basket of currencies as further described below.*

*If the N&C Securities are FX Redemption N&C Securities, the Additional Terms and Conditions contained in Annex 3 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.1.*

*The applicable Final Terms also contains provisions applicable to FX Redemption N&C Securities, including the determination of the Final Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.1 for full information on FX Redemption N&C Securities. In particular, the applicable Final Terms will identify each Alternate Currency Pair, the Consequences of a Disruption Event, each Currency Pair, the Disruption Events, each First Relevant Currency, the Floor, each FX Price Source, the Leverage, the Maximum Days of Disruption, the Price Materiality Percentage, the Primary Rate, each Second Relevant Currency, the Secondary Rate, the Settlement Currency, each Specified Financial Centre, each Strike Rate, the Valuation Date, the Valuation Time and w, X, Y and Z.*

The Final Redemption Amount in respect of each nominal amount of N&C Securities equal to the Calculation Amount shall be an amount in the Settlement Currency (which, when the Floor is zero, will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to the Calculation Amount multiplied by the greater of (i) the Floor and (ii) a percentage calculated by the Calculation Agent in accordance with the following formula:

$$\text{Leverage x Max} \left[ 0, \sum_{i=1}^{n} w_i \text{ x } \frac{X_i - Y_i}{Z_i} \right]$$

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate. The Final Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards.

Where:

**Alternate Currency Pair** means, in respect of a Currency Pair, each currency pair specified as such in the applicable Final Terms.

**Currency Pair** means each currency pair specified as such in the applicable Final Terms.

**Exchange Rate** means the spot rate of exchange between the currency in which the Calculation Amount is denominated (the **Calculation Amount Currency**) and the Settlement Currency (expressed as the number of units (or part units) of the relevant Calculation Amount Currency for

which one unit of the relevant Settlement Currency can be exchanged) or on the basis of such other applicable market convention as the Calculation Agent determines appropriate.

**First Relevant Currency** means, in respect of a Currency Pair, the Relevant Currency specified as such in the applicable Final Terms.

**FX Price Source** means, in respect of a Currency Pair or an Alternate Currency Pair, the source specified as such for such Currency Pair or Alternate Currency Pair, as applicable, in the applicable Final Terms.

**i** means each Currency Pair.

**Leverage** means an amount which may be greater than or less than 100 per cent., as specified in the applicable Final Terms.

**Max** followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a comma inside those brackets.

**n** means the number of Currency Pairs to which the N&C Securities relate.

**Reference Exchange Rate** means, in respect of a Currency Pair, the spot exchange rate for the First Relevant Currency quoted against the Second Relevant Currency expressed as the number of units of the First Relevant Currency quoted per one unit of the Second Relevant Currency.

**Relevant Currency** means each currency comprising a Currency Pair and any references to the conversion of one Relevant Currency to another shall be construed as applying in relation to a Currency Pair.

**Second Relevant Currency** means, in respect of a Currency Pair, the Relevant Currency specified as such in the applicable Final Terms.

**Settlement Rate** means, in respect of a Currency Pair, the Reference Exchange Rate for that Currency Pair on the Valuation Date at the Valuation Time as determined by the Calculation Agent by reference to the Settlement Rate Option for that Currency Pair (and such determination may be made, without limitation, with such adjustments as are, at the discretion of the Calculation Agent, necessary to the published quoting conventions and/or implying the Reference Exchange Rate from more than one Settlement Rate Option) unless a Disruption Event exists or occurs, in which case, the Settlement Rate for that Currency Pair will be determined by the Calculation Agent in accordance with FX Linked Condition 3.

**Settlement Rate Option** means, in respect of a Currency Pair, the rate published for the Currency Pair fixing rate on the FX Price Source for that Currency Pair at or about the Valuation Time on the Valuation Date or, if Alternate Currency Pairs are specified for the relevant Currency Pair, the Reference Exchange Rate will be implied from more than one Settlement Rate Option by determining the rate for each Alternate Currency Pair for that Currency Pair, published for the Alternate Currency Pair fixing rate on the FX Price Source for that Alternate Currency Pair at or about the Valuation Time on the relevant Valuation Date.

**Strike Rate** means**,** in respect of a Currency Pair, the rate specified as such in the applicable Final Terms in relation to such Currency Pair.

$\mathbf{w_i}$ means, in respect of a Currency $Pair_i$, the weighting of such Currency Pair (being a number less than or equal to 1) as specified in the applicable Final Terms in relation to such Currency Pair.

**$X_i$** means, in respect of a Currency $Pair_i$, either (i) the Strike Rate in respect of such Currency Pair, or (ii) the Settlement Rate in respect of such Currency Pair, in each case as specified in the applicable Final Terms in respect of such Currency Pair.

**$Y_i$** means, in respect of a Currency $Pair_i$, either (i) the Strike Rate in respect of such Currency Pair, or (ii) the Settlement Rate in respect of such Currency Pair, in each case as specified in the applicable Final Terms in respect of such Currency Pair.

**$Z_i$** means, in respect of a Currency $Pair_i$, either (i) the Strike Rate in respect of such Currency Pair, (ii) the Settlement Rate in respect of such Currency Pair or (iii) 1, in each case as specified in the applicable Final Terms in respect of such Currency Pair.

### 22.2.2 Equity Basket Knock-In N&C Securities

*This Condition 22.2.2 applies to N&C Securities specified in the applicable Final Terms as Equity Basket Knock-In N&C Securities. The Final Redemption Amount of Equity Basket Knock-In N&C Securities will be determined by reference to a specified share or a basket of shares as further described below.*

*If the N&C Securities are Equity Basket Knock-In N&C Securities, the Additional Terms and Conditions contained in Annex 2 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.2.*

*The applicable Final Terms also contains provisions applicable to Equity Basket Knock-In N&C Securities, including the determination of the Final Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.2 for full information on Equity Basket Knock-In N&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events, the Disruption Cut-Off Date, each Equity Currency, the Exchanges, Exchange Business Days, the Final Valuation Date, the Initial Valuation Date, the Knock-In Percentage, the Related Exchanges, the Share Basket, Scheduled Trading Days, the Valuation Dates and the Valuation Time and whether Options Exchange Adjustment and Share Substitution apply.*

The Final Redemption Amount in respect of each nominal amount of N&C Securities equal to the Calculation Amount shall be an amount in the Specified Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) if no Knock-In Event has occurred, the Calculation Amount; or

(b) if a Knock-In Event has occurred, the product of (x) the Calculation Amount and (y) the Final Reference Performance.

Where:

**Final Reference Performance** means a percentage determined by the Calculation Agent equal to the Reference Performance of the Share with the lowest Reference Performance.

**Final Price** means, in respect of a Share and subject as provided in Equity Linked Condition 1 (*Consequences of Disrupted Days*), an amount equal to the Closing Price of such Share on the Final Valuation Date.

**$_i$** means a Share.

**Knock-In Event** means the price of any Share quoted on the applicable Exchange at the Valuation Time on the Final Valuation Date is equal to or less than the Knock-In Level in respect of such Share, as determined by the Calculation Agent.

**Knock-In Level** means, in respect of a Share, the Knock-In Percentage multiplied by the Strike Price for such Share.

**Knock-In Percentage** means the percentage specified as such in the applicable Final Terms.

**Reference Performance** means, in respect of a Share, a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Final Price}_i}{\text{Strike Price}_i}$$

### 22.2.3 Equity Basket Barrier Knock-In N&C Securities

*This Condition 22.2.3 applies to N&C Securities specified in the applicable Final Terms as Equity Basket Barrier Knock-In N&C Securities. The Final Redemption Amount of Equity Basket Barrier Knock-In N&C Securities will be determined by reference to a specified share or a basket of shares as further described below.*

*If the N&C Securities are Equity Basket Barrier Knock-In N&C Securities, the Additional Terms and Conditions contained in Annex 2 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.3.*

*The applicable Final Terms also contains provisions applicable to Equity Basket Barrier Knock-In N&C Securities, including the determination of the Final Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.3 for full information on Equity Basket Barrier Knock-In N&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events, the Barrier Level, the Disruption Cut-Off Date, each Equity Currency, the Exchanges, Exchange Business Days, the Final Valuation Date, the Initial Valuation Date, the Knock-In Percentage, the Related Exchanges, the Share Basket, Scheduled Trading Days, the Valuation Dates and the Valuation Time and whether Options Exchange Adjustment and Share Substitution apply.*

The Final Redemption Amount in respect of each nominal amount of N&C Securities equal to the Calculation Amount shall be an amount in the Specified Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) if no Knock-In Event has occurred, the Calculation Amount; or

(b) if a Knock-In Event has occurred:

  (i) if the Final Reference Performance is equal to or greater than the Barrier Level, the Calculation Amount; or

  (ii) if the Final Reference Performance is less than the Barrier Level, the product of (x) the Calculation Amount and (y) the Final Reference Performance.

Where:

**Barrier Level** means the percentage specified as such in the applicable Final Terms.

**Final Reference Performance** means a percentage determined by the Calculation Agent equal to the Reference Performance of the Share with the lowest Reference Performance.

**Final Price** means, in respect of a Share and subject as provided in Equity Linked Condition 1 (*Consequences of Disrupted Days*), an amount equal to the Closing Price of such Share on the Final Valuation Date.

$_i$ means a Share.

**Knock-In Determination Period** means the period from but excluding the Initial Valuation Date to and including the Knock-In Period Ending Date.

**Knock-In Period Ending Date** means the scheduled Final Valuation Date.

**Knock-In Event** means the price of any Share quoted on the applicable Exchange at any time during the regular trading session hours on that Exchange on any Scheduled Trading Day in the Knock-In Determination Period is equal to or less than the Knock-In Level in respect of such Share, as determined by the Calculation Agent, Provided That, if on any such day, as of any Knock-In Valuation Time, a Knock-In Event has or would have occurred but the conditions for a Disrupted Day having been satisfied at such time then such Knock-In Valuation Time shall be ignored for purposes of determining whether a Knock-In Event has occurred Provided Further That if no Knock-In Event has occurred in the Knock-In Determination Period and the conditions for a Disrupted Day are satisfied as of the last occurring Knock-In Valuation Time on the Knock-In Period Ending Date, then such day shall be treated as a Valuation Date to which the provisions contained in Equity Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine a price of the relevant Share(s) in respect of such day in accordance with such provisions for purposes of determining whether a Knock-In Event shall occur. For the purposes of determining under this paragraph whether the conditions for a Disrupted Day have been satisfied at any Knock-In Valuation Time, the relevant Valuation Time used shall be the relevant Knock-In Valuation Time.

**Knock-In Level** means, in respect of a Share, the Knock-In Percentage multiplied by the Strike Price for such Share.

**Knock-In Percentage** means the percentage specified as such in the applicable Final Terms.

**Knock-In Valuation Time** means, in respect of a Share, any time during the regular trading session hours on the applicable Exchange for such Share on any Scheduled Trading Day in the Knock-In Determination Period.

**Reference Performance** means, in respect of a Share, a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Final Price}_i}{\text{Strike Price}_i}$$

### 22.2.4 Equity Basket Bonus Barrier Knock-In N&C Securities

*This Condition 22.2.4 applies to N&C Securities specified in the applicable Final Terms as Equity Basket Bonus Barrier Knock-In N&C Securities. The Final Redemption Amount of Equity Basket Bonus Barrier Knock-In N&C Securities will be determined by reference to a specified share or a basket of shares as further described below.*

*If the N&C Securities are Equity Basket Bonus Barrier Knock-In N&C Securities, the Additional Terms and Conditions contained in Annex 2 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.4.*

*The applicable Final Terms also contains provisions applicable Equity Basket Bonus Barrier Knock-In N&C Securities, including the determination of the Final Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.4 for full information on Equity Basket Bonus Barrier Knock-In N&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events, the Barrier Level, the Disruption Cut-Off Date, each Equity Currency, the Exchanges, Exchange Business Days, the Final Valuation Date, the Initial Valuation Date, the Knock-In Level, the Knock-In Percentage, the Participation Rate, the Related Exchanges, the Share Basket, Scheduled Trading Days, the Valuation Dates and the Valuation Time and whether Options Exchange Adjustment and Share Substitution apply.*

The Final Redemption Amount in respect of each nominal amount of N&C Securities equal to the Calculation Amount shall be an amount in the Specified Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) if no Knock-In Event has occurred, the product of (i) the Calculation Amount and (ii) 100 per cent. plus the Participation Rate; or

(b) if a Knock-In Event has occurred:

  (i) if the Final Reference Performance is equal to or greater than the Barrier Level, the Calculation Amount; or

  (ii) if the Final Reference Performance is less than the Barrier Level, the product of (x) the Calculation Amount and (y) the Final Reference Performance.

Where:

**Barrier Level** means the percentage specified as such in the applicable Final Terms.

**Final Reference Performance** means a percentage determined by the Calculation Agent equal to the Reference Performance of the Share with the lowest Reference Performance.

**Final Price** means, in respect of a Share and subject as provided in Equity Linked Condition 1 (*Consequences of Disrupted Days*), an amount equal to the Closing Price of such Share on the Final Valuation Date.

$_i$ means a Share.

**Knock-In Event** means the Final Reference Performance is less than the Knock-In Level.

**Knock-In Level** means the percentage specified as such in the applicable Final Terms.

**Participation Rate** means the percentage specified as such in the applicable Final Terms.

**Reference Performance** means, in respect of a Share, a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Final Price}_i}{\text{Strike Price}_i}$$

**22.2.5 Index Basket Knock-In N&C Securities**

*This Condition 22.2.5 applies to N&C Securities specified in the applicable Final Terms as Index Basket Knock-In N&C Securities. The Final Redemption Amount of Index Basket Knock-In N&C*

*Securities will be determined by reference to a specified index or a basket of indices as further described below.*

*If the N&C Securities are Index Basket Knock-In N&C Securities, the Additional Terms and Conditions contained in Annex 1 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.5.*

*The applicable Final Terms also contains provisions applicable Index Basket Knock-In N&C Securities, including the determination of the Final Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.5 for full information on Index Basket Knock-In N&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events, the Disruption Cut-Off Date, the Exchanges, Exchange Business Days, the Final Valuation Date, the Index Basket, each Index Currency, each Index Sponsor, the Initial Valuation Date, the Knock-In Percentage, the Related Exchanges, Scheduled Trading Days and the Valuation Dates.*

The Final Redemption Amount in respect of each nominal amount of N&C Securities equal to the Calculation Amount shall be an amount in the Specified Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) if no Knock-In Event has occurred, the Calculation Amount; or

(b) if a Knock-In Event has occurred, the product of (i) the Calculation Amount and (ii) the Final Reference Performance.

Where:

**Final Reference Performance** means a percentage determined by the Calculation Agent equal to the Reference Performance of the Index with the lowest Reference Performance.

**Final Level** means, in respect of an Index and subject as provided in Index Linked Condition 1 (*Consequences of Disrupted Days*), an amount equal to the Closing Level of such Index on the Final Valuation Date.

$_i$ means an Index.

**Knock-In Event** means the closing level of the Index, as calculated and announced by the Index Sponsor at the Valuation Time on the Final Valuation Date is equal to or less than the Knock-In Level in respect of such Index, as determined by the Calculation Agent.

**Knock-In Level** means, in respect of an Index, the Knock-In Percentage multiplied by the Strike Level for such Index.

**Knock-In Percentage** means the percentage specified as such in the applicable Final Terms.

**Reference Performance** means, in respect of an Index, a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Final Level}_i}{\text{Strike Level}_i}$$

**22.2.6 Index Basket Barrier Knock-In N&C Securities**

*This Condition 22.2.6 applies to N&C Securities specified in the applicable Final Terms as Index Basket Barrier Knock-In N&C Securities. The Final Redemption Amount of Index Basket Barrier*

*Knock-In N&C Securities will be determined by reference to a specified index or a basket of indices as further described below.*

*If the N&C Securities are Index Basket Barrier Knock-In N&C Securities, the Additional Terms and Conditions contained in Annex 1 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.6.*

*The applicable Final Terms also contains provisions applicable to Index Basket Barrier Knock-In N&C Securities, including the determination of the Final Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.6 for full information on Index Basket Barrier Knock-In N&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events, the Barrier Level, the Disruption Cut-Off Date, the Exchanges, Exchange Business Days, the Final Valuation Date, the Index Basket, each Index Currency, each Index Sponsor, the Initial Valuation Date, the Knock-In Percentage, the Related Exchanges, Scheduled Trading Days and the Valuation Dates.*

The Final Redemption Amount in respect of each nominal amount of N&C Securities equal to the Calculation Amount shall be an amount in the Specified Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) if no Knock-In Event has occurred, the Calculation Amount; or

(b) if a Knock-In Event has occurred:

  (i) if the Final Reference Performance is equal to or greater than the Barrier Level, the Calculation Amount; or

  (ii) if the Final Reference Performance is less than the Barrier Level, the product of (x) the Calculation Amount and (y) the Final Reference Performance.

Where:

**Barrier Level** means the percentage specified as such in the applicable Final Terms.

**Final Reference Performance** means a percentage determined by the Calculation Agent equal to the Reference Performance of the Index with the lowest Reference Performance.

**Final Level** means, in respect of an Index and subject as provided in Index Linked Condition 1 (*Consequences of Disrupted Days*), an amount equal to the Closing Level of such Index on the Final Valuation Date.

$_i$ means an Index.

**Knock-In Event** means the closing level of any Index, as calculated and announced by the Index Sponsor at the Valuation Time on the Final Valuation Date is equal to or less than the Knock-In Level in respect of such Index, as determined by the Calculation Agent.

**Knock-In Level** means, in respect of an Index, the Knock-In Percentage multiplied by the Strike Level for such Index.

**Knock-In Percentage** means the percentage specified as such in the applicable Final Terms.

**Reference Performance** means, in respect of an Index, a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Final Level}_i}{\text{Strike Level}_i}$$

**22.2.7 Index Basket Bonus Barrier Knock-In N&C Securities**

*This Condition 22.2.7 applies to N&C Securities specified in the applicable Final Terms as Index Basket Bonus Barrier Knock-In N&C Securities. The Final Redemption Amount of Index Basket Bonus Barrier Knock-In N&C Securities will be determined by reference to a specified index or a basket of indices as further described below.*

*If the N&C Securities are Index Basket Bonus Barrier Knock-In N&C Securities, the Additional Terms and Conditions contained in Annex 1 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.7.*

*The applicable Final Terms also contains provisions applicable to Index Basket Bonus Barrier Knock-In N&C Securities, including the determination of the Final Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.7 for full information on Index Basket Bonus Barrier Knock-In N&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events, the Barrier Level, the Disruption Cut-Off Date, the Exchanges, Exchange Business Days, the Final Valuation Date, the Index Basket, each Index Currency, each Index Sponsor, the Initial Valuation Date, the Knock-In Level, the Knock-In Percentage, the Participation Rate, the Related Exchanges, Scheduled Trading Days and the Valuation Dates.*

The Final Redemption Amount in respect of each nominal amount of N&C Securities equal to the Calculation Amount shall be an amount in the Specified Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) if no Knock-In Event has occurred, the product of (i) the Calculation Amount and (ii) 100 per cent. plus the Participation Rate; or

(b) if a Knock-In Event has occurred:

  (i) if the Final Reference Performance is equal to or greater than the Barrier Level, the Calculation Amount; or

  (ii) if the Final Reference Performance is less than the Barrier Level, the product of (x) the Calculation Amount and (y) the Final Reference Performance.

Where:

**Barrier Level** means the percentage specified as such in the applicable Final Terms.

**Final Reference Performance** means a percentage determined by the Calculation Agent equal to the Reference Performance of the Index with the lowest Reference Performance.

**Final Level** means, in respect of an Index and subject as provided in Index Linked Condition 1 (*Consequences of Disrupted Days*), an amount equal to the Closing Level of such Index on the Final Valuation Date.

$_i$ means an Index.

**Knock-In Event** means the Final Reference Performance is less than the Knock-In Level.

**Knock-In Level** means the percentage specified as such in the applicable Final Terms.

**Participation Rate** means the percentage specified as such in the applicable Final Terms.

**Reference Performance** means, in respect of an Index, a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Final Level}_i}{\text{Strike Level}_i}$$

### 22.2.8 Equity Basket Autocall N&C Securities

*This Condition 22.2.8 applies to N&C Securities specified in the applicable Final Terms as Equity Basket Autocall N&C Securities. The redemption of Equity Basket Autocall N&C Securities will be determined by reference to a specified share or a basket of shares as further described below.*

*If the N&C Securities are Equity Basket Autocall N&C Securities, the Additional Terms and Conditions contained in Annex 2 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.8.*

*The applicable Final Terms also contains provisions applicable to Equity Basket Autocall N&C Securities, including the determination of the Early Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.8 for full information on Equity Basket Autocall N&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events, each Autocall Level, each Autocall Rate, the Disruption Cut-Off Date, each Equity Currency, the Exchanges, Exchange Business Days, the Initial Valuation Date, each Observation Date, the Related Exchanges, the Share Basket, Scheduled Trading Days, the Valuation Dates and the Valuation Time and whether Options Exchange Adjustment and Share Substitution apply.*

Unless the N&C Securities have been previously redeemed or cancelled, if on any Observation Date an Autocall Event occurs the Issuer will, on giving notice to Securityholders in accordance with Condition 16, redeem all, but not some only, of the N&C Securities, each nominal amount of N&C Securities equal to the Calculation Amount being redeemed on the Early Redemption Date at the Early Redemption Amount specified below.

Where:

**Autocall Event** means the Autocall Reference Performance in respect of an Observation Date (the **Relevant Observation Date**) is equal to or greater than the Autocall Level in respect of such Observation Date.

**Autocall Level** means, in respect of an Observation Date, the percentage specified as such for such Observation Date in the applicable Final Terms.

**Autocall Rate** means, in respect of an Observation Date, the percentage specified as such for such Observation Date in the applicable Final Terms.

**Autocall Reference Performance** means, in respect of an Observation Date, a percentage determined by the Calculation Agent equal to the Reference Performance of the Share with the lowest Reference Performance in respect of such Observation Date.

**Early Redemption Amount** means, in respect of each nominal amount of N&C Securities equal to the Calculation Amount, an amount in the Specified Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) in the case of an N&C Security specified as a Fixed Autocall N&C Security in the applicable Final Terms, the Calculation Amount; and

(b) in the case of an N&C Security specified as an Uplift Autocall N&C Security in the applicable Final Terms, the product of (i) the Calculation Amount and (ii) 100 per cent. plus the Autocall Rate in respect of the Relevant Observation Date.

**Early Redemption Date** means the day falling the Number of Autocall Business Days immediately succeeding the Relevant Observation Date.

$_i$ means a Share.

**Number of Autocall Business Days** means the number of days specified as such in the applicable Final Terms.

**Observation Price** means, in respect of an Observation Date and a Share and subject as provided in Equity Linked Condition 1 (*Consequences of Disrupted Days*), an amount equal to the Closing Price of such Share on such Observation Date.

$_o$ means an Observation Date.

**Reference Performance** means, in respect of an Observation Date and a Share, a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Observation Price}_{i,o}}{\text{Strike Price}_i}$$

### 22.2.9 Index Basket Autocall N&C Securities

*This Condition 22.2.9 applies to N&C Securities specified in the applicable Final Terms as Index Basket Autocall N&C Securities. The redemption of Index Basket Autocall N&C Securities will be determined by reference to a specified index or a basket of indices as further described below.*

*If the N&C Securities are Index Basket Autocall N&C Securities, the Additional Terms and Conditions contained in Annex 1 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.9.*

*The applicable Final Terms also contains provisions applicable to Index Basket Autocall N&C Securities, including the determination of the Early Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.9 for full information on Index Basket Autocall N&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events, each Autocall Level, each Autocall Rate, the Disruption Cut-Off Date, the Exchanges, Exchange Business Days, the Index Basket, each Index Currency, each Index Sponsor, the Initial Valuation Date, each Observation Date, the Related Exchanges, Scheduled Trading Days and the Valuation Dates.*

Unless the N&C Securities have been previously redeemed or cancelled, if on any Observation Date an Autocall Event occurs the Issuer will, on giving notice to Securityholders in accordance with Condition 16, redeem all, but not some only, of the N&C Securities, each nominal amount of N&C Securities equal to the Calculation Amount being redeemed on the Early Redemption Date at the Early Redemption Amount specified below.

Where:

**Autocall Event** means the Autocall Reference Performance in respect of an Observation Date (the **Relevant Observation Date**) is equal to or greater than the Autocall Level in respect of such Observation Date.

**Autocall Level** means, in respect of an Observation Date, the percentage specified as such for such Observation Date in the applicable Final Terms.

**Autocall Rate** means, in respect of an Observation Date, the percentage specified as such for such Observation Date in the applicable Final Terms.

**Autocall Reference Performance** means, in respect of an Observation Date, a percentage determined by the Calculation Agent equal to the Reference Performance of the Index with the lowest Reference Performance in respect of such Observation Date.

**Early Redemption Amount** means, in respect of each nominal amount of N&C Securities equal to the Calculation Amount, an amount in the Specified Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

(a) in the case of an N&C Security specified as a Fixed Autocall N&C Security in the applicable Final Terms, the Calculation Amount; and

(b) in the case of an N&C Security specified as an Uplift Autocall N&C Security in the applicable Final Terms, the product of (i) the Calculation Amount and (ii) 100 per cent. plus the Autocall Rate in respect of the Relevant Observation Date.

**Early Redemption Date** means the day falling the Number of Autocall Business Days immediately succeeding the Relevant Observation Date.

$_i$ means an Index.

**Number of Autocall Business Days** means the number of days specified as such in the applicable Final Terms.

**Observation Level** means, in respect of an Observation Date and an Index and subject as provided in Index Linked Condition 1 (*Consequences of Disrupted Days*), an amount equal to the Closing Level of such Index on such Observation Date.

$_o$ means an Observation Date.

**Reference Performance** means, in respect of an Observation Date and an Index, a rate expressed as a percentage (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Observation Level}_{i,o}}{\text{Strike Level}_i}$$

**22.2.10 Zero Recovery Basket Credit Linked N&C Securities**

*This Condition 22.2.10 applies to N&C Securities specified in the applicable Final Terms as Zero Recovery Basket Credit Linked N&C Securities. The Final Redemption Amount of Zero Recovery Basket Credit Linked N&C Securities will be determined by reference to the creditworthiness of a basket of reference entities which may be based on or refer to a credit index as further described below.*

*If the N&C Securities are Zero Recovery Basket Credit Linked N&C Securities, the Additional Terms and Conditions contained in Annex 7 or Annex 15 (as specified in the applicable Final Terms) will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.10.*

*The applicable Final Terms also contains provisions applicable to Zero Recovery Basket Credit Linked N&C Securities, including the determination of the Final Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.10 for full information on Zero Recovery Basket Credit Linked N&C Securities. In particular, the applicable Final Terms will identify the Weighting Percentage for each Reference Entity.*

(a) Credit Linked Conditions 1 and 2 will each be deleted in their entirety and the following substituted therefor:

"**1. Redemption of Credit Linked Securities**

Unless previously redeemed or purchased and cancelled, each nominal amount of Credit Linked N&C Securities equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer at its Final Redemption Amount on the Maturity Date.

**2. Outstanding Nominal Amount Reduction**

If (i) in respect of Securities to which Annex 7 applies, Conditions to Settlement are satisfied or (ii) in respect of Securities to which Annex 15 applies, a Credit Event Determination Date occurs, in either case with respect to a Reference Entity, the Calculation Agent will thereupon reduce the Outstanding Nominal Amount by an amount equal to the Credit Event Reduction Amount in respect of such Reference Entity, provided that if within 45 calendar days of the date on which Conditions to Settlement are satisfied (in respect of Securities to which Annex 7 applies) or a Credit Event Determination Date occurs (in respect of Securities to which Annex 15 applies) (or, in either case, if earlier, by the Maturity Date) in accordance with the definition thereof the relevant Credit Event Determination Date is subsequently deemed (A) to have occurred on a different date or (B) not to have occurred, the reduction of the Outstanding Nominal Amount shall be deemed to have taken effect on such different date or, as applicable, shall be reversed and the N&C Securities shall continue in accordance with their terms on that basis, subject in either case to such adjustment(s) as the Calculation Agent determines in accordance with the definition of Credit Event Determination Date.

In respect of Securities to which Annex 7 applies, Conditions to Settlement may be satisfied more than once except that, subject as provided above and in Credit Linked Condition 14, a Credit Event Notice may only be delivered on one occasion and Conditions to Settlement may be satisfied once only with respect to any Reference Entity (unless subsequent to the satisfaction of Conditions to Settlement with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which a Credit Event Determination Date has not occurred, in which case Conditions to Settlement may be satisfied again).

In respect of Securities to which Annex 15 applies, a Credit Event Determination Date may occur more than once except that, subject as provided above and in Credit Linked Condition 14, a Credit Event Notice may only be delivered on one occasion and a Credit Event Determination Date may occur once only with respect to any Reference Entity (unless subsequent to the occurrence of a Credit Event Determination Date with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which a Credit Event Determination Date has not occurred, in which case a Credit Event Determination Date may occur again).

As soon as practicable after a Credit Event Determination Date the Issuer will notify the Securityholders of the occurrence of a Credit Event in accordance with N&C Securities Condition 16. The Issuer will also give notice to the Securityholders in accordance with N&C Securities Condition 16 if the relevant Conditions to Settlement are deemed not to have been satisfied or the relevant Credit Event Determination Date is deemed not to have occurred (in each case as applicable) as soon as practicable thereafter.

If (i) in respect of Securities to which Annex 7 applies, on the satisfaction of Conditions to Settlement, or (ii) in respect of Securities to which Annex 15 applies, on the occurrence of a Credit Event Determination Date, the Outstanding Nominal Amount is equal to zero and the relevant reduction is not reversed as provided above, the Issuer's obligations in respect of the N&C Securities will be discharged on the last date on which any such reduction could have taken effect and the provisions of Condition 6.5.2.1 or 6.5.2.2 as applicable will apply in relation to such Credit Event Determination Date or in relation to such satisfaction of Conditions to Settlement and the Issuer will have no further liability in respect thereof. The Issuer will notify the Securityholders of this as soon as practicable thereafter in accordance with N&C Securities Condition 16.

For the avoidance of doubt any failure by the Issuer to provide a notice pursuant to this Credit Linked Condition 2 will not constitute an Event of Default under the N&C Securities and will not affect the validity of any of the above provisions.

***If (i) in respect of Securities to which Annex 7 applies, Conditions to Settlement are satisfied or (ii) in respect of Securities to which Annex 15 applies, a Credit Event Determination Date occurs, the N&C Securities will not be redeemed by payment or delivery of any amount or asset and instead the Outstanding Nominal Amount will be reduced in accordance with this Credit Linked Condition 2, proportionately to the weighting of the relevant Reference Entity in the basket, and no amounts will be payable to Securityholders in this respect. In the event that the Outstanding Nominal Amount is reduced to zero, 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.***".

(b) Credit Linked Conditions 5 to 9 will each be deleted in their entirety and the following substituted therefor:

"**5. Repudiation/Moratorium Extension**

If "Repudiation/Moratorium" is specified as a Credit Event in the applicable Final Terms, the provisions of this Credit Linked Condition 5 shall apply.

Where (i) in respect of Securities to which Annex 7 applies, Conditions to Settlement have not been satisfied or (ii) in respect of Securities to which Annex 15 applies, a Credit Event Determination Date has not occurred, in each case on or prior to the Scheduled Maturity Date (determined, in the case of Securities to which Annex 7 applies, by reference to the Relevant Time) but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Credit Linked Condition 8(y) applies, the Postponed Maturity Date (in respect of Securities to which Annex 7 applies) or the Postponed Cut-Off Date (in respect of Securities to which Annex 15 applies) (in each case as defined in Credit Linked Condition 8) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation/Moratorium may, in the opinion of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Securityholders in accordance with N&C Securities Condition 16 that a Potential Repudiation/Moratorium has occurred and:

(i) each unit or nominal amount of N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Repudiation/Moratorium Evaluation Date; and

(ii) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest (if any) calculated as provided herein, accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay.

**6. Grace Period Extension**

If "Grace Period Extension" is specified as applicable in the applicable Final Terms, the provisions of this Credit Linked Condition 6 shall apply.

Where (i) in respect of Securities to which Annex 7 applies, Conditions to Settlement have not been satisfied or (ii) in respect of Securities to which Annex 15 applies, a Credit Event Determination Date has not occurred, in each case on or prior to the Scheduled Maturity Date (determined, in the case of Securities to which Annex 7 applies, by reference to the Relevant Time) but, in the determination of the Calculation Agent, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (determined, in the case of Securities to which Annex 7 applies, by reference to the Relevant Time) (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then the Calculation Agent shall notify the Securityholders in accordance with N&C Securities Condition 16 that a Potential Failure to Pay has occurred and:

(i) each unit or nominal amount of N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Grace Period Extension Date; and

(ii) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest (if any) calculated as provided herein, accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay.

**7. Credit Derivatives Determinations Committee Extension**

If, in the determination of the Calculation Agent, a Potential Credit Event has occurred and the Credit Derivatives Determinations Committee has not made its determination on or prior to the Scheduled Maturity Date (determined, in the case of Securities to which Annex 7 applies, by reference to the Relevant Time) then the Calculation Agent shall notify Securityholders in accordance with N&C Securities Condition 16 that the Maturity Date has been postponed to a date (in the case of Securities to which Annex 7 applies, the **DC Cut-off Date** and in the case of Securities to which Annex 15 applies the **DC Determination Postponement Date**) being:

(a) in the case of Securities to which Annex 7 applies, the earliest of: (i) 15 Business Days following the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, (ii) the second Business Day following the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred and (iii) 15 Business Days following the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred; or

(b) in the case of Securities to which Annex 15 applies, the day falling five Business Days after: (i) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, 15 Business Days following the relevant DC Credit Event Announcement; (ii) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred, the second Business Day following the relevant DC No Credit Event Announcement; or, as applicable (iii) 15 Business Days following the DC Credit Event Question Dismissal (the date of the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Dismissal, as applicable, the **DC Determination Cut-Off Date**); and,

in the case of both (a) and (b) above:

(i) each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on (A) the fifth Business Day following the DC Cut-off Date or (B) the DC Determination Postponement Date (as applicable); and

(ii) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest (if any) calculated as provided herein, accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or if none the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on (A) the fifth Business Day following the DC Cut-off Date or (B) the DC Determination Postponement Date (as applicable) and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay.

**8. Maturity Date Extension**

Without prejudice to Credit Linked Condition 11, if:

(x) on or prior to (A) the Scheduled Maturity Date, (B), if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date, (D) the last day of the Notice Delivery Period or (E) in the case of Securities to which Annex 15 applies, the DC Determination Cut-off Date, as the case may be, (i) in the case of Securities to which Annex 7 applies, Conditions to Settlement have not been satisfied or (ii) in the case of Securities to which Annex 15 applies a Credit Event Determination Date has not occurred, but, in each case a Credit Event may have occurred or may occur; or

(y) on or prior to the Scheduled Maturity Date, a Potential Repudiation/Moratorium may have occurred or may occur,

the Calculation Agent may at its option notify the Securityholders in accordance with N&C Securities Condition 16 (A) in the case of (x) above, that the redemption of the N&C Securities has been postponed and the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period (which for these purposes shall

apply in the case of both (x)(A) and (x)(D) above) or the DC Determination Cut-off Date (in the case of Securities to which Annex 15 applies), as the case may be, has been postponed to the Postponed Maturity Date (in the case of Securities to which Annex 7 applies) or the Postponed Cut-Off Date (in the case of Securities to which Annex 15 applies) or (B) in the case of (y) above, the redemption of the N&C Securities has been postponed, and:

(i) each unit or nominal amount of N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on (A) in the case of Securities to which Annex 7 applies, the fifth Business Day following the Postponed Maturity Date or (B) in the case of Securities to which Annex 15 applies, the Postponed Maturity Date; and

(ii) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest (if any) calculated as provided herein accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on (A) in the case of Securities to which Annex 7 applies the fifth Business Day following the Postponed Maturity Date or (B) in the case of Securities to which Annex 15 applies, the Postponed Maturity Date, and, in each case, no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay.".

For the purposes hereof:

**Postponed Cut-off Date** means (i) in the case of Credit Linked Condition 8(x), the fifteenth (15th) Business Day after the Scheduled Maturity Date, the relevant Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be; or (ii) in the case of Credit Linked Condition 8(y), the fifteenth (15th) Business Day after the Scheduled Maturity Date or, in each case, if such day is not a Business Day the immediately succeeding Business Day.

**Postponed Maturity Date** means:

(i) in the case of Securities to which Annex 7 applies, the date specified in the notice given by the Calculation Agent to Securityholders pursuant to this Credit Linked Condition 8 and falling 15 Business Days after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date, Grace Period Extension Date, the last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be, or, if such day is not a Business Day the immediately succeeding Business Day; or

(ii) in the case of Securities to which Annex 15 applies, the fifth Business Day following the Postponed Cut-Off Date.

(c) The following definitions shall be added to Credit Linked Condition 13:

**Credit Event Reduction Amount** means, in respect of a Reference Entity, an amount in the Specified Currency (rounded 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) calculated by the Calculation Agent equal to the product of (a) the Calculation Amount and (b) the Weighting in respect of such Reference Entity.

**Final Redemption Amount** means, in respect of each nominal amount of N&C Securities equal to the Calculation Amount, an amount in the Specified Currency calculated by the

Calculation Agent equal to the Outstanding Nominal Amount as of the Maturity Date. For the avoidance of doubt if the Outstanding Nominal Amount as of the Maturity Date is zero, no amounts will be payable on the Maturity Date.

**Index** means the index, if applicable, specified in the applicable Final Terms.

**Merger Event Redemption Amount** means, in respect of each nominal amount of N&C Securities equal to the Calculation Amount, an amount which in the determination of the Calculation Agent is equal to the fair market value of such N&C Securities as of the Merger Event Redemption Date less Associated Costs.

**Outstanding Nominal Amount** means the Calculation Amount, subject to reduction in accordance with Credit Linked Condition 2.

**Weighting** means, with respect to a Reference Entity, (a) the Weighting Percentage for such Reference Entity or, if prior to (i) in the case of Securities to which Annex 7 applies, the satisfaction of Conditions to Settlement with respect to such Reference Entity or (ii) in the case of Securities to which Annex 15 applies, the occurrence of a Credit Event Determination Date with respect to such Reference Entity, such Reference Entity becomes a Successor to another Reference Entity, (b) the sum of (x) the Weighting Percentage for such Reference Entity and (y) the Weighting Percentage for each Reference Entity in respect of which such Reference Entity is a Successor. If a Succession Event occurs in relation to a Reference Entity which results in more than one Successor, the Weighting Percentage in respect of such Reference Entity will be pro-rated amongst each of the Successors.

**Weighting Percentage** means, with respect to a Reference Entity, the relevant Weighting Percentage as set out in the applicable Final Terms or otherwise the relevant percentage set out in the Index.

(d) Paragraph (a) of Credit Linked Condition 14 will be deleted in its entirety and the following substituted therefor:

"(a) in the case of Credit Linked N&C Securities:

(i) the Calculation Agent may deliver multiple Credit Event Notices in respect of such Restructuring, each such Credit Event Notice setting forth an amount (the **Partial Credit Event Reduction Amount**) that may be less than the Credit Event Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring Credit Event immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Credit Event Reduction Amount only.

(ii) For the avoidance of doubt (A) the Outstanding Nominal Amount in respect of each nominal amount of such N&C Securities equal to the Calculation Amount shall only be reduced by the Partial Credit Event Reduction Amount and interest shall accrue on that Outstanding Nominal Amount as provided in paragraph (e) or (f), as applicable, of N&C Securities Condition 22.2.10 (adjusted in such manner as the Calculation Agent determines to be appropriate), (B) the previous Credit Event Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring Credit Event shall be reduced by the Partial Credit Event Reduction Amount and the Credit Linked Conditions and related provisions shall apply to that reduced Credit Event Reduction Amount in the event that subsequent Credit Event Notices are delivered in respect of that Reference Entity and (C) if, following a

Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable to Securityholders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to these Terms and Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Condition 14(a) and (y) the effective date of such adjustment(s).".

(e) If the N&C Securities are Fixed Rate N&C Securities, for the purposes of Condition 6.2 and notwithstanding anything to the contrary therein, interest shall be calculated on:

(i) in the case of Fixed Rate N&C Securities which are represented by a Global N&C Security, the Outstanding Nominal Amount as of the last day of the relevant period for which the interest is being calculated multiplied by the number of N&C Securities represented by such Global N&C Security; or

(ii) in the case of Fixed Rate N&C Securities in definitive form, the Outstanding Nominal Amount as of the last day of the relevant period for which the interest is being calculated.

(f) If the N&C Securities are Floating Rate N&C Securities, for the purposes of Condition 6.3 and notwithstanding anything to the contrary therein, interest shall be calculated on:

(i) in the case of Floating Rate N&C Securities which are represented by a Global N&C Security, the Outstanding Nominal Amount as of the last day of the relevant period for which the interest is being calculated multiplied by the number of N&C Securities represented by such Global N&C Security; or

(ii) in the case of Floating Rate N&C Securities in definitive form, the Outstanding Nominal Amount as of the last day of the relevant period for which the interest is being calculated.

(g) Notwithstanding any provision of the Credit Linked Conditions, where Reference Entities are determined by reference to an Index then the Calculation Agent may (but is not required to) elect to follow the determination of the relevant Index Sponsor specified in the applicable Final Terms for purposes of identifying any Substitute Reference Obligation(s) or Successor(s) in relation to any Reference Entity instead of applying the relevant provisions set out in the Credit Linked Conditions.

**22.2.11 Equity Delta One Redemption N&C Securities**

*This Condition 22.2.11 applies to N&C Securities specified in the applicable Final Terms as Equity Delta One Redemption N&C Securities. The Final Redemption Amount of Equity Delta One Redemption N&C Securities will be determined by reference to a specified share as further described below.*

*If the N&C Securities are Equity Delta One Redemption N&C Securities, the Additional Terms and Conditions contained in Annex 2 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.11.*

*The applicable Final Terms also contains provisions applicable to Equity Delta One Redemption N&C Securities, including the determination of the Final Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.11 for full information on Equity Delta One Redemption N&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events,*

*the Disruption Cut-Off Date, the Equity Currency, the Exchange(s), Exchange Business Days, the Final Valuation Date, the Related Exchange, the Share, Scheduled Trading Days, the Valuation Date and the Valuation Time.*

(a) The Final Redemption Amount in respect of each nominal amount of N&C Securities equal to the Calculation Amount shall be an amount in the Specified Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to:

$[V_F \text{ x Exchange Rate}] – C$

Any such amount will be rounded 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:

**$V_F$** means the Final Price.

**C** means the Specified Currency equivalent of the Costs as determined by the Calculation Agent using such foreign exchange rate as the Calculation Agent deems appropriate with respect to the relevant time(s) the Costs arise or may arise.

**Costs** means, in respect of each nominal amount of N&C Securities equal to the Calculation Amount, such N&C Securities' *pro rata* share of the total amount of any commissions, costs, expenses, duties, taxes (including but not limited to any capital gains tax or withholding tax), levies, registration fees, custodial fees or other charges which may be required to be made, paid, withheld or deducted by the Issuer and/or any of its Affiliates and/or any of their respective nominees as a result of, or in connection with, the Issuer and/or any of its Affiliates and/or any of their respective nominees (a) being a direct holder of any Hedging Shares and/or selling and/or realising any Hedging Shares and/or (b) unwinding any Hedge Position.

**Exchange Rate** means (i) the rate of exchange between the Equity Currency and the Specified Currency (expressed as a number of units of the Specified Currency for which a unit of the Equity Currency can be exchanged) determined at or around the Final Valuation Date which the Calculation Agent determines appropriate in its sole discretion, or (ii) where the Equity Currency is the same as the Specified Currency, one.

**Hedge Position** means any Product that the Issuer and/or any of its Affiliates and/or any of their respective nominees (a) enters into as a result of being the direct holder of the Hedging Shares and/or selling and/or realising the Hedging Shares, or (b) would have entered into if they were to fully hedge the market, equity or other price risk of the Issuer entering into and performing its obligations with respect to the N&C Securities, using such Products as may be determined by the Calculation Agent.

**Product** means an exchange traded fund, share, an instrument representing such exchange traded fund or share (including, without limitation, participation notes), futures contracts or exchange-traded options commonly used to hedge the issuance or sale of a security that is linked to the Hedging Shares.

(b) **Cash Dividends**

(i) Following the declaration by a Share Issuer of a cash dividend (other than any Extraordinary Dividend) (each a **Cash Dividend**) in respect of which the In-dividend Date (as defined below) falls in the period from and including the Trade Date to but excluding the originally scheduled Final Valuation Date without regard to any Scheduled Trading Day or Disrupted Day adjustment (the **Dividend Period**), the Issuer will pay a Coupon Amount in respect of each Security on the related Coupon Payment Date (as defined below). Each such **Coupon Amount** will equal the amount of such Cash Dividend declared in relation to one Share (less (a) all withholding taxes, if any, including, but without limitation, those that would have been withheld in relation to the payment of such cash dividend to a foreign investor and (b) any other

expenses or deductions which would apply to or be made in relation to the payment of such cash dividend to a foreign investor all determined in the Equity Currency and on a per Share basis, *multiplied by* the Dividend Exchange Rate as defined below).

**Dividend Exchange Rate** means, in relation to a Cash Dividend, (i) the rate of exchange between the Equity Currency and the Specified Currency (expressed as a number of units of the Specified Currency for which a unit of the Equity Currency can be exchanged) at or around the Dividend Receipt Date, as determined by the Calculation Agent, or (ii) where the Equity Currency is the same as the Specified Currency, one.

**Dividend Receipt Date** means the date upon which a holder of Shares entitled to the relevant Cash Dividend would have received such Cash Dividend according to prevailing market practice, as determined by the Calculation Agent.

**In-dividend Date** means, in relation to a Cash Dividend, the final date upon which a purchaser of Shares on the Exchange would, according to prevailing market practice, be entitled to receive the Cash Dividend.

(ii) Coupon Amounts (if any) will only be payable on the Securities in the circumstances set out in paragraph (i) above and subject to the provisions of paragraphs (iii) and (iv) below and will be deemed only to have accrued on the Securities as of the relevant Coupon Payment Date. No interest will accrue or be payable in any other circumstance.

(iii) In the event any Coupon Payment Date would fall after the Maturity Date the Issuer will give notice to the Securityholders of procedures for payment of such Coupon Amount(s) which may be made outside of DTC or Euroclear and Clearstream, Luxembourg and may require Securityholders as of a record date selected by the Issuer in its sole discretion to provide a notice to the Issuer giving all necessary details required by the Issuer in its sole discretion to make such payments.

(iv) Following any Cash Dividend declaration, the Calculation Agent shall as soon as is reasonably practicable under the circumstances procure that the Issuer will give notice to the Securityholders in accordance with N&C Securities Condition 16 stating the occurrence of the Cash Dividend, giving details thereof and setting out the method and anticipated date of the related Coupon Payment Date provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Coupon Amount payment and the Calculation Agent will determine the basis on which the Coupon Amount will be paid.

**Coupon Payment Date** means the date that is three (3) Business Days following the relevant Dividend Receipt Date.

(c) **Potential Adjustment Events**

Equity Linked Condition 2 (*Consequences of Potential Adjustment Events*) will be deleted and the following substituted therefor:

"**2. Consequences of Potential Adjustment Events**

2.1 Following the declaration by a Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, then:

(i) if concentrative, Terms Adjustment (as specified below) will apply, and

(ii) if dilutive, the Calculation Agent will determine in its discretion whether Terms Adjustment or Security Distribution Adjustment (as specified below) applies.

2.2 If the Calculation Agent determines that **Terms Adjustment** applies, then the Calculation Agent will make the appropriate adjustment(s), if any, to one or more of any variable(s) relevant to the exercise, settlement, payment or other terms of the Securities as the Calculation Agent determines appropriate to account for the Potential Adjustment Event and determine the effective date(s) of that adjustment(s) (which may include but shall not be limited to adjustment(s) to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

2.3 If the Calculation Agent determines that **Security Distribution Adjustment** applies, then the Calculation Agent will determine the basis on which additional Securities will be made available to Securityholders to account for the diluting effect of the relevant Potential Adjustment Event (which may include, without limitation, determining one or more of the matters referred to in paragraph 2.5 below).

2.4 Following any Terms Adjustment or Security Distribution Adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Securityholders in accordance with N&C Securities Condition 16 stating details of any Terms Adjustment or Security Distribution Adjustment and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

2.5 A Security Distribution Adjustment may (but is not required to) be made on the basis of one or more of the following, all as determined by the Calculation Agent. In each case the Security Distribution Adjustment may be made on different terms and different dates than the relevant event to which the Potential Adjustment Event relates:

(i) the date (the **Record Date**) upon which each Securityholder will become entitled to additional Securities and the date (the **Distribution Settlement Date**) on or prior to which delivery of any additional Securities and any related cash amounts (whether payable by Securityholders or the Issuer) are to be effected;

(ii) the aggregate number of additional Securities to be delivered to the relevant Clearing Systems or otherwise made available for the account of Securityholders;

(iii) arrangements for payment by Securityholders or deduction by the Issuer of any amounts on account of taxes, duties and/or expenses, including any applicable depository charges, transaction charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, as may be relevant, arising in connection with the delivery of such additional Securities (which may include the Issuer reducing the number of additional Securities to be delivered and/or requiring such amounts to be paid by Securityholders as a precondition to receiving additional Securities);

(iv) whether entitlement to additional Securities is to be made on the basis of the aggregate number of Securities held by a Securityholder or on a per Security

basis and whether, in respect of any holding(s) of Securities by the Issuer and/or any of its Affiliates, any such party(ies) is to waive its entitlement to receive any additional Securities in respect of any such holding(s); and

(v) whether, in order to reflect the relevant Potential Adjustment Event and any terms to which holders of the Shares are subject, Securityholders will be required to pay any subscription price or other amount in order to obtain the additional Securities and/or the time period during which the offer of additional Securities will remain open.

2.6 For the avoidance of doubt, if Security Distribution Adjustment applies, the Issuer may rely on N&C Securities Condition 19 for the purposes of issuing additional Securities for delivery."

**22.2.12 Fixed Denomination FX Redemption N&C Securities**

*This Condition 22.2.12 applies to N&C Securities specified in the applicable Final Terms as Fixed Denomination FX Redemption N&C Securities. The Final Redemption Amount and Early Redemption Amount for FX Redemption N&C Securities is calculated by reference to a specified currency and settlement currency, as further described below.*

*If the N&C Securities are Fixed Denomination FX Redemption N&C Securities, the Additional Terms and Conditions contained in Annex 3 will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.12.*

*The applicable Final Terms also contain provisions applicable to Fixed Denomination FX Redemption N&C Securities, including the determination of the Final Redemption Amount and Early Redemption Amount thereon, and must be read in conjunction with this Condition 22.2.12 for full information on Fixed Denomination FX Redemption N&C Securities. In particular, the applicable Final Terms will identify the Base Final Redemption Amount, the Consequences of a Disruption Event, the Disruption Events, each FX Price Source, the Maximum Days of Disruption, the Price Materiality Percentage, the Primary Rate, the Secondary Rate, the Settlement Currency, each Specified Financial Centre, the Valuation Date and the Valuation Time.*

(a) The Final Redemption Amount in respect of each unit or nominal amount of N&C Securities equal to the Calculation Amount shall be an amount in the Settlement Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to the Base Final Redemption Amount divided by the Settlement Rate, calculated by the Calculation Agent as of the Valuation Date.

(b) The Early Redemption Amount in respect of each unit or nominal amount of N&C Securities equal to the Calculation Amount shall be determined as set out in N&C Securities Condition 8.7.3 and will be an amount expressed in the Settlement Currency.

(c) The following definitions shall apply to this Condition 22.2.12:

**Base Final Redemption Amount** means, in respect of each nominal amount or unit of N&C Securities equal to the Calculation Amount, the amount in the Specified Currency per Calculation Amount specified as such in the applicable Final Terms;

**FX Price Source** means, in respect of a Settlement Rate Option, the source(s) specified as such in the applicable Final Terms for the Specified Currency/Settlement Currency;

**Reference Exchange Rate** means the spot exchange rate for the Specified Currency quoted against the Settlement Currency expressed as the number of units of the Specified Currency quoted per one unit of the Settlement Currency;

**Settlement Rate** means the Reference Exchange Rate on the Valuation Date at the Valuation Time as determined by the Calculation Agent by reference to the Settlement Rate Option(s) (and such determination may be made, without limitation, with such adjustments as are, at the discretion of the Calculation Agent, necessary to the published quoting conventions and/or implying the Reference Exchange Rate from more than one Settlement Rate Option) unless a Disruption Event exists or occurs, in which case, the Settlement Rate will be determined by the Calculation Agent in accordance with FX Linked Condition 3; and

**Settlement Rate Option** means the rate published for the Specified Currency/Settlement Currency fixing rate on the FX Price Source at or about the Valuation Time on the Valuation Date or, if the Reference Exchange Rate is to be implied from more than one Settlement Rate Option, the relevant fixing rates on their respective FX Price Source(s) at or about the Valuation Time on the Valuation Date.

**22.2.13 Reverse Convertible Swap Rate Redemption N&C Securities**

*This Condition 22.2.13 applies to N&C Securities specified in the applicable Final Terms as Reverse Convertible Swap Rate Redemption N&C Securities. The Final Redemption Amount for Reverse Convertible Swap Rate Redemption N&C Securities will depend on the performance of the relevant swap rate, as further described below.*

*The applicable Final Terms also contain provisions applicable to Reverse Convertible Swap Rate Redemption N&C Securities, including the determination of the Final Redemption Amount thereon, and must be read in conjunction with this Condition 22.2.13 for full information on Reverse Convertible Swap Rate Redemption N&C Securities. In particular, the applicable Final Terms will identify the Barrier, the Designated Maturity, the Floating Rate Option, the Redemption Factor, the Reference Swap Rate, the Reset Date, Swap Rate$_{INITIAL}$ and the Valuation Date.*

The Final Redemption Amount in respect of each unit or nominal amount of N&C Securities equal to the Calculation Amount shall be an amount in the Specified Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to its *pro rata* share of:

(i) If Swap Rate$_{FINAL}$ < Barrier:

Max[0, Swap Rate$_{FINAL}$ / Swap Rate$_{INITIAL}$] × Aggregate Nominal Amount

(ii) otherwise:

Redemption Factor × Aggregate Nominal Amount

Any such amount will be rounded 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:

**Barrier** means the percentage rate specified as such in the applicable Final Terms;

**Designated Maturity** means, in respect of the Reference Swap Rate, the designated maturity specified in the applicable Final Terms;

**Floating Rate Option** means, in respect of the Reference Swap Rate, the floating rate option specified in the applicable Final Terms;

**Redemption Factor** means the percentage specified as such in the applicable Final Terms;

**Reference Swap Rate** means the swap rate specified as such in the applicable Final Terms;

**Reset Date** means, in respect of the Reference Swap Rate, the reset date specified in the applicable Final Terms;

**Swap Rate$_{FINAL}$** means the rate determined for the relevant Reference Swap Rate as if it was a Rate of Interest to be determined for such Coupon Period by reference to Condition 6.3.2 and as if references in Condition 6.3.2 to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the Reference Swap Rate, each of the Floating Rate Option, the Designated Maturity and the Reset Date for the Reference Swap Rate were to apply and as if ISDA Determination was applicable;

**Swap Rate$_{INITIAL}$** means the swap rate specified as such in the applicable Final Terms; and

**Valuation Date** means the date specified as such in the applicable Final Terms, provided that, if such Valuation Date would fall on a day which is not a Business Day (as defined in Condition 6.3.1), then such Valuation Date shall be postponed to the next day which is a Business Day.

**22.2.14 Geared Put Swap Rate Redemption N&C Securities**

*This Condition 22.2.14 applies to N&C Securities specified in the applicable Final Terms as Geared Put Swap Rate Redemption N&C Securities. The Final Redemption Amount for Geared Put Swap Rate Redemption N&C Securities will depend on the performance of the relevant swap rate, as further described below.*

*The applicable Final Terms also contain provisions applicable to Geared Put Swap Rate Redemption N&C Securities, including the determination of the Final Redemption Amount thereon, and must be read in conjunction with this Condition 22.2.14 for full information on Geared Put Swap Rate Redemption N&C Securities. In particular, the applicable Final Terms will identify the Barrier Factor, the Designated Maturity, the Floating Rate Option, the Gearing Factor, the Redemption Factor, the Reference Swap Rate, the Reset Date, Swap Rate$_{INITIAL}$ and the Valuation Date.*

The Final Redemption Amount in respect of each unit or nominal amount of N&C Securities equal to the Calculation Amount shall be an amount in the Specified Currency (which will not be less than, but may be equal to, zero) calculated by the Calculation Agent equal to its *pro rata* share of:

(i) If Swap Rate$_{FINAL}$ < Barrier:

Max[0, Swap Rate$_{FINAL}$ / Gearing Factor x Swap Rate$_{INITIAL}$] × Aggregate Nominal Amount

(ii) otherwise:

Redemption Factor × Aggregate Nominal Amount

Any such amount will be rounded 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:

**Barrier** means the rate calculated by the Calculation Agent equal to the product of (a) the Barrier Factor and (b) Swap Rate$_{INITIAL}$;

**Barrier Factor** means the percentage specified as such in the applicable Final Terms;

**Designated Maturity** means, in respect of the Reference Swap Rate, the designated maturity specified in the applicable Final Terms;

**Floating Rate Option** means, in respect of the Reference Swap Rate, the floating rate option specified in the applicable Final Terms;

**Gearing Factor** means the percentage specified as such in the applicable Final Terms;

**Redemption Factor** means the percentage specified as such in the applicable Final Terms;

**Reference Swap Rate** means the swap rate specified as such in the applicable Final Terms;

**Reset Date** means, in respect of the Reference Swap Rate, the reset date specified in the applicable Final Terms;

**Swap Rate$_{FINAL}$** means the rate determined for the relevant Reference Swap Rate as if it was a Rate of Interest to be determined for such Coupon Period by reference to Condition 6.3.2 and as if references in Condition 6.3.2 to "Floating Rate N&C Securities" were to the N&C Securities, references therein to "Rate of Interest" were to the Reference Swap Rate, each of the Floating Rate Option, the Designated Maturity and the Reset Date for the Reference Swap Rate were to apply and as if ISDA Determination was applicable;

**Swap Rate$_{INITIAL}$** means the swap rate specified as such in the applicable Final Terms; and

**Valuation Date** means the date specified as such in the applicable Final Terms, provided that, if such Valuation Date would fall on a day which is not a Business Day (as defined in Condition 6.3.1), then such Valuation Date shall be postponed to the next day which is a Business Day.

### 22.2.15 Zero Recovery Single Name Credit Linked N&C Securities

*This Condition 22.2.15 applies to N&C Securities specified in the applicable Final Terms as Zero Recovery Single Name Credit Linked N&C Securities. The Final Redemption Amount of Zero Recovery Single Name Credit Linked N&C Securities will be determined by reference to the creditworthiness of the reference entity as further described below.*

*If the N&C Securities are Zero Recovery Single Name Credit Linked N&C Securities, the Additional Terms and Conditions contained in Annex 15 (as specified in the applicable Final Terms) will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.15.*

*The applicable Final Terms also contains provisions applicable to Zero Recovery Single Name Credit Linked N&C Securities, including the determination of the Final Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.15 for full information on Zero Recovery Single Name Credit Linked N&C Securities. In particular, the applicable Final Terms will identify the relevant Reference Entity.*

(a) Credit Linked Conditions 1 and 2 will each be deleted in their entirety and the following substituted therefor:

"**1. Redemption of Credit Linked Securities**

Unless previously redeemed or purchased and cancelled in accordance with Credit Linked Condition 2 below, each nominal amount of Credit Linked N&C Securities equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer at its Final Redemption Amount on the Maturity Date.

**2. Redemption of the Credit Linked Securities following the occurrence of a Credit Event**

If a Credit Event Determination Date occurs then, subject to any prior redemption in accordance with Credit Linked Condition 21, the Issuer shall give notice to the Holders in accordance with N&C Securities Condition 16 and 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. Notwithstanding the foregoing, if within 45 calendar days of the date on which a Credit Event Determination Date occurs (or, if earlier, the Credit Event Redemption Date), in accordance with the definition thereof, the relevant Credit Event Determination Date is subsequently deemed (A) to have occurred on a different date or (B) not to have occurred, the N&C Securities shall continue in accordance with their terms on that basis, subject in either case to such adjustment(s) as the Calculation Agent determines in accordance with the definition of Credit Event Determination Date. For the avoidance of doubt, if following the occurrence of the circumstances in (A) above, a different Credit Event Redemption Date shall apply, the provisions of this Credit Linked Condition 2 relating to discharge of the Issuer's obligations shall apply instead to such Credit Event Redemption Date.

For the avoidance of doubt any failure by the Issuer to provide a notice pursuant to this Credit Linked Condition 2 will not constitute an Event of Default under the N&C Securities and will not affect the validity of any of the above provisions.

***If a Credit Event Determination Date occurs, the N&C Securities will not be redeemed by payment or delivery of any amount or asset. Instead the recovery amount in respect of the Reference Entity will deemed to be zero, no amount will be payable or deliverable and the Issuer's obligations in respect of the N&C Securities will be deemed discharged and the Issuer will have no further liability in respect thereof. In this case the N&C Securities will expire worthless***".

(b) the definition of "Credit Event Redemption Date" in Credit Linked Condition 13 shall be deleted and replaced with the following:

"**Credit Event Redemption Date** means, subject to Credit Linked Condition 11, the day falling the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not so specified, ten (10) Business Days) following the latest of (i) the Credit Event Determination Date and (ii) the date on which the Credit Event Notice is delivered.".

(c) For the avoidance of doubt, references to "Credit Linked Condition 2" in Credit Linked Conditions 5(a)(ii), 6(a)(ii), 7(a)(ii) and 8(ii)(A) shall refer to Credit Linked Condition 2 as amended by this Condition 22.2.15, which for the purposes of Credit Linked Conditions 5(a)(ii), 6(a)(ii), 7(a)(ii) and 8(ii)(A) shall be treated as applying to the N&C Securities.

(d) Credit Linked Condition 14 will be deleted in its entirety and the following substituted therefor:

"If this Credit Linked Condition 14 is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of an M(M)R Restructuring:

(a) The Calculation Agent may deliver multiple Credit Event Notices in respect of such M(M)R Restructuring, each such Credit Event Notice setting forth an amount (the **Partial Discharge Amount**) that may be less than the aggregate Nominal Amount of those N&C Securities outstanding immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Discharge Amount only and the Issuer's obligations in respect of the N&C Securities will be discharged in respect of such portion of the N&C Securities equal to the Partial Discharge Amount. No redemption or other amounts shall be payable or deliverable in respect of such discharge and the Issuer will have no further liability or obligation in respect of such portion of the nominal amount of the N&C Securities equal to the Partial Discharge Amount.

(b) For the avoidance of doubt (A) the portion of the nominal amount of each such N&C Security in respect of which the Issuer's obligations are not so discharged (the **Residual Portion**) shall remain outstanding and interest (if any) shall accrue on that outstanding nominal amount of such N&C Security as provided in N&C Securities Condition 6 (adjusted in such manner as the Calculation Agent determines to be appropriate), (B) the Credit Linked Conditions and related provisions shall apply to the Residual Portion in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity and (C) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of the nominal amount of N&C Securities under the relevant Series, the Calculation Agent will determine (x) such adjustment(s) to these Terms and Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Condition 14 and (y) the effective date of such adjustment(s).

(c) If the provisions of this Credit Linked Condition 14 apply in respect of the N&C Securities, on redemption of part of each such N&C Security the relevant N&C Security or, if the N&C Securities are represented by a Global N&C Security, such Global N&C Security, shall be endorsed to reflect such part redemption.".

***22.2.16*** *Tranched Zero Recovery Credit Linked N&C Securities*

*This Condition 22.2.16 applies to N&C Securities specified in the applicable Final Terms as Tranched Zero Recovery Credit Linked N&C Securities. The Final Redemption Amount of Tranched Zero Recovery Credit Linked N&C Securities will be determined by reference to the creditworthiness of a tranche of reference entities comprising an index as further described below.*

*If the N&C Securities are Tranched Zero Recovery Credit Linked N&C Securities, the Additional Terms and Conditions contained in Annex 15 (as specified in the applicable Final Terms) will apply, subject as amended and/or varied and/or supplemented in this Condition 22.2.16.*

*The applicable Final Terms also contain provisions applicable to Tranched Zero Recovery Credit Linked N&C Securities, including the determination of the Final Redemption Amount thereof, and must be read in conjunction with this Condition 22.2.16 for full information on*

*Tranched Zero Recovery Credit Linked N&C Securities. In particular, the applicable Final Terms will identify the relevant Index which is comprised of the relevant Reference Entities.*

(a) Credit Linked Conditions 1 and 2 will each be deleted in their entirety and the following substituted therefor:

**"1. Redemption of Credit Linked Securities**

Unless previously redeemed or purchased and cancelled, each nominal amount of Credit Linked N&C Securities equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer at its Final Redemption Amount (as defined in Credit Linked Condition 2) on the Maturity Date.

For the avoidance of doubt, references to "Credit Linked Condition 2" in Credit Linked Conditions 5(a)(ii), 6(a)(ii), 7(a)(ii)and 8(y)(ii)(A)shall refer to Credit Linked Condition 1 as amended by this Condition 22.2.16, which for the purposes of Credit Linked Conditions 5(a)(ii), 6(a)(ii), 7(a)(ii) and 8(y)(ii)(A) shall be treated as applying to the N&C Securities.

**2. Outstanding Nominal Amount Reduction**

If a Credit Event Determination Date occurs, the Calculation Agent will thereupon determine the Outstanding Nominal Amount so that on any such day and with effect on and from such day it is equal to the Calculation Amount minus the Aggregate Reduction Amount, provided that if within 45 calendar days of the date on which a Credit Event Determination Date occurs (or, if earlier, the Maturity Date) in accordance with the definition thereof the relevant Credit Event Determination Date is subsequently deemed (A) to have occurred on a different date or (B) not to have occurred, the reduction of the Outstanding Nominal Amount shall be deemed to have taken effect on such different date or, as applicable, shall be reversed and the N&C Securities shall continue in accordance with their terms on that basis, subject in either case to such adjustment(s) as the Calculation Agent determines in accordance with the definition of Credit Event Determination Date.

A Credit Event Determination Date may occur more than once except that, subject as provided above and in Credit Linked Condition 14, a Credit Event Notice may only be delivered on one occasion and a Credit Event Determination Date may occur once only with respect to any Reference Entity (unless subsequent to the occurrence of a Credit Event Determination Date with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which a Credit Event Determination Date has not occurred, in which case a Credit Event Determination Date may occur again).

As soon as practicable after a Credit Event Determination Date the Issuer will notify the Securityholders of the occurrence of a Credit Event in accordance with N&C Securities Condition 16.

If on the occurrence of a Credit Event Determination Date and following the relevant reduction on such date, the Outstanding Nominal Amount is equal to zero and the relevant reduction is not reversed as provided above, then no interest will be payable on the N&C Securities following such date and the Issuer's obligations in respect of the N&C Securities will be discharged on the last date on which any such reversal could have taken effect and the provisions of Condition 6.5.2.1 or 6.5.2.2 as applicable will apply in relation to such Credit Event Determination Date or in relation to such satisfaction of Conditions to Settlement and the Issuer will have no further liability in respect thereof and the N&C Securities will redeem at zero and

expire worthless. The Issuer will notify the Securityholders of this as soon as practicable thereafter in accordance with N&C Securities Condition 16.

For the avoidance of doubt any failure by the Issuer to provide a notice pursuant to this Credit Linked Condition 2 will not constitute an Event of Default under the N&C Securities and will not affect the validity of any of the above provisions.

***If a Credit Event Determination Date occurs, the N&C Securities will not be redeemed by payment or delivery of any amount or asset and instead the Outstanding Nominal Amount will be reduced in accordance with this Credit Linked Condition 2 and no amounts will be payable to Securityholders in this respect. In the event that the Outstanding Nominal Amount is reduced to zero, 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.".***

(b) The following definitions shall be added to Credit Linked Condition 13:

**Aggregate Reduction Amount** means, on any day, an amount in the Specified Currency (rounded 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) calculated by the Calculation Agent equal to the product of (a) the Calculation Amount and (b) the Tranche Loss Percentage divided by the Tranche Width (subject to a minimum of zero).

**Final Redemption Amount** means, in respect of each nominal amount of N&C Securities equal to the Calculation Amount, an amount in the Specified Currency calculated by the Calculation Agent equal to the Outstanding Nominal Amount as of the Maturity Date. For the avoidance of doubt if the Outstanding Nominal Amount as of the Maturity Date is zero, no amounts will be payable on the Maturity Date.

**Index** means the index, if applicable, specified in the applicable Final Terms.

**Loss Percentage** means, with respect to each Reference Entity and the occurrence of a Credit Event Determination Date, the Reference Entity Weighting.

**Outstanding Nominal Amount** means the Calculation Amount, subject to reduction in accordance with Credit Linked Condition 2.

**Reference Entity Weighting** means, in respect of each Reference Entity the relevant Weighting Percentage as set out in the applicable Final Terms or otherwise the relevant percentage set out in the Index, provided that if a Succession Event occurs in respect of a Reference Entity the Reference Entity Weightings of all affected Reference Entities will be subject to adjustment by the Calculation Agent as provided in the definition of "Successor". If a Succession Event occurs in relation to a Reference Entity which results in more than one Successor, the Reference Entity Weighting in respect of such Reference Entity will be pro-rated amongst each of the Successors.

**Tranche Loss Percentage** means, with respect to a Credit Event Determination Date, (each a **Relevant Day**), an amount equal to the lowest of:

(a) the Tranche Width; and

(b) an amount expressed as a percentage equal to (subject to a minimum of zero):

(i) the aggregate of all Loss Percentages (calculated for the period from and including the relevant Trade Date to and including such Relevant Day) including the Loss Percentage in respect of such Relevant Day as determined by the Calculation Agent; minus

(ii) the Tranche Attachment Level.

**Tranche Attachment Level** means, the percentage specified in the applicable Final Terms.

**Tranche Detachment Level** means, the percentage specified in the applicable Final Terms.

**Tranche Width** means, the percentage specified in the applicable Final Terms.

(c) Paragraph (a) of Credit Linked Condition 14 will be deleted in its entirety and the following substituted therefor:

"(a) in the case of Credit Linked N&C Securities:

(i) the Calculation Agent may deliver multiple Credit Event Notices in respect of such Restructuring, each such Credit Event Notice setting forth an amount (the **Partial Aggregate Reduction Amount**) that may be less than the Aggregate Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring Credit Event immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Aggregate Reduction Amount only.

(ii) For the avoidance of doubt (A) the Outstanding Nominal Amount in respect of each nominal amount of such N&C Securities equal to the Calculation Amount shall only be reduced by the Partial Aggregate Reduction Amount and interest shall accrue on that Outstanding Nominal Amount as provided in paragraph (d) or (e), as applicable, of N&C Securities Condition 22.2.16 (adjusted in such manner as the Calculation Agent determines to be appropriate), (B) the previous Aggregate Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring Credit Event shall be reduced by the Partial Aggregate Reduction Amount and the Credit Linked Conditions and related provisions shall apply to that reduced Aggregate Reduction Amount in the event that subsequent Credit Event Notices are delivered in respect of that Reference Entity and (C) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable to Securityholders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to these Terms and Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Condition 14(a) and (y) the effective date of such adjustment(s).".

(d) If the N&C Securities are Fixed Rate N&C Securities, for the purposes of Condition 6.2 and notwithstanding anything to the contrary therein, interest shall be calculated on:

(i) in the case of Fixed Rate N&C Securities which are represented by a Global N&C Security, the Outstanding Nominal Amount as of the last day of the relevant period for which the interest is being calculated multiplied by the number of N&C Securities represented by such Global N&C Security; or

(ii) in the case of Fixed Rate N&C Securities in definitive form, the Outstanding Nominal Amount as of the last day of the relevant period for which the interest is being calculated.

(e) If the N&C Securities are Floating Rate N&C Securities, for the purposes of Condition 6.3 and notwithstanding anything to the contrary therein, interest shall be calculated on:

(i) in the case of Floating Rate N&C Securities which are represented by a Global N&C Security, the Outstanding Nominal Amount as of the last day of the relevant period for which the interest is being calculated multiplied by the number of N&C Securities represented by such Global N&C Security; or

(ii) in the case of Floating Rate N&C Securities in definitive form, the Outstanding Nominal Amount as of the last day of the relevant period for which the interest is being calculated.

(f) Notwithstanding any provision of the Credit Linked Conditions, where Reference Entities are determined by reference to an Index then the Calculation Agent may (but is not required to) elect to follow the determination of the relevant Index Sponsor specified in the applicable Final Terms for purposes of identifying any Substitute Reference Obligation(s) or Successor(s) in relation to any Reference Entity instead of applying the relevant provisions set out in the Credit Linked Conditions.

## USE OF PROCEEDS OF THE N&C SECURITIES

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

The Issuer intends to use the net proceeds from the sale of the N&C Securities for its general corporate purposes, which include making a profit. This shall include the general corporate purposes of NHI and its consolidated subsidiaries (the **Nomura Group**), as further described in the Description of the NHI Guarantor section below. A substantial portion of the proceeds from the issue of N&C Securities may be used to hedge market risk with respect to such N&C Securities. If in respect of an issue of N&C Securities, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

**FORM OF FINAL TERMS FOR NON-EXEMPT W&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

[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 a Retail Investors to apply in all other jurisdictions and at all other times.

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 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 (Chapter 289) 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] [or] [for the duration of the applicable transition period under FinSA and its implementing ordinance, for which a simplified prospectus pursuant to Article 5(2) of the Swiss Federal Act on Collective Investment Schemes [(**CISA**)], as such article was in effect immediately prior to the entry into effect of FinSA, has been prepared],] [t][T]he Securities are not intended to be offered to private clients within the meaning of [the Swiss Federal Financial Services Act (**FinSA**)] [FinSA] in Switzerland. For these purposes, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client with an asset management agreement according to Article 58(2) FinSA.][3]

[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**)] [CISA] and are not subject to the supervision by the Swiss Financial Market Supervisory Authority FINMA, and investors will not benefit from the specific investor protection under the CISA.][4]

---

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 W&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 or, until 30 June 2022, a simplified prospectus under the CISA in its former version 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 W&C Securities are offered in Switzerland.

**NOMURA INTERNATIONAL FUNDING PTE. LTD.**

**Legal entity identifier (LEI): [ ]**

**[Title of W&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.**

## 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:*

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 7 October 2021 [and the supplement(s) to the Base Prospectus dated [●]] 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 W&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 W&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 W&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 W&C Securities is annexed to these Final Terms.] The Base Prospectus has also been published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).]

[*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 W&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 W&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 W&C Securities for the purposes of the Prospectus Regulation and (ii) full information on the Issuer[, the Guarantor] and the offer of the W&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.bourse.lu*). 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 W&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

---

5 Include where applicable.

6 Include where the Final Terms are deposited with SIX Exchange Regulation Ltd. as review body in Switzerland but not with the CSSF.

7 Include where the Final Terms constitute final terms for the purposes of the Prospectus Regulation.

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 W&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.bourse.lu*)**.] *(N.b. if this option is used, (i) the form of Final Terms from this base prospectus will need to 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 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] which are incorporated by reference in the Base Prospectus dated 7 October 2021. [[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 W&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 W&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 7 October 2021 [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 W&C Securities. These Final Terms succeed the Final Terms published on [*date*].] [A summary of the W&C Securities is annexed to these Final Terms.] The Base Prospectus has been published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).]

References herein to numbered Conditions are to the terms and conditions of the W&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 W&C Securities are Swiss W&C Securities.] (*This paragraph need only be included if the Pricing Supplement relates to Swiss W&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.*]

---

8 Include where applicable.

9 Include where the Final Terms are deposited with SIX Exchange Regulation Ltd. as review body in Switzerland.

10 Include where the Final Terms constitute final terms for the purposes of the Prospectus Regulation.

| | | |
|---|---|---|
| 1. | Guarantor: | [Not Applicable] [Nomura Holdings, Inc.] |
| 2. | Guaranteed W&C Securities: | [Yes/No]<br><br>[*If the W&C Securities are Guaranteed W&C Securities insert:*<br><br>Date of the Guarantor's authorisation for the guarantee of this Series of Guaranteed W&C Securities: [*Insert date*]]<br><br>(*NB: the guarantee of W&C Securities must be authorised on an issue by issue basis by the Guarantor's executive officer's written authorisation which must comply with the requirements of the Guarantee.*) |
| 3. | Series number: | [ ] |
| | Tranche number: | [ ] |
| 4. | Consolidation: | The W&C Securities are to be consolidated and form a single series with the [*insert title of relevant series of W&C Securities*] issued on [*insert issue date*]. (*N.B. Only applicable in relation to W&C Securities which are fungible with an existing series of W&C Securities*) |
| 5. | Type of W&C Securities: | [Warrants/Certificates]<br><br>[FX Basket Knock-Out W&C Securities/FX Basket Knock-In W&C Securities/Equity Delta One W&C Securities]<br><br>[*If the W&C Securities are Warrants, insert, as applicable*: American Style Warrants/European Style Warrants/ Bermudan Style Warrants] |
| | 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, Chapter 134 of Singapore |

[*If the Securities will qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, insert*:

***Where any interest, discount income, prepayment fee, redemption premium or break cost (Relevant Income) from any W&C Securities which constitute "qualifying debt securities" for Singapore income tax purposes (Relevant Securities) is derived by a person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using funds from that person's operations through the Singapore permanent establishment. Any person whose income (including Relevant Income) is not exempt from Singapore income tax is required to declare such income in a return of income under the Income Tax Act, Chapter 134 of Singapore.***]

| | | | |
|---|---|---|---|
| 6. | (i) | Issue Date: | [ ] |
| | (ii) | Trade Date: | [ ] |

| | | |
|---|---|---|
| 7. | [*For Certificates and European Style Warrants insert:* | |
| | Exercise Date: | [*insert single Exercise Date*], or, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Exercise Business Day.] |

| | | |
|---|---|---|
| | [*For Bermudan Style Warrants insert:* | |
| | Exercise Dates: | [*insert Exercise Dates*], or, if any such date is not an Exercise Business Day, the applicable Exercise Date shall be the immediately [preceding/succeeding] Exercise Business Day.] |
| | [*For American Style Warrants insert:* | |
| | Exercise Period: | From and including [ ] to and including [ ], or, if either day is not an Exercise Business Day, the immediately [succeeding] Exercise Business Day.] |
| 8. | Number of W&C Securities being issued: | |
| | (i) [Series:] | [ ] |
| | (ii) [Tranche:] | [ ] |
| 9. | Notional Amount per W&C Security (*for calculation purposes only*): | [ ] |
| 10. | Specified Currency: | [ ] |
| 11. | Issue Price: | [ ] |
| 12. | Business Day Centre: | [ ] |
| 13. | Additional Business Centre(s): | [ ] |
| 14. | Illegality Cancellation: | [Applicable/Not Applicable]<br>*(N.B. In accordance with W&C Securities Condition 5.1 Illegality Cancellation will apply automatically unless specified as "Not Applicable")* |
| | [*If "Applicable", insert:* Notice periods for Illegality Cancellation: | |
| | (a) Maximum period: | [See Condition 5.1][[●] days] |
| | (b) Minimum period: | [See Condition 5.1][[●] days]]<br>(*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 5.1. 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/New York Security Agent*) |
| 15. | Regulatory Cancellation: | [Applicable/Not Applicable]<br>*(N.B. In accordance with N&C Securities Condition 5.2, Regulatory Cancellation will apply automatically unless specified as "Not Applicable")* |
| 16. | Inconvertibility Event under Condition 5.4: | [Applicable/Not Applicable] |

[*If "Applicable", insert:* Notice periods for Regulatory Cancellation:

(a) Maximum period: [See Condition 5.2][[●] days]

(b) Minimum period: [See Condition 5.2][[●] 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 5.2. 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/New York Security Agent*)

17. Cash Settlement provisions:

(i) Settlement Date: [As per Condition 3.6]/[Other (*specify*)]

(ii) Settlement Price: [ ]

(iii) Settlement Currency: [ ]

(iv) Exchange Rate: [The Exchange Rate for conversion of any amount for the purposes of determining the Cash Settlement Amount is [ ].][See Condition [18.1][18.2]]

18. Calculation Agent: [Nomura International plc]/[*other*]

**PROVISIONS RELATING TO WARRANTS**

19. Exercise Price: [The Exercise Price per Warrant is [●]][*Insert in respect of FX Basket Knock-Out W&C Securities or FX Basket Knock-In W&C Securities*: See item 25 below]

20. Automatic Exercise: Automatic exercise [applies/does not apply] to the Warrants.

21. Minimum Exercise Number: [The minimum number of Warrants that may be exercised on any day by any Holder is [ ] [and Warrants may only be exercised in integral multiples of [ ] Warrants in excess thereof].][Not Applicable] (*N.B. not applicable for European Style Warrants*)

22. Maximum Exercise Number: [The maximum number of Warrants that must be exercised on any day by any Holder or group of Holders (whether or not acting in concert) is [ ].][Not Applicable] (*N.B. not applicable for European Style Warrants*)

**PROVISIONS RELATING TO TYPE OF W&C SECURITIES**

23. Type of Reference Item Linked W&C Securities: [FX Basket Knock-Out W&C Securities]

[FX Basket Knock-In W&C Securities]

[Equity Delta One W&C Securities]

| | | | |
|---|---|---|---|
| 24. | Equity Linked W&C Securities: | | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*<br>The provisions of Condition 18.3 and Annex 2 of the Terms and Conditions (*Additional Terms and Conditions for Equity Linked Securities*) shall apply. |
| | (i) | Share: | [ ]<br>(*Insert description of the relevant share, including the name of the share issuer and the ISIN or other such security identification code*) |
| | (ii) | Equity Currency: | [ ] |
| | (iii) | Scheduled Trading Day: | [Single Share Basis]<br>[All Share Basis]<br>[Per Share Basis] |
| | (iv) | Exchange(s): | [ ] |
| | (v) | Related Exchange: | [ ]/[All Exchanges]/[Hedging Exchanges] |
| | (vi) | Exchange Business Day: | [Single Share Basis]<br>[All Share Basis]<br>[Per Share Basis]<br>(*N.B. needs to follow Scheduled Trading Day selection*) |
| | (vii) | Final Valuation Date: | [ ] |
| | (viii) | Valuation Time: | [Equity Linked Condition 6 applies]/[ ] |
| | (ix) | Disruption Cut-Off Date: | The date [ ] Scheduled Trading days [after the relevant Valuation Date/prior to the next succeeding day on which payment is to be made under the Securities]. |
| | (x) | Options Exchange Adjustment: | [Applicable / Not Applicable] |
| | (xi) | Share Substitution: | [Applicable/Not Applicable] |
| | (xii) | Additional Disruption Events: | The following Additional Disruption Events apply to the W&C Securities:<br>[Change in Law]<br>[Hedging Disruption]<br>[Increased Cost of Hedging]<br>[Increased Cost of Stock Borrow]<br>[Initial Stock Loan Rate: [ ]]<br>[Insolvency Filing]<br>[Loss of Stock Borrow]<br>[Maximum Stock Loan Rate: [ ]] |
| 25. | FX Linked W&C Securities: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |

| | | | |
|---|---|---|---|
| | | | The provisions of Condition [18.1][18.2] and Annex 3 of the Terms and Conditions (*Additional Terms and Conditions for FX Linked Securities*) shall apply. |
| (i) | 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*)] |
| (ii) | 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][[[ ]/[ ]]<br>FX Price Source for the Alternate Currency Pair: [ ]]<br>(*Repeat in respect of each Alternate Currency Pair*)<br>(*NB. Alternate Currency Pairs will be applicable where the Reference Exchange Rate is to be implied from more than one Settlement Rate Option*) |
| | (IV) | Exercise Price: | [ ] |
| | (V) | FX Price Source: | [ ] |
| | (VI) | w: | [ ] |
| | (VII) | [*Insert for FX Basket Knock-Out W&C Securities*: Knock-Out Level] / [*Insert for FX Basket Knock-In W&C* Securities: Knock In Level] | [ ]]<br>(*Repeat prompts (I) to (VII) in respect of each Currency Pair*) |
| (iii) | Specified Financial Centre(s): | | [ ] |
| (iv) | Price Materiality Percentage: | | [ ] per cent. |
| (v) | Primary Rate: | | [ ] |
| (vi) | Secondary Rate: | | [ ] |
| (vii) | Leverage: | | [ ] per cent. |
| (viii) | X: | | [Exercise Price][Settlement Rate] |
| (ix) | Y: | | [Exercise Price][Settlement Rate] |

| | | | |
|---|---|---|---|
| | (x) | Z: | [Exercise Price][Settlement Rate][1]<br>(*NB. "Z" can only be "1" where there is only one Currency Pair specified*) |
| | (xi) | Observation Date(s): | [ ] |
| | (xii) | Observation Cut-Off Date: | [ ] |
| | (xiii) | Valuation Date: | [ ] |
| | (xiv) | Valuation Time: | [ ] |
| | (xv) | Disruption Event: | The following Disruption Events apply to the W&C Securities:<br>[Change in Law]<br>[Dual Exchange Rate]<br>[General Inconvertibility]<br>[General Non-Transferability]<br>[Hedging Disruption Event]<br>[Illiquidity]<br>[Material Change in Circumstance]<br>[Nationalisation]<br>[Price Materiality]<br>[Price Source Disruption] |
| | (xvi) | Consequence of a Disruption Event: | The following fallback provisions apply to the W&C Securities:<br>[Calculation Agent Determination of Settlement Rate]<br>[Fallback Reference Price]<br>[Settlement Postponement]<br>[Termination] |
| | (xvii) | Maximum Days of Disruption: | [ ] |
| | (xviii) | Barrier Start Date: | [ ] |
| 26. | 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] |

**GENERAL**

| | | |
|---|---|---|
| 27. | Form of W&C Securities: | [The W&C Securities are to be issued into and transferred through Euroclear and Clearstream, Luxembourg.]<br>[Registered Form: Permanent Global W&C Security<br>The W&C Securities and the Guarantee have not been and will not be registered under the Securities Act or under any state securities laws and the W&C 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) 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**). Furthermore, the W&C 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 W&C Securities has not been approved by the CFTC pursuant to the CEA, and no U.S. Person may at any time trade or maintain a position in the W&C Securities. For a description of the restrictions on offers and sales of W&C Securities, see "*Notice to Purchasers and Holders of Securities and Transfer Restrictions*" in the Base Prospectus.

Each initial purchaser of the W&C Securities and each subsequent purchaser or transferee of the W&C Securities shall be deemed to have agreed with the Issuer or the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, such Securities so purchased in the United States or to, or for the account or benefit of, any U.S. Person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person and (ii) it is not purchasing any W&C Securities for the account or benefit of any U.S. Person.]

(*N.B. W&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, U.S. Persons may only be issued as Permanent Global W&C Securities.*)]

***OR***

[Registered Form: Regulation S Global W&C Security]

***OR***

[Registered Form: Rule 144A Global W&C Security

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 and are to be settled through DTC.]

***OR***

[Swiss W&C Securities:

The Swiss W&C Securities are issued in [global]/[uncertificated] form. The provisions of Annex 10 (*Additional Terms and Conditions for Swiss Securities*) shall apply to the Swiss W&C Securities.]

(*Include any additional terms required in respect of Swiss Securities, e.g. in respect of notices, provisions for meetings of Securityholders or the exercise procedure relating to Swiss W&C Securities which are (i) European Style Warrants in respect of which "Automatic Exercise" is not applicable, (ii) Bermudan Style Warrants,or (iii) American Style Warrants*)

**[RESPONSIBILITY FOR THIRD PARTY INFORMATION**

The information relating to [●] [and [●]] contained herein has been accurately 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 Guarantor:

By: .....

*Duly authorised*]

## PART B – OTHER INFORMATION

*When completing this Part B prompts marked:*

* *should be deleted if minimum issue price is less than €100,000 (or its equivalent in the relevant currency as at the date of issue)*

** *should be deleted if minimum issue price is €100,000 or more (or its equivalent in the relevant currency as at the date of issue)*

*** *should be deleted if minimum issue price is €100,000 or more (or its equivalent in the relevant currency as at the date of issue) and if the securities are not Derivative Securities*

**** *should be deleted if the securities are Derivative Securities.*

### 1. LISTING AND ADMISSION TO TRADING

| | |
|---|---|
| Listing and Admission to trading: | [Application [has been]/[is expected to be] made by the Issuer (or on its behalf) for the W&C Securities to be admitted to trading on the [Luxembourg Stock Exchange's [regulated market]/[Euro MTF Market]]/[*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]/[the Multilateral Trading Facility of securitised dervivative financial instruments organised and managed by Borsa Italiana S.p.A. (the **SeDeX Market**)]/[*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.]<br><br>[*Where documenting a fungible issue in respect of which the original securities are already admitted to trading, insert:* The existing W&C Securities with which these Securities are to be consolidated and form a single series are admitted to trading on [the Luxembourg Stock Exchange's [regulated market][Euro MTF Market]]/[*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]/[the SeDeX Market]/[*specify relevant listing authority in Austria, Belgium, Denmark, France, Germany, Hungary, Ireland, Italy, Poland, Portugal, Spain, Sweden or The Netherlands*]]** |

### 2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the W&C 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*]

(*N.B. 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.*)

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

| | | |
|---|---|---|
| (i) | [Reasons for the offer: | [ ]<br>(*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: | [ ]<br>(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding*) |
| (iii) | Estimated total expenses: | [ ] (*Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses"*.) |

4. **PERFORMANCE OF THE UNDERLYING[S], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT [AND OTHER INFORMATION CONCERNING THE UNDERLYING[S]]**

[*If no underlying insert: Not Applicable*][*In respect of any and each underlying that is a share include details of the name of the share company, any security identification number of the shares, where pricing information about the shares is available, and where past and future performance and volatility of the share can be obtained. In respect of any and each underlying that is a currency/currency exchange rate include a description of the currency/rate and where past and future performance and volatility of the relevant rate(s)/currencies can be obtained. An example of how the value of the investment is affected by the value of the underlying(s) may also be included.*]

5. **OPERATIONAL INFORMATION**

| | | |
|---|---|---|
| (i) | ISIN: | [ ] |
| (ii) | CUSIP: | [ ] (*Include for issuance within the US pursuant to Rule144A*) |
| (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) | [(insert here any other relevant codes such as CUSIP and CNS codes)]: | [ ] |
| (vii) | [Clearing System(s):] | [Euroclear Bank S.A./N.V.] [and]/ [Clearstream Banking S.A.] [including, where required, through [its][their] bridge account with Monte Titoli]/[DTC] |
| (viii) | [Any clearing system(s) other than Euroclear and Clearstream, Luxembourg, DTC, Euroclear Sweden AB or a duly authorised | [Not Applicable/*give name(s) and number(s)*] |

| | | |
|---|---|---|
| | Swedish central securities depository under the Swedish CSD Rules and the relevant identification number(s):] | |
| (ix) | [Names and addresses of initial Agents:] | [Citibank, N.A., London Branch, 13th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB/*other*].<br><br>(*N.B. In respect of Swiss Securities include details of the relevant Swiss Paying Agent*) |

6. **DISTRIBUTION**

| | | |
|---|---|---|
| (i) | Method of distribution: | [Syndicated/Non-Syndicated] |
| (ii) | If syndicated, names [and addresses] *** of Managers [and underwriting commitments/quotas (material features)] ***: | [Not Applicable/*give names[, and addresses and underwriting commitments*]***]<br><br>*(Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)****** |
| (iii) | Date of Subscription Agreement ***: | [ ] |
| (iv) | If non-syndicated, name [and address] *** of relevant Dealer: | [Not Applicable/*give name and address*] |
| (v) | [Total commission and concession **: | [ ]] |
| (vi) | Additional U.S. Federal Income Tax considerations: | [Not Applicable] [For U.S. federal income tax purposes, the Issuer intends to treat the W&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 [additional amount/cash settlement amount] on a W&C Security as interest and [ ]% as option premium.] [The comparable yield relating to the W&C Securities will be [ ]% compounded [semi-annually/quarterly/monthly], and the projected payment schedule with respect to a W&C Security consists of the following payments: [ ].] [The comparable yield relating to the W&C Securities and the projected payment schedule are available by contacting [ ] at [ ].]<br><br>(*N.B. This disclosure is only required for W&C Securities issued under Rule 144A. Otherwise specify "Not Applicable"*) |
| (vii) | Specified Securities for U.S. Dividend Equivalent Withholding purposes: | [The W&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 W&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 W&C Securities.]<br><br>(*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.*) |
| (viii) | Non-exempt Offer: | [Applicable] [Not Applicable]<br><br>(*if not applicable, delete the remaining placeholders of this paragraph (viii) and, unless the Final Terms relate to a Swiss Non-exempt Offer, also paragraph 8 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)*]<br><br>*(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.)* |
| (ix) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br><br>(*If the Securities clearly do not constitute "packaged" products or the Securities do constitute "packaged" products and a 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 PRIIPs KID, 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)* |

* Not relevant for an issue of W&C Securities with an issue price equal to or greater than EUR 100,000 (or its equivalent in another currency).

| | | |
|---|---|---|
| | | *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*]]<br><br>[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].]] |
| (x) | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]<br><br>(*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*) |
| | [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]]] |
| (xi) | Prohibition of Sales to Belgian Consumers: | [Applicable/Not Applicable]<br><br>(*N.b. advice should be taken from Belgian counsel before disapplying this selling restriction*) |
| (xii) | 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]]<br><br>[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]]] |
| (xiii) | Swiss Non-exempt Offer: | [Applicable] [Not Applicable]<br><br>(*if not applicable, delete the remaining placeholders of this paragraph (xiii) and, unless the Final Terms relate to a Non-exempt Offer, also paragraph 8 below*) |
| | Swiss Offer Period: | [*specify date*] until [*specify date*] |
| | 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)*]]<br><br>*(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.)*

| | |
|---|---|
| [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 W&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.]<br><br>[Not Applicable]]<br><br>(*Specify as applicable and tailor as appropriate where the Final Terms are deposited with SIX Exchange Regulation Ltd. as review body in Switzerland.)* |

## 7. EU BENCHMARKS REGULATION

| | |
|---|---|
| EU Benchmarks Regulation: Article 29(2) statement on benchmarks: | [Not Applicable]<br><br>[Applicable: Certain amounts under the Securities are calculated by reference to [LIBOR/EURIBOR/SONIA/SOFR/ €STR/*insert name[s] of benchmark(s)*], which [is/are] provided by [ICE Benchmark Administration Limited/ European Money Markets Institute/The Bank of England/The Federal Reserve Bank of New York/The European Central Bank/*insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark*].<br><br>As at the date of these Final Terms, [ICE Benchmark Administration Limited/ European Money Markets Institute/The Bank of England/The Federal Reserve Bank of New York/The European Central Bank/*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*)<br><br>[As at the date of these Final Terms and as far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmark Regulation (Regulation (EU) 2016/1011) apply, such that ICE Benchmark Administration Limited as the administrator of the LIBOR benchmark is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).] |

## 8. TERMS AND CONDITIONS OF THE OFFER (*Public Offer Only*) **

*(Delete whole section if sub-paragraph 6(viii) above and sub-paragraph 6(xiii) above are specified to be "Not Applicable". Where sub-paragraph 6(viii) above and sub-paragraph 6(xiii) 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)*]<br><br>[The effectiveness of the offer is subject to the adoption of the resolution of admission to trading of the SeDeX W&C Securities on the SeDeX Market before the Issue Date. As such, the Issuer undertakes to file the application for the SeDeX W&C Securities to be admitted to trading on the SeDeX Market in time for the adoption of such resolution.] |
| Description of the application process: | [Not Applicable/*give details*] |
| Details of the minimum and/or maximum amount of the application: | [Not Applicable/*give details*] |
| Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants: | [Not Applicable/*give details*] |
| Details of the method and time limits for paying up and delivering the W&C Securities: | [Not Applicable/*give details*] |
| Manner in and date on which results of the offer are to be made public: | [Not Applicable/*give details*] |
| Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable/*give details*] |
| Whether tranche(s) have been reserved for certain countries: | [Not Applicable/*give details*] |
| Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made: | [Not Applicable/*give details*] |
| Amount of any expenses and taxes charged to the subscriber or purchaser: | [Not Applicable/*give details*]<br><br>(*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)* |
| 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 6 above and identifiable from the Base Prospectus/None/*give details*] |

## 9. 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 W&C SECURITIES**

**[*Insert completed Summary for W&C Securities (including any Swiss Non-Exempt Securities)*]**

## TERMS AND CONDITIONS OF THE W&C SECURITIES

**Clause** **Page**


1. Type, Title and Transfer ..... 354
   1.1 Type ..... 354
   1.2 Title to W&C Securities ..... 356
   1.3 Transfers of W&C Securities ..... 356
2. Status of the W&C Securities and Guarantee ..... 359
   2.1 Status of the W&C Securities ..... 359
   2.2 Status of the Guarantee ..... 359
3. Exercise, Settlement and Additional Amounts ..... 359
   3.1 Exercise Rights ..... 359
   3.2 Cash Settlement ..... 363
   3.3 Physical Settlement ..... 364
   3.4 Issuer's Option to Vary Settlement ..... 369
   3.5 General ..... 369
   3.6 Definitions ..... 370
   3.7 Additional Amounts ..... 372
4. Exercise Procedure ..... 374
   4.1 Exercise Notice in respect of Warrants ..... 374
   4.2 Collection Notice in respect of Certificates ..... 376
   4.3 Verification of the Securityholder ..... 377
   4.4 Settlement ..... 378
   4.5 Determinations ..... 379
   4.6 Delivery of an Exercise Notice or a Collection Notice ..... 379
   4.7 Exercise Risk ..... 379
   4.8 Minimum and Maximum Number of W&C Securities Exercisable ..... 379
   4.9 CNY Currency Event ..... 381
5. Early Cancellation, Administrator/Benchmark Events and Inconvertibility Event ..... 382
   5.1 Cancellation for Illegality ..... 382
   5.2 Regulatory Cancellation Event ..... 383
   5.3 Adjustment or Cancellation following an Administrator/Benchmark Event ..... 383
   5.4 Inconvertibility Event ..... 386
6. Event of Default on Insolvency ..... 389
7. Purchases ..... 390
8. Agents ..... 390
   8.1 Agents ..... 390
   8.2 Calculation Agent ..... 390
   8.3 Determinations by the Issuer or the Guarantor ..... 393
9. Notices ..... 393
10. Expenses and Taxation ..... 394
11. Further Issues ..... 394
12. Meetings of Securityholders and Modifications ..... 394
13. Substitution ..... 395
   13.1 Substitution of the Issuer ..... 395
   13.2 Substitution of the Guarantor ..... 398
14. Contracts (Rights of Third Parties) Act 1999 ..... 400
15. Severability ..... 400
16. Governing Law and Submission to Jurisdiction ..... 400
   16.1 Governing law ..... 400
   16.2 Submission to jurisdiction ..... 401
   16.3 Process Agent for the Issuer and the Guarantors ..... 401
17. Redenomination ..... 401
18. Additional Conditions relating to Non-Exempt W&C Securities ..... 402

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

*The following are the Terms and Conditions of the W&C Securities which will apply to each issue of W&C Securities. The applicable Pricing Supplement in relation to any Series of Exempt W&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 W&C Securities. In the case of W&C Securities other than Exempt W&C Securities, reference should be made to "applicable Final Terms" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant W&C Securities.*

*The Additional Terms and Conditions contained in Annex 1 in the case of Index Linked W&C Securities, Annex 2 in the case of Equity Linked W&C Securities, Annex 3 in the case of FX Linked W&C Securities, Annex 4 in the case of Commodity Linked W&C Securities, Annex 5 in the case of Fund Linked W&C Securities, Annex 6 in the case of Inflation Linked W&C Securities, Annex 7 or Annex 15 in the case of Credit Linked W&C Securities, Annex 9 in the case of Swedish Securities, Annex 12 in the case of Swiss Securities and/or Annex 14 in the case of SeDeX W&C Securities, (each as defined therein) will apply to the W&C Securities if specified herein and/or in the applicable Final Terms. In the case of W&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 Series of W&C Securities described in the applicable Final Terms (insofar as it relates to such Series of W&C Securities) (such W&C Securities being hereinafter referred to as the **W&C Securities**) are issued by Nomura International Funding Pte. Ltd. (the **Issuer**). W&C Securities will be either warrants (**Warrants**) or exercisable certificates (**Certificates**), as specified in the applicable Final Terms, and references in these Terms and Conditions to "W&C Security", "W&C Securities", "Warrant", "Warrants", "Certificate" and "Certificates" will be construed accordingly. In the case of Warrants, where specified in the applicable Final Terms that such Warrants are to be exercised in Units, the references in these Terms and Conditions to "W&C Security", "W&C Securities", "Warrant" and "Warrants" will be construed accordingly.

The W&C Securities are issued pursuant to 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 7 October 2021 and made between the Issuer, the Guarantor (as defined below), Citibank, N.A., London Branch as principal agent (the **Principal Agent**, which expression shall include any successor principal agent), Citibank, N.A., London Branch as New York security agent (the **New York Security Agent**), Nomura International plc as calculation agent (the **Calculation Agent**) and the other agents named therein (together with the Principal Agent, the New York Security Agent and the Calculation Agent, the **Agents**, which expression shall include any additional or successor agents).

Nomura International plc shall undertake duties of Calculation Agent in respect of the W&C Securities unless another entity is so specified as the Calculation Agent in the applicable Final Terms. The expression "Calculation Agent" shall include such other specified Calculation Agent.

If, (i) specified in the applicable Final Terms and (ii) specifically authorised in accordance with the Guarantee by an executive officer of the Guarantor authorised by the Guarantor's Executive Management Board, the W&C Securities may be issued with the benefit of a guarantee from Nomura Holdings, Inc. (the **Guarantor**) pursuant to a deed of guarantee substantially in the form set out in the Base Prospectus (such guarantee, as modified, supplemented and/or restated from time to time, the **Guarantee**) dated on or about 7 October 2021 and executed by the Guarantor. The Guarantee will not be applicable in respect of a Series of W&C Securities unless (i) expressly specified in the applicable Final Terms and (ii) authorised as described above. If, (i) the applicable Final Terms in respect of any Series of W&C Securities does not state that the W&C Securities of such Series are Guaranteed W&C Securities, (ii) if the Guarantee is not authorised as described above, or (iii) the date of such authorisation is not specified in the applicable Final Terms, then such W&C Securities will not have the benefit of the Guarantee or any other guarantee or similar arrangements from the Guarantor or

any other party. The original of the Guarantee is held by the Principal Agent on behalf of the Securityholders at its specified office.

Any W&C Securities specified in the applicable Final Terms as guaranteed by the Guarantor and duly authorised by the Guarantor are referred to herein as **Guaranteed W&C Securities**. All amounts payable or deliverable under Guaranteed W&C Securities are unconditionally and irrevocably guaranteed by the Guarantor pursuant to the terms of the Guarantee.

The final terms for the W&C Securities are set out in Part A of the Final Terms applicable to the W&C Securities (the **applicable Final Terms**) which complete these Terms and Conditions of the W&C Securities (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) and, if the W&C Securities are neither admitted to trading on (a) a regulated market in the European Economic Area (the **EEA**) or (b) a United Kingdom (**UK**) regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) nor offered in (a) the EEA or (b) in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (**Exempt W&C Securities**), 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 these Conditions, replace or modify the Conditions for the purposes of the W&C Securities. 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.

Any reference to **Warrantholders** in relation to any Warrants shall mean the holders of the Warrants. Any reference to **Certificateholders** in relation to Certificates shall mean the holder of the Certificates. Any references to **Securityholders**, **Holders** or **holders** shall be construed as referring to the Warrantholders or Certificateholders, as applicable.

Any reference herein to the W&C Securities being listed and/or admitted to trading shall mean that such W&C Securities have been either (i) admitted to the Official List of the Luxembourg Stock Exchange (the **LuxSE**) and admitted to trading on the LuxSE's Regulated Market or the 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.

The Securityholders 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 7 October 2021 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg (each as defined below).

As used herein, **Tranche** means W&C Securities which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of W&C Securities together with any further Tranche or Tranches of W&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 issue price, as the case may be, and the issue date.

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 pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the **Securities Act**), and applicable state securities laws, 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 (a) in the United States to qualified institutional buyers (**QIBs**) within the meaning of Rule 144A (**Rule 144A**) under the Securities Act who are also each a qualified purchaser (**QP**) within the meaning of Section 3(c)(7) and as defined in

Section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended (the **1940 Act**) or (b) 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 or for the account and benefit of non-U.S. persons in reliance on Regulation S under the Securities Act (**Regulation S**) and pursuant to CFTC rules, regulations and guidance, 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 or to, or for the account or benefit of, U.S. persons, the W&C Securities will be represented by a Permanent Global W&C Security (the **Permanent Global W&C Security**). Such W&C Securities are permanently prohibited from being offered, sold, resold, transferred, pledged or 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) 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 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.

Except as specified herein, definitive W&C Securities will not be issued. 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 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 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 Regulation S Global W&C Security held through Euroclear and Clearstream, Luxembourg or a Rule 144A Global W&C Security held through DTC 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, payment, termination, settlement and other mechanics related to any W&C Securities issued in definitive form in exchange for W&C Securities as described above 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.

Copies of the Agency Agreement, the Guarantee and the Deed of Covenant (i) are available for inspection during normal business hours at the specified office of the Principal Agent 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 W&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.bourse.lu). If the W&C Securities are Exempt W&C Securities and are to be listed on the Euro MTF market, the applicable Pricing Supplement will be published on the website of the LuxSE (www.bourse.lu). Otherwise, the applicable Pricing Supplement for Exempt W&C Securities will be obtainable by a Securityholder holding one or more W&C Securities and such Securityholder must produce evidence satisfactory to the Issuer and the Principal Agent as to its holding of such W&C Securities and identity. The Securityholders 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 shall 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. TYPE, TITLE AND TRANSFER

### 1.1 Type

Unless the W&C Securities are Exempt W&C Securities, the W&C Securities may be FX Basket Knock-Out W&C Securities (which are a type of FX Linked W&C Securities), FX Basket Knock-In W&C Securities (which are also a type of FX Linked W&C Securities) or Equity Delta One W&C

Securities (which are a type of Equity Linked W&C Securities). If the W&C Securities are Non-Exempt W&C Securities, they may also be Swiss Securities.

If the W&C Securities are Exempt W&C Securities, the W&C Securities may be specified in the applicable Pricing Supplement as relating to a specified Index or basket of Indices (**Index Linked W&C Securities**), a specified Share or basket of Shares or a specified American Depositary Receipt (an **ADR**) and/or Global Depositary Receipt (a **GDR**) referencing a share (the **Underlying Share**) or basket of such GDRs and/or ADRs (**Equity Linked W&C Securities**), a specified currency or basket of currencies (**FX Linked W&C Securities**), a specified commodity or commodity index or basket of commodities and/or commodity indices (**Commodity Linked W&C Securities**), a specified fund share or unit or basket of fund shares or units (**Fund Linked W&C Securities**), a specified inflation index (**Inflation Linked W&C Securities**), or the credit of a specified reference entity or reference entities (**Credit Linked W&C Securities**), a Swedish Security (**Swedish Securities**), a Swiss Security (**Swiss Securities**), a SeDeX W&C Security (**SeDeX W&C Securities**) or any combination 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 on the type of Securities shown in the applicable Pricing Supplement. The applicable Pricing Supplement for such W&C Securities will specify which of the annexes of Additional Terms and Conditions apply to the W&C Securities.

No Equity Linked W&C Securities that would be subject to Article 20.1 or 20.2(b) of Commission Delegated Regulation (EU) No 2019/980 may be issued unless those Equity Linked W&C Securities are Exempt Securities.

Unless the W&C Securities are Exempt W&C Securities, settlement shall be by way of cash payment (**Cash Settled W&C Securities**).

If the W&C Securities are Exempt W&C Securities, the applicable Pricing Supplement will indicate whether such W&C Securities are Cash Settled W&C Securities or whether settlement will be by way of physical delivery (**Physical Delivery W&C Securities**), whether averaging (**Averaging**) will apply to the W&C Securities and whether the W&C Securities may be terminated following a Mandatory Early Termination Event. W&C Securities represented by a 144A Global W&C Security may not be settled by way of Physical Delivery. If Averaging is specified as applying in the applicable Pricing Supplement, the applicable Pricing Supplement will state the relevant Averaging Dates and, in respect of Index Linked W&C Securities and Equity Linked W&C Securities, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement applies.

In respect of Warrants, the applicable Final Terms will indicate whether such Warrants are American style Warrants (**American Style Warrants**), European style Warrants (**European Style Warrants**), Bermudan style Warrants (**Bermudan Style Warrants**) or, in the case of Exempt W&C Securities, such other type of Warrants as may be specified in the applicable Pricing Supplement. The applicable Final Terms will also indicate whether automatic exercise (**Automatic Exercise**) applies to the Warrants and whether the Warrants are call Warrants (**Call Warrants**) or put Warrants (**Put Warrants**). If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise such Warrants in breach of this provision shall be void and of no effect.

Certificates issued under the Programme will be automatically exercised on the Exercise Date, subject as provided in Condition 3.1.4 below.

If the W&C Securities are Exempt W&C Securities, references in the Conditions, unless the context otherwise requires, to (a) Cash Settled W&C Securities shall be deemed to include references to Physical Delivery W&C Securities, which include an option (as set out in the applicable Pricing Supplement) at the Issuer's election to request cash settlement of such W&C Security and where settlement is to be by way of cash payment, and (b) Physical Delivery W&C Securities shall be deemed

to include references to Cash Settled W&C Securities which include an option (as set out in the applicable Pricing Supplement) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such W&C Security and where settlement is to be by way of physical delivery.

If the W&C Securities are Exempt W&C Securities, the W&C Securities may, if so specified and provided for in the applicable Pricing Supplement, allow holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Pricing Supplement. Those W&C Securities where the holder has elected for cash payment will be Cash Settled W&C Securities and those W&C Securities where the holder has elected for physical delivery will be Physical Delivery W&C Securities. The rights of a holder as described in this paragraph may be subject to the Issuer's right to vary settlement if so indicated in the applicable Pricing Supplement.

**1.2 Title to W&C Securities**

**Title to W&C Securities represented by a Global W&C Security**

In the case of W&C Securities represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, subject as set forth in Condition 1.3 below, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular number of W&C Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the number of W&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 W&C Securities) and any Agent as the holder of such number of W&C Securities for all purposes.

**Title to W&C Securities represented by a Rule 144A Global W&C Security**

In the case of W&C Securities represented by a Rule 144A Global W&C Security held through DTC, the Rule 144A Global W&C Security will be in the name of Cede & Co., as nominee of DTC but does not confer any rights or benefits on Cede & Co. or any other nominee of DTC in whose name a Rule 144A Global W&C Security may be registered and is only enforceable by the Securityholders as provided therein. Any Rule 144A Global W&C Security held through DTC will be held by the New York Security Agent as custodian for DTC. Subject as set forth in Condition 1.3 below, each person who is for the time being shown in the records of DTC as the holder of a particular number of such W&C Securities shall be treated by the Issuer, the Guarantor (in the case of Guaranteed W&C Securities) and any Agent as the holder of such number of such W&C Securities for all purposes.

**1.3 Transfers of W&C Securities**

Transfers of W&C Securities may not be effected after the exercise or termination of such W&C Securities pursuant to Condition 3.1.

All transactions (which transactions shall include permitted transfers of W&C Securities represented by a Rule 144A Global W&C Security, and permitted transfers of W&C Securities represented by the same or another Global W&C Security) to, or for the account or benefit of, a U.S. Person who is a QIB and also a QP who takes delivery of W&C Securities represented by a Rule 144A Global W&C Security in the open market or otherwise in respect of W&C Securities represented by a Rule 144A Global W&C Security may only be effected to or through the Issuer.

All transactions (including permitted transfers of W&C Securities) in the open market or otherwise must be effected through an account at Euroclear or Clearstream, Luxembourg, in the case of W&C Securities represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, or through a direct or indirect participant of DTC, in the case of W&C Securities

represented by a Rule 144A Global W&C Security held through DTC, subject to and in accordance with the rules and procedures for the time being of, Euroclear, Clearstream, Luxembourg or DTC, as the case may be. Title will pass upon registration of the transfer in the books of Euroclear or Clearstream, Luxembourg or DTC, as the case may be. Transfers of a Rule 144A Global W&C Security held by a nominee for DTC shall be limited to transfers of such Rule 144A Global W&C Security, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, in the case of Exempt W&C Securities only, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Agent from time to time and notified to the Securityholders in accordance with Condition 9.

Subject as stated above, transfers or exchanges of W&C Securities (other than W&C Securities represented by a Permanent Global W&C Security) may only be made in accordance with the following provisions:

**1.3.1** *Transfers of W&C Securities represented by a Global W&C Security*

Transfers or exchanges of W&C Securities represented by a Global W&C Security to or for W&C Securities represented by the same or another Global W&C Security may be made only:

1.3.1.1 in the case of transfers to or exchanges with a person who takes delivery in the form of W&C Securities represented by a Regulation S Global W&C Security, from a holder of W&C Securities represented by a Regulation S Global W&C Security, upon certification (in the form from time to time available from any Agent) to the Principal Agent by the transferor (or, with respect to an exchange, the holder) thereof that such transfer or exchange, as the case may be, is being made to and for the account or benefit of a non U.S. person outside the United States in an offshore transaction pursuant to Regulation S and CFTC rules, regulations and guidance;

1.3.1.2 in the case of transfers to or exchanges with a person who takes delivery in the form of W&C Securities represented by a Rule 144A Global W&C Security, from a holder of W&C Securities represented by a Regulation S Global W&C Security, upon certification substantially in the form set out in the Agency Agreement, amended as appropriate, (a **Transfer Certificate**) to the Principal Agent by the transferor (or, with respect to an exchange, the holder) thereof that such transfer or exchange, as the case may be, is being made in the United States to a person who is a QIB and also a QP or to, or for the account or benefit of, a U.S. person who is a QIB and also a QP, in either case, who acquired such W&C Securities in a transaction meeting the requirements of Rule 144A (copies of the form of Transfer Certificate are available from the specified office of any Agent) together with delivery of a duly executed Investor Representation Letter from the relevant transferee in accordance with (and as defined in) paragraph 1.3.2 below;

1.3.1.3 in the case of transfers to a person who takes delivery in the form of W&C Securities represented by a Rule 144A Global W&C Security, from a holder of W&C Securities represented by a Rule 144A Global W&C Security, in a transaction meeting the requirements of Rule 144A together with delivery of a duly executed Investor Representation Letter from the relevant transferee in accordance with (and as defined in) paragraph 1.3.2 below;

1.3.1.4 in the case of transfers to a person who takes delivery in the form of W&C Securities represented by a Regulation S Global W&C Security, from a holder of W&C

Securities represented by a Rule 144A Global W&C Security, upon certification (in the form from time to time available from any Agent) to the Principal Agent by the transferor thereof that such transfer is being made to a non U.S. person in an offshore transaction pursuant to Regulation S and CFTC rules regulations and guidance; and

1.3.1.5 in the case of transfers to a person who takes delivery in the form of W&C Securities represented by a Permanent Global W&C Security, from a holder of W&C Securities represented by that Permanent Global W&C Security only, to and for the account or benefit of a non-U.S. person outside the United States in an offshore transaction pursuant to Regulation S and CFTC rules regulations and guidance and, at the time of such transfer, such transferee shall be deemed to have acknowledged, represented and agreed in respect of the selling and transfer restrictions under the federal securities and commodity laws of the United States as indicated and set out in the applicable Final Terms,

in each case, in accordance with: (1) any applicable securities laws of any State of the United States and any other jurisdiction; (2) any applicable restriction imposed by the United States Commodity Exchange Act of 1936, as amended; and (3) any applicable rules and regulations of the Principal Agent, the New York Security Agent, DTC, Euroclear and/or Clearstream, Luxembourg.

**1.3.2** *Transfers of W&C Securities represented by a Rule 144A Global W&C Security*

In the case of transfers of W&C Securities to a person who takes delivery in the form of W&C Securities represented by a Rule 144A Global W&C Security, the delivery of a duly executed investor representation letter in the form set out in the Agency Agreement (an **Investor Representation Letter**) from the relevant transferee is a condition precedent to the transfer of such W&C Securities or any beneficial interests therein. The Investor Representation Letter must be duly executed by such proposed transferee or such proposed transferee's attorney duly authorised in writing, at least three New York Business Days prior to the date the transfer of such W&C Securities is desired. Any attempted transfer in which the Investor Representation Letter and the proposed transfer was not effected in accordance with the foregoing procedures shall not be valid or binding on the Issuer. In addition, if any Agent subsequently determines or is subsequently notified by the Issuer that (i) a transfer or attempted or purported transfer of any interest in a W&C Security was consummated in compliance with the provisions of this paragraph on the basis of an incorrect form of certification from the transferee or purported transferee as set forth in the relevant Investor Representation Letter, (ii) the holder of any interest in a W&C Security was in breach, at the time given, of any representation or agreement set forth in any Investor Representation Letter or any deemed representation or agreement of such holder, or (iii) a transfer or attempted transfer of any interest in a W&C Security was consummated which did not comply with the transfer restrictions set forth in this Condition 1.3 the purported transfer shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee (such purported transferee, a **Disqualified Transferee**) and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a holder thereof retroactively to the date of transfer of such interest by such holder.

**1.3.3** *Securityholder instruction*

The Securityholder must send:

1.3.3.1 in the case of transfers of W&C Securities represented by a Regulation S Global W&C Security, a Permanent Global W&C Security or a Rule 144A Global W&C Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear,

a free of payment instruction to Clearstream, Luxembourg or Euroclear, as the case may be, not later than 10:00 a.m. (Luxembourg time) one Luxembourg Business Day prior to the date on which the transfer is to take effect; and

1.3.3.2 in the case of transfers or exchanges of W&C Securities represented by a Rule 144A Global W&C Security held through DTC, a free of payment instruction to DTC at least two New York Business Days prior to the date on which the transfer or exchange is to take effect.

In the case of a transfer, separate payment arrangements are required to be made between the transferor and the transferee.

**1.3.4** *Transfer procedure*

On the transfer or exchange date DTC, Euroclear or Clearstream, Luxembourg, as the case may be, will debit the account of its participant and will instruct (i) in the case of transfers to a person who takes delivery of W&C Securities represented by a Rule 144A Global W&C Security held through DTC, the New York Security Agent (in the case of transfers or exchanges of W&C Securities represented by a Rule 144A Global W&C Security held through DTC) to credit the relevant account of the DTC participant or (ii) in the case of transfers or exchanges of W&C Securities represented by a Global W&C Security, the Principal Agent to instruct Euroclear and Clearstream, Luxembourg, as the case may be, to credit the relevant account of the Euroclear or Clearstream, Luxembourg participant.

## 2. STATUS OF THE W&C SECURITIES AND GUARANTEE

### 2.1 Status of the W&C Securities

The W&C Securities are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without prejudice among themselves 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.

### 2.2 Status of the Guarantee

In respect of Guaranteed W&C Securities, the Issuer's payment and/or delivery obligations are unconditionally and irrevocably guaranteed under the Guarantee by the Guarantor. The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall (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.

## 3. EXERCISE, SETTLEMENT AND ADDITIONAL AMOUNTS

### 3.1 Exercise Rights

In respect of Warrants, the applicable Final Terms will indicate whether such Warrants are American Style Warrants, European Style Warrants, Bermudan Style Warrants or, in the case of Exempt W&C Securities, such other type of Warrants as may be specified in the applicable Final Terms.

Certificates issued under the Programme will be automatically exercised on the Exercise Date as provided in Condition 3.1.4 below.

**3.1.1** *American Style Warrants*

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

If "Automatic Exercise" is not specified as applicable in the applicable Final Terms, any American Style Warrant represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg with respect to which no Exercise Notice (as defined at Condition 4.1 below) has been delivered in the manner set out in Condition 4, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the final Exercise Business Day of the Exercise Period (in respect of an American Style Warrant, the **Expiration Date**) shall become void and expire worthless at such time.

If "Automatic Exercise" is specified as applicable in the applicable Final Terms, any American Style Warrant represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg with respect to which no Exercise Notice (as defined in Condition 4.1 below) has been delivered in the manner set out in Condition 4, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the Expiration Date and which, in the determination of the Calculation Agent, is "In-The-Money", shall be exercised by the Principal Agent on behalf of the relevant Warrantholder on the Expiration Date (in relation to an American Style Warrant, **Automatic Exercise**).

If "Automatic Exercise" is not specified as applicable in the applicable Final Terms, any American Style Warrant represented by a Rule 144A Global W&C Security held through DTC with respect to which no Exercise Notice has been delivered in the manner set out in Condition 4, at or prior to 5.00 p.m., New York time on the New York Business Day immediately preceding the Expiration Date shall become void and expire worthless at such time.

If "Automatic Exercise" is specified as applicable in the applicable Final Terms, any American Style Warrant represented by a Rule 144A Global W&C Security held through DTC with respect to which no Exercise Notice has been delivered in the manner set out in Condition 4, at or prior to 5.00 p.m., New York time on the New York Business Day immediately preceding the Expiration Date and which, in the determination of the Calculation Agent, is "In-The-Money", shall be Automatically Exercised by the Principal Agent on behalf of the relevant Warrantholder on the Expiration Date.

The expression "exercise", "due exercise" and related expressions shall be construed to apply to any American Style Warrants which Automatic Exercise applies in accordance with this provision.

In the case of an American Style Warrant represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, if any Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Issuer after 10.00 a.m., Luxembourg or Brussels time (as appropriate), on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 4 at or prior to 10.00 a.m. Luxembourg or Brussels time (as appropriate) on the Expiration Date shall, where Automatic Exercise applies, be automatically exercised on the Expiration Date, subject as provided above.

In the case of an American Style Warrant represented by a Rule 144A Global W&C Security held through DTC, if any Exercise Notice is received by the New York Security Agent or if

the copy thereof is received by the Issuer after 5.00 p.m., New York time, on any New York Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next New York Business Day, the Exercise Business Day immediately following which shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 4 at or prior to 5.00 p.m. New York time on the last New York Business Day immediately preceding the Expiration Date shall, where Automatic Exercise applies, be automatically exercised on the Expiration Date, subject as provided above.

**3.1.2** *Bermudan Style Warrants*

Bermudan Style Warrants are exercisable on each Exercise Date or if any Exercise Date is not an Exercise Business Day, the immediately following Exercise Business Day.

If "Automatic Exercise" is not specified as applicable in the applicable Final Terms, any Bermudan Style Warrant represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg with respect to which no Exercise Notice has been delivered in the manner set out in Condition 4, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the final Exercise Date (in respect of a Bermudan Style Warrant, the **Expiration Date**) shall become void and expire worthless at such time.

If "Automatic Exercise" is specified as applicable in the applicable Final Terms, any Bermudan Style Warrant represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg with respect to which no Exercise Notice has been delivered in the manner set out in Condition 4, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the Expiration Date and which, in the determination of the Calculation Agent, is "In-The-Money", shall be exercised by the Principal Agent on behalf of the relevant Warrantholder on the Expiration Date (in relation to a Bermudan Style Warrant, **Automatic Exercise**).

If "Automatic Exercise" is not specified as applicable in the applicable Final Terms, any Bermudan Style Warrant represented by a Rule 144A Global W&C Security held through DTC with respect to which no Exercise Notice has been delivered in the manner set out in Condition 4, at or prior to 5.00 p.m., New York time on the New York Business Day immediately preceding the Expiration Date shall become void and expire worthless at such time.

If "Automatic Exercise" is specified as applicable in the applicable Final Terms, any Bermudan Style Warrant represented by a Rule 144A Global W&C Security held through DTC with respect to which no Exercise Notice has been delivered in the manner set out in Condition 4, at or prior to 5.00 p.m., New York time on the New York Business Day immediately preceding the Expiration Date and which, in the determination of the Calculation Agent, is "In-The-Money", shall be Automatically Exercised by the Principal Agent on behalf of the relevant Warrantholder on the Expiration Date.

The expression "exercise", "due exercise" and related expressions shall be construed to apply to any Bermudan Style Warrants to which Automatic Exercise applies in accordance with this provision.

In the case of a Bermudan Style Warrant represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, if any Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Issuer after 10.00 a.m., Luxembourg or Brussels time (as appropriate), on any Exercise Date, such Exercise Notice will be deemed to have been delivered on the next Exercise Date

(or if such Exercise Date is not an Exercise Business Day, the immediately following Exercise Business Day), which Exercise Date (or if such Exercise Date is not an Exercise Business Day, the immediately following Exercise Business Day) shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 4 at or prior to 10.00 a.m. Luxembourg or Brussels time (as appropriate) on the Expiration Date shall, where Automatic Exercise applies, be automatically exercised on the Expiration Date, subject as provided above.

In the case of a Bermudan Style Warrant represented by a Rule 144A Global W&C Security held through DTC, if any Exercise Notice is received by the New York Security Agent or if the copy thereof is received by the Issuer after 5.00 p.m., New York time, on the New York Business Day immediately prior to any Exercise Date, such Exercise Notice will be deemed to have been delivered on the next Exercise Date, which Exercise Date shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 4 at or prior to 5.00 p.m. New York time on the New York Business Day immediately preceding the Expiration Date shall, where Automatic Exercise applies, be automatically exercised on the Expiration Date, subject as provided above.

**3.1.3** *European Style Warrants*

European Style Warrants are only exercisable on the Exercise Date.

If "Automatic Exercise" is not specified as applicable in the applicable Final Terms, any European Style Warrant represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg with respect to which no Exercise Notice has been delivered in the manner set out in Condition 4, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the Exercise Date (in respect of a European Style Warrant, the **Expiration Date**) shall become void and expire worthless at such time.

If "Automatic Exercise" is specified as applicable in the applicable Final Terms, any European Style Warrant represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg with respect to which no Exercise Notice has been delivered in the manner set out in Condition 4, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the Expiration Date and which, in the determination of the Calculation Agent, is "In-The-Money", shall be exercised by the Principal Agent on behalf of the relevant Warrant holder on the Expiration Date (in relation to a European Style Warrant, **Automatic Exercise**).

If "Automatic Exercise" is not specified as applicable in the applicable Final Terms, any European Style Warrant represented by a Rule 144A Global W&C Security held through DTC with respect to which no Exercise Notice has been delivered in the manner set out in Condition 4, at or prior to 5.00 p.m., New York time on the New York Business Day immediately preceding the Expiration Date shall become void and expire worthless at such time.

If "Automatic Exercise" is specified as applicable in the applicable Final Terms, any European Style Warrant represented by a Rule 144A Global W&C Security held through DTC with respect to which no Exercise Notice has been delivered in the manner set out in Condition 4, at or prior to 5.00 p.m., New York time on the New York Business Day immediately preceding the Expiration Date and which, in the determination of the Calculation Agent, is "In-The-Money", shall be Automatically Exercised by the Principal Agent on behalf of the relevant Warrantholder on the Expiration Date.

The expression "exercise", "due exercise" and related expressions shall be construed to apply to any European Style Warrants which Automatic Exercise applies in accordance with this provision.

**3.1.4** *Certificates*

Certificates which, in the determination of the Calculation Agent, are "In-the-Money" (determined as of the Exercise Date) will be automatically exercised by the Principal Agent on behalf of the Securityholders on the Exercise Date (in respect of a Certificate, the **Expiration Date** and any such exercise, in relation to a Certificate, an **Automatic Exercise**). The expression "exercise", "due exercise" and related expressions shall be construed to apply to any Certificates in accordance with this provision.

For the purposes of this Condition 3.1, **In-The-Money** means:

3.1.4.1 in the case of a Cash Settled W&C Security, the Cash Settlement Amount in respect of such W&C Security is or would be greater than zero; and

3.1.4.2 in the case of a Physical Delivery W&C Security, the Assessed Value Payment Amount for such W&C Security is or would be greater than zero,

in each case in the determination of the Calculation Agent.

## 3.2 Cash Settlement

**3.2.1** Unless the W&C Securities are Exempt W&C Securities, each W&C Security entitles its holder in respect of an Actual Exercise Date, upon due exercise, to receive from the Issuer on the Settlement Date a Cash Settlement Amount as provided in the relevant paragraph of Condition 18 below.

**3.2.2** If the W&C Securities are Exempt W&C Securities, subject as set out in Condition 3.2.3 below in respect of Credit Linked W&C Securities, if the W&C Securities are Cash Settled W&C Securities, each such W&C Security entitles its holder in respect of an Actual Exercise Date, upon due exercise, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to (unless otherwise specified in the applicable Pricing Supplement):

3.2.2.1 where Averaging is not specified in the applicable Pricing Supplement:

(a) if such W&C Securities are Warrants which are Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of FX Linked Warrants only, the Notional Amount;

(b) if such W&C Securities are Warrants which are Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of FX Linked Warrants only, the Notional Amount; and

(c) if such W&C Securities are neither Call Warrants nor Put Warrants or are Certificates, settlement will be as specified in the applicable Final Terms;

3.2.2.2 where Averaging is specified in the applicable Pricing Supplement:

(a) if such W&C Securities are Warrants which are Call Warrants,

((i) the arithmetic mean of the Settlement Prices for all the Averaging Dates less (ii) Exercise Price) multiplied by, in the case of FX Linked Warrants only, the Notional Amount;

(b) if such W&C Securities are Warrants which are Put Warrants,

((i) Exercise Price less (ii) the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of FX Linked Warrants only, the Notional Amount; and

(c) if such W&C Securities are neither Call Warrants nor Put Warrants or are Certificates, settlement will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Specified Currency, will be converted into the Specified Currency at the Exchange Rate specified in the applicable Pricing Supplement for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Specified Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with W&C Securities exercised at the same time by the same Securityholder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such W&C Securities.

**3.2.3** In respect of Credit Linked W&C Securities only, subject as provided in Credit Linked Conditions 2, 3 and 4, each Cash Settled Credit Linked W&C Security entitles its holder, upon due exercise, to receive from the Issuer on the Settlement Date the Cash Settlement Amount calculated by the Calculation Agent in accordance with the applicable Final Terms.

## 3.3 Physical Settlement

This Condition 3.3 shall only apply to Exempt W&C Securities.

**3.3.1** *Physical Settlement in relation to Physical Delivery Warrants*

3.3.1.1 Subject as set out in 3.3.1.2 below in respect of Credit Linked W&C Securities, if the W&C Securities are Physical Delivery Warrants, each such Warrant entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership and as provided in Condition 3.3.3 below, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Expenses and the Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Pricing Supplement.

Warrants exercised at the same time by the same Securityholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants, Provided That the aggregate Entitlements in respect of the same Securityholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof, unless otherwise provided for in the applicable Pricing Supplement.

Following exercise of an Equity Linked W&C Security which is a Physical Delivery Warrant, any dividend or distribution in respect of the relevant Shares or ADRs/GDRs, as applicable, to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ADRs/GDRs executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares or ADRs/GDRs. Any such dividends to be paid to a Securityholder will be paid to the account specified by the Securityholder in the relevant Exercise Notice as referred to in Condition 4.1.2.6 below.

Any distributions (including, without limitation, dividends on shares, interest amounts on debt securities or payments on units of funds) in respect of the assets constituting the Entitlement to be delivered will be payable to the party, as determined by the Issuer, that would have received such distribution according to market practice for a sale of the relevant assets constituting the Entitlement to be settled through the relevant clearing system on the due date for transfer. Any such distribution shall be paid to the account specified for such purpose in the applicable Exercise Notice.

3.3.1.2 In respect of Credit Linked Warrants only, subject as provided in Credit Linked Condition 1 and Credit Linked Condition 4, each Physical Delivery Credit Linked Warrant entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Expenses and the Exercise Price and any other sums payable.

3.3.1.3 In respect of Credit Linked Warrants only, in relation to each Deliverable Obligation constituting the Entitlement the Issuer or (in the case of Guaranteed W&C Securities) the Guarantor, as applicable, will Deliver or procure the Delivery of the relevant Deliverable Obligations as provided above on the Credit Settlement Date, Provided That if all or some of the Deliverable Obligations included in the Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, up to and including (i) the 30th Business Day following the Credit Settlement Date or (ii) 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) (the **Final Delivery Date**), Provided Further That if all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date the provisions of Credit Linked Condition 10 shall apply.

**3.3.2** *Physical Settlement in relation to Physical Delivery Certificates*

3.3.2.1 Subject as set out in 3.3.2.2 below in respect of Credit Linked W&C Securities, if the W&C Securities are Physical Delivery Certificates, each such Certificate entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership and as provided in Condition 3.3.4 below, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Expenses and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Certificates exercised at the same time held by the same Securityholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, Provided That the aggregate Entitlements in respect of the same Securityholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation

Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof, unless otherwise provided for in the applicable Final Terms.

Following exercise of an Equity Linked W&C Security which is a Physical Delivery Certificate, all dividends on the relevant Shares or ADRs/GDRs, as applicable, to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ADRs/GDRs executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares or ADRs/GDRs. Any such dividends to be paid to a Securityholder will be paid to the account specified by the Securityholder in the relevant Collection Notice as referred to in Condition 4.2 below.

Any distributions (including, without limitation, dividends on shares, interest amounts on debt securities or payments on units of funds) in respect of the assets constituting the Entitlement to be delivered will be payable to the party, as determined by the Issuer, that would have received such distribution according to market practice for a sale of the relevant assets constituting the Entitlement to be settled through the relevant clearing system on the due date for transfer. Any such distribution shall be paid to the account specified for such purpose in the applicable Collection Notice.

3.3.2.2 In respect of Credit Linked Certificates only, subject as provided in Credit Linked Condition 2 and Credit Linked Condition 4, each Physical Delivery Credit Linked Certificate entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Delivery Expenses and any other sums payable.

3.3.2.3 In respect of Credit Linked Certificates only, in relation to each Deliverable Obligation constituting the Entitlement the Issuer or (in the case of Guaranteed W&C Securities) the Guarantor, as applicable, will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided above on the Credit Settlement Date, Provided That if all or some of the Deliverable Obligations included in the Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, up to and including (i) the 30th Business Day following the Credit Settlement Date or (ii) 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) (the **Final Delivery Date**), Provided Further That if all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date the provisions of Credit Linked Condition 10 shall apply.

**3.3.3** *Failure to deliver an Exercise Notice for Physical Delivery Warrants*

In the event that a Securityholder does not, in respect of a Physical Delivery Warrant, deliver an Exercise Notice on or prior to (in the case a Warrant represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg) 10.00 a.m., Luxembourg or Brussels time on the Expiration Date, and "Automatic Exercise" is specified as applicable in the applicable Final Terms, the Issuer shall as soon as reasonably practicable determine the Assessed Value Payment Amount and in respect of such Warrant shall pay the Assessed Value Payment Amount to the relevant Securityholder in lieu of delivery of the Entitlement as soon as reasonably practicable following the determination of the Assessed Value Payment

Amount. Upon payment of the Assessed Value Payment Amount, the Issuer's obligations in respect of such W&C Security shall be discharged and (in the case of Guaranteed W&C Securities) the Guarantor's obligations in respect of such W&C Security pursuant to the Guarantee shall be discharged.

In the event that a Securityholder does not, in respect of a Physical Delivery Warrant, deliver an Exercise Notice on or prior to (in the case a Warrant represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg) 10.00 a.m., Luxembourg or Brussels time on the Expiration Date, and "Automatic Exercise" is not specified as applicable in the applicable Final Terms, the Warrant shall become void and expire worthless at such time.

As used herein for the purposes of Physical Delivery Warrants:

**Assessed Value Payment Amount** means, in respect of a Warrant, an amount determined by the Calculation Agent to be the fair market value of the Relevant Assets comprised in the Entitlement in respect of such Warrant at the relevant time of determination of the Assessed Value Payment Amount less the applicable Exercise Expenses and Exercise Price less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer.

**3.3.4** *Failure to deliver a Collection Notice for Physical Delivery Certificates*

In the event that a Securityholder does not, in respect of a Physical Delivery Certificate, deliver a Collection Notice on or prior to 10.00 a.m., Luxembourg or Brussels time on the Collection Notice Cut-off Date (as specified in the applicable Final Terms), the Issuer shall as soon as reasonably practicable determine the Assessed Value Payment Amount and in respect of such Certificate shall pay the Assessed Value Payment Amount to the relevant Securityholder in lieu of delivery of the Entitlement as soon as reasonably practicable following the determination of the Assessed Value Payment Amount. Upon payment of the Assessed Value Payment Amount, the Issuer's obligations in respect of such W&C Security shall be discharged and (in the case of Guaranteed W&C Securities), the Guarantor's obligations in respect of such W&C Security pursuant to the Guarantee shall be discharged.

As used herein for the purposes of Physical Delivery Certificates:

**Assessed Value Payment Amount** means, in respect of a Certificate, an amount determined by the Calculation Agent to be the fair market value of the Relevant Assets comprised in the Entitlement in respect of such Certificate at the relevant time of determination of the Assessed Value Payment Amount less the applicable Exercise Expenses and the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer.

**3.3.5** *Settlement Disruption*

If, following the exercise of Physical Delivery W&C Securities, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such W&C Securities shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, Provided That the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Security by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially

reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Securityholder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Security by payment to the relevant Securityholder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Securityholders in accordance with Condition 9. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with Condition 9. The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Condition 9 that a Settlement Disruption Event has occurred. No Securityholder shall be entitled to any payment in respect of the relevant W&C Security in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or (in the case of Guaranteed W&C Securities) the Guarantor.

For the purposes hereof:

**Settlement Business Day** is as specified in the applicable Final Terms.

**Disruption Cash Settlement Price** means, in respect of any relevant W&C Security, the fair market value of such W&C Security at the relevant time of determination of the Disruption Cash Settlement Price (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer, plus (in the case of Warrants), if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

**Settlement Disruption Event** means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer or (in the case of Guaranteed W&C Securities) the Guarantor, as applicable, as a result of which the Issuer or (in the case of Guaranteed W&C Securities) the Guarantor, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

**3.3.6** *Failure to Deliver due to Illiquidity*

If "Failure to Deliver due to Illiquidity" is specified as applicable in the applicable Final Terms and, following the exercise of Physical Delivery W&C Securities, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **Affected Relevant Assets**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a **Failure to Deliver due to Illiquidity**), then

3.3.6.1 subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date in accordance with Condition 3.3.1 above and (in the case of Warrants) the

Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Securityholder in respect of that partial settlement; and

3.3.6.2 in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Security by payment to the relevant Securityholder of the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Securityholders in accordance with Condition 9. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with Condition 9. The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Condition 9 that the provisions of this Condition 3.3.6 apply.

For the purposes hereof:

**Failure to Deliver Settlement Price** means, in respect of any relevant W&C Security, the fair market value of such W&C Security at the relevant time of determination of the Failure to Deliver Settlement Price (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, plus, if already paid (in the case of Warrants), the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

### 3.4 Issuer's Option to Vary Settlement

If the W&C Securities are Exempt W&C Securities, unless indicated otherwise in the applicable Final Terms, the Issuer has an option to vary settlement in respect of the W&C Securities, upon a valid exercise of W&C Securities in accordance with the Conditions, the Issuer may at its sole and unfettered discretion in respect of each such W&C Securities, elect not to pay the relevant Securityholders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Securityholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Securityholders, as the case may be. Notification of such election will be given to Securityholders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date.

### 3.5 General

None of the Issuer, the Guarantor (in the case of Guaranteed W&C Securities), the Calculation Agent and the Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or, in the case of Exempt W&C Securities, of any Entitlement.

The purchase of W&C Securities does not confer on any holder of such W&C Securities any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

All references in this Condition to "Luxembourg or Brussels time" or "New York time" shall, where W&C Securities are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any relevant jurisdiction, (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 W&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 W&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 W&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.

### 3.6 Definitions

For the purposes of the Conditions, the following general definitions will apply:

**Actual Exercise Date** means (i) the Exercise Date (in the case of Certificates and European Style Warrants), (ii) subject to Condition 4.8.1.2 below, the date during the Exercise Period on which the Warrant is actually exercised or is deemed exercised or, if "Automatic Exercise" is specified as applicable in the applicable Final Terms, automatically exercised (in the case of American Style Warrants (as more fully set out in Condition 3.1.1 above) or (iii) subject to Condition 4.8.2.2 below, the Exercise Date on which the Warrant is actually exercised or is deemed exercised or, if "Automatic Exercise" is specified as applicable in the applicable Final Terms, is automatically exercised (in the case of Bermudan Style Warrants (as more fully set out in Condition 3.1.2 above).

**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.

**Business Day** means:

(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 TARGET2 System) specified in the applicable Final Terms;

(b) if TARGET2 System 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 (TARGET2) System (the **TARGET2 System**) is open; and

(c) either (i) 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) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

**Cash Settlement Amount** means, in relation to Cash Settled W&C Securities, the amount to which the Securityholder is entitled in the Specified Currency or Settlement Currency, as applicable, in relation to each such W&C Security, as determined by the Calculation Agent pursuant to Condition 3.2 above.

**CEA** means the United States Commodity Exchange Act of 1936, as amended.

**CFTC** means the United States Commodity Futures Trading Commission.

**Costs** means costs, losses, expenses, taxes and/or duties including any depositary charges, transaction or exercise 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).

**Distribution Compliance Period** means the period that ends 40 days after the completion of the distribution of each Tranche of W&C Securities, as certified by the relevant dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue).

**Entitlement** means, in relation to a Physical Delivery W&C Security, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Securityholder is entitled to receive on the Settlement Date in respect of each such W&C Security following payment of the Exercise Expenses and, in the case of Warrants, Exercise Price (and any other sums payable) rounded down as provided in Condition 3.3.1, as determined by the Calculation Agent including any documents evidencing such Entitlement.

**Exercise Business Day** means:

(a) in the case of Cash Settled W&C Securities, a day that is a Business Day; and

(b) in the case of Physical Delivery W&C Securities, a day that is a Business Day and, in the case of Index Linked W&C Securities or Equity Linked W&C Securities only, a Scheduled Trading Day.

**Exercise Date** is as specified in the applicable Final Terms.

**Exercise Expenses** means, in relation to W&C Securities 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 or duties (together with any interest additions to tax or penalties applicable thereto and any interest in respect of such additions or penalties) which the Calculation Agent determines 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 related hedging arrangements in respect of the W&C Securities.

**Exercise Price** is as specified in the applicable Final Terms.

**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.

**New York 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 New York City.

**Regulation S** means Regulation S under the Securities Act.

**Scheduled Trading Day** is as defined in the applicable annex of Additional Terms and Conditions.

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

**Settlement Date** means:

(a) in relation to Cash Settled W&C Securities, (i) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the last occurring Valuation Date, or (ii) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date, in such case, subject to adjustment in accordance with the applicable annex of Additional Terms and Conditions; or

(b) otherwise, if so specified, and in any event in relation to Physical Delivery W&C Securities, the date specified as such in the applicable Final Terms.

**Settlement Price** is as specified in the applicable Final Terms.

**U.S. person** means any person who is a "U.S. person" as defined in Regulation S.

**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.

**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.

## 3.7 Additional Amounts

This Condition 3.7 shall only apply to Exempt W&C Securities.

### 3.7.1 *Additional Amounts*

If so specified in the applicable Pricing Supplement, each W&C Security pays the relevant Additional Amounts (if any) on each Additional Amount Payment Date.

### 3.7.2 *Payment of Additional Amounts*

For so long as the W&C Securities are represented by a Global W&C Security, where the W&C Securities pay Additional Amounts, subject as provided below, the Issuer or failing the Issuer, the Guarantor (if applicable) shall pay or cause to be paid the Additional Amount for each W&C Security in respect of each Additional Amount Payment Date by credit or transfer to each relevant Securityholder's account with Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for value on the relevant Additional Amount Payment Date, such payment to be made in accordance with the rules of Euroclear, Clearstream, Luxembourg or DTC, as the case may be.

The Issuer or the Guarantor, as applicable, will be discharged by payment to, or to the order of, Euroclear, Clearstream, Luxembourg or DTC, as the case may be, in respect of the amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or

DTC, as the case may be, as the holder of a particular amount of the W&C Securities must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for their share of each such payment so made to, or to the order of, Euroclear, Clearstream, Luxembourg or DTC, as the case may be.

**3.7.3** *Suspension of Payment in respect of Credit Linked W&C Securities*

In the event that an Additional Amount Payment Date is due to occur on a date which falls after the occurrence of (i) a Potential Repudiation/Moratorium (as set in Credit Linked Condition 5), (ii) a Potential Failure to Pay (as set out in Credit Linked Condition 6), in each case if specified as applicable in the applicable Final Terms, (iii) a Potential Credit Event (as set out in Credit Linked Condition 7) or (iv) a notification by the Issuer to Securityholders of a Postponed Exercise Date (as set out in Credit Linked Condition 9), then no payment of Additional Amounts shall be made in respect of such Additional Amount Payment Date,

Provided that if:

(i) Credit Linked Condition 5, Credit Linked Condition 6 or Credit Linked Condition 7 applies in respect of the W&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 (A) in respect of N&C Securities to which Annex 7 applies, the DC Cut-off Date or (B) in respect of N&C Securities to which Annex 15 applies, the DC Determination Cut-off Date, as the case may be; and/or

(ii) Credit Linked Condition 9 applies in respect of the W&C Securities and, as applicable:

(a) (I) in respect of Securities to which Annex 7 applies, Conditions to Settlement are not satisfied; or

(II) in respect of 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 Postponement Date,

then the Additional Amounts (if any) in respect of the relevant Additional Amount Payment Date(s) will be paid on the delayed Settlement Date and no additional amount shall be payable in respect of any such delay.

**3.7.4** *Early Additional Amounts*

In the case of W&C Securities which are either American Style Warrants or Bermudan Style Warrants, in the event that any Securityholder exercises any such W&C Securities on a date which falls on or prior to any Additional Amount Payment Date, no further Additional Amounts shall be payable in respect of such W&C Security. However, if so provided in the applicable Final Terms, the Issuer may pay an Early Additional Amount on the Settlement Date in accordance with the Securityholder account details specified in the Exercise Notice or Collection Notice, as applicable.

**3.7.5** *Definitions*

**Additional Amount** means, in respect of each W&C Security and an Additional Amount Payment Date, an amount calculated by the Calculation Agent in accordance with the applicable Final Terms.

**Additional Amount Payment Date** means each date specified as such in the applicable Final Terms.

**Early Additional Amount** means, in respect of a W&C Security which is either an American Style Warrant or a Bermudan Style Warrant, an amount calculated by the Calculation Agent in accordance with the applicable Final Terms.

## 4. EXERCISE PROCEDURE

### 4.1 Exercise Notice in respect of Warrants

Other than in the case of Automatic Exercise, Warrants represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg may only be exercised by providing in a form acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, an **Exercise Notice** as described below, with a copy to the Issuer in accordance with the provisions of Condition 3.1 the relevant information set out in this Condition.

Warrants represented by a Rule 144A Global W&C Security held through DTC may only be exercised by delivery through computerised exercise instruction through DTC (via its "Deposit and Withdrawal at Custodian" or "DWAC" function or such equivalent procedure as it exists from time to time) of a duly completed Exercise Notice in the form set out in the Agency Agreement (copies of which form may be obtained from the Agents) to the New York Security Agent with a copy to the Issuer, in accordance with the provisions set out in Condition 3.1 and this Condition.

**4.1.1** In the case of Cash Settled Warrants, the Exercise Notice shall:

4.1.1.1 specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

4.1.1.2 (A) in the case of Warrants represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, specify the number of the Securityholder's securities account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Warrants being exercised or (B) in the case of Warrants represented by a Rule 144A Global W&C Security held through DTC, specify the designated account with DTC to be debited with the W&C Securities being exercised;

4.1.1.3 (A) in the case of Warrants represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Securityholder's securities account with the Warrants being exercised or (B) in the case of Warrants represented by a Rule 144A Global W&C Security held through DTC, irrevocably instruct the New York Security Agent to exercise the W&C Securities debited to the account of the Securityholder and credited to the account of the New York Security Agent by means of DTC's DWAC function;

4.1.1.4 (A) in the case of Warrants represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, specify the number of the

Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant being exercised or (B) in the case of Warrants represented by a Rule 144A Global W&C Security held through DTC, specify the designated account with DTC to be credited with the Cash Settlement Amount (if any) and any other cash amounts due for each Warrant being exercised;

4.1.1.5 include an undertaking to pay all Exercise Expenses and (A) in the case of Warrants represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, an authority to Euroclear or Clearstream, Luxembourg to deduct an amount in respect thereof from any Cash Settlement Amount due to such Securityholder and/or to debit a specified account of the Securityholder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Exercise Expenses or (B) in the case of Warrants represented by a Rule 144A Global W&C Security held through DTC, an authority to the New York Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Securityholder and/or to debit a specified account of the Securityholder at the New York Security Agent (or at such other account or bank as may be specified by the New York Security Agent) in respect thereof and to pay such Exercise Expenses;

4.1.1.6 certify, in the case of Warrants represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg (other than Rule 144A Global W&C Securities or Regulation S Global W&C Securities for which the Issuer may prescribe separate requirements), that (x) the beneficial owner of each Warrant being exercised is not a U.S. Person, (y) the W&C Security is not being exercised within the United States or on behalf of a U.S. Person and (z) no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. Person in connection with the exercise thereof` and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Final Terms; and

4.1.1.7 authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

**4.1.2** In the case of Physical Delivery Warrants represented by a Global W&C Security and held through Euroclear and/or Clearstream, Luxembourg, (other than Rule 144A Global W&C Securities or Regulation S Global W&C Securities for which the Issuer may prescribe separate requirements) the Exercise Notice shall:

4.1.2.1 specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

4.1.2.2 specify the number of the Securityholder's securities account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Warrants being exercised;

4.1.2.3 irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Securityholder's securities account with the Warrants being exercised;

4.1.2.4 irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on the Actual Exercise Date a specified account of the Securityholder with Euroclear or Clearstream, Luxembourg, as the case may be, with the aggregate Exercise Prices in respect of the Warrants being exercised (together with any other amounts payable);

4.1.2.5 include an undertaking to pay all Exercise Expenses and an authority to Euroclear or Clearstream, Luxembourg to debit a specified account of the Securityholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses;

4.1.2.6 include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Securityholder's account to be credited with any cash payable by the Issuer in respect of any dividend amount or other similar distribution, any Early Additional Amounts or any cash amount constituting the Entitlement, as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or the Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amounts;

4.1.2.7 certify, *inter alia*, that (x) the beneficial owner of each Warrant being exercised is not a U.S. person, (y) the W&C Security is not being exercised within the United States or on behalf of a U.S. Person and (z) no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. Person in connection with the exercise thereof` and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Final Terms; and

4.1.2.8 authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

**4.1.3** If Condition 3.4 applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Agents during normal office hours.

**4.2 Collection Notice in respect of Certificates**

In order to obtain delivery of the Entitlement(s) in respect of any Physical Delivery Certificate, if such Certificate is represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg (other than Rule 144A Global W&C Securities or Regulation S Global W&C Securities for which the Issuer may prescribe separate requirements), the relevant Securityholder must provide to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Issuer not later than the close of business in each place of reception on the Collection Notice Cut-off Date, in a form acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, a **Collection Notice**, as described below, containing the relevant information set out in this Condition.

The Collection Notice shall:

**4.2.1** specify the series number of the Certificates and the number of Certificates being exercised;

**4.2.2** specify the number of the Securityholder's securities account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Certificates being exercised;

**4.2.3** irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Securityholder's securities account with the Certificates being exercised;

**4.2.4** include an undertaking to pay all Exercise Expenses and an authority to Euroclear or Clearstream, Luxembourg to debit a specified account of the Securityholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses;

**4.2.5** include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Securityholder's account to be credited with any cash payable by the Issuer in respect of any dividend amount or other similar distribution, any Early Additional Amounts or any cash amount constituting the Entitlement, as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or the Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amounts;

**4.2.6** certify, *inter alia*, that (x) the beneficial owner of each Certificate being exercised is not a U.S. person, (y) the W&C Security is not being exercised within the United States or on behalf of a U.S. Person and (z) no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. Person in connection with the exercise thereof` and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Final Terms; and

**4.2.7** authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

### 4.3 Verification of the Securityholder

In the case of W&C Securities represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, upon receipt of an Exercise Notice or a Collection Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person delivering such notice is the holder thereof according to the books of Euroclear or Clearstream, Luxembourg, as the case may be. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Agent the series number and number of W&C Securities and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each W&C Security being exercised. Upon receipt of such confirmation, the Principal Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Settlement Date debit the account of the relevant Securityholder with the W&C Securities being exercised. If the W&C Securities are Warrants which are American Style Warrants or Bermudan Style Warrants, upon exercise of less than all the Warrants constituted by the Global Warrant, the Common Depositary will, on the instructions of, and on behalf of, the Principal Agent, note such exercise on the Schedule to the Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of W&C Securities represented by a Rule 144A Global W&C Security held through DTC, upon receipt of an Exercise Notice, the New York Security Agent shall confirm to the Issuer (subject to receipt by the New York Security Agent of verification in accordance with DTC procedures) that the person exercising the W&C Securities is the holder thereof according to the records of DTC. Subject thereto, the New York Security Agent shall notify the Issuer of the number of W&C Securities being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount payable in respect of each W&C Security being exercised. If the W&C Securities are Warrants which are American Style Warrants or Bermudan Style Warrants, upon exercise of less than all the Warrants constituted by the Rule 144A Global Warrant held through DTC, the New York Security Agent will note such exercise on the Schedule to such Rule 144A Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

**4.4 Settlement**

**4.4.1** *Cash Settled W&C Securities*

In the case of W&C Securities represented by a Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised W&C Security:

4.4.1.1 to the Securityholder's account specified in the relevant Exercise Notice; or

4.4.1.2 where no Exercise Notice is received, to the Securityholder's account with Euroclear or Clearstream, Luxembourg, as applicable, in accordance with the rules of Euroclear or Clearstream, Luxembourg,

in each case, for value on the Settlement Date less any Exercise Expenses not already paid. In the case of 4.4.1.2 above, the Issuer or (in the case of Guaranteed W&C Securities) the Guarantor, as applicable, shall be discharged by payment to, or to the order of, Euroclear or Clearstream, Luxembourg, as applicable, in respect of the amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg, as applicable, as the holder of an amount of the W&C Securities must look solely to Euroclear or Clearstream, Luxembourg, as applicable, for their share of each such payment so made to, or to the order of, Euroclear or Clearstream, Luxembourg, as applicable.

In the case of W&C Securities represented by a Rule 144A Global W&C Security held through DTC, the Issuer, shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised W&C Security to the designated account at the New York Security Agent (or at such other account or bank as may be specified by the New York Security Agent) for the account of the New York Security Agent. In such case, as soon as reasonably practicable thereafter, and provided that the New York Security Agent is satisfied that delivery to it of funds sufficient to pay the Cash Settlement Amount will be made, the New York Security Agent will cause the Cash Settlement Amount to be credited to DTC less any Exercise Expenses not already paid. Each of the persons shown in the records of DTC as the holder of an amount of the W&C Securities must look solely to DTC for their share of each such payment so made to, or to the order of DTC.

**4.4.2** *Physical Delivery W&C Securities*

Subject to payment of the aggregate Exercise Prices, in the case of Warrants, and payment of any Exercise Expenses with regard to the relevant W&C Securities, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised W&C Security pursuant to the details specified in the Exercise Notice or Collection Notice, as applicable. Subject as provided in General Condition 3.3, the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

## 4.5 Determinations

Any determination as to whether an Exercise Notice or a Collection Notice is duly completed and in proper form shall be made (A) in the case of W&C Securities represented by a Global W&C Security held through Euroclear or Clearstream, Luxembourg, by the Issuer, or (B) in the case of W&C Securities represented by a Rule 144A Global W&C Security held through DTC, by the New York Security Agent in consultation with the Issuer. Any such determination shall be conclusive and binding on the Issuer, the Agents and the relevant Securityholder. Subject as set out below, any Exercise Notice or Collection Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuer immediately after being delivered or sent to Euroclear or Clearstream, Luxembourg, as the case may be, or DTC, in each case as provided in Condition 4.1 or Condition 4.2 above, shall be null and void.

If such Exercise Notice or Collection Notice is subsequently corrected to the satisfaction of (A) in the case of W&C Securities represented by a Global W&C Security held through Euroclear or Clearstream, Luxembourg, the Issuer, or (B) in the case of W&C Securities represented by a Rule 144A Global W&C Security held through DTC, the New York Security Agent in consultation with the Issuer, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Euroclear or Clearstream, Luxembourg, as the case may be, or DTC and the New York Security Agent, as applicable, and, in either case, the Issuer.

The Issuer, or the New York Security Agent, as applicable, shall use reasonable efforts to notify the Securityholder submitting an Exercise Notice or a Collection Notice as soon as reasonably practicable if, in consultation with the Issuer (in the case of the New York Security Agent), it has determined that such Exercise Notice or Collection Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor (in the case of Guaranteed W&C Securities), the Agents, Euroclear or Clearstream, Luxembourg or DTC shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Securityholder.

## 4.6 Delivery of an Exercise Notice or a Collection Notice

Delivery of an Exercise Notice or a Collection Notice shall constitute an irrevocable election by the relevant Securityholder to exercise the W&C Securities specified or to elect to receive the Entitlement, as applicable. After the delivery of such Exercise Notice, such exercising Securityholder may not transfer such W&C Securities.

## 4.7 Exercise Risk

Exercise of the W&C Securities is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor (in the case of Guaranteed W&C Securities) and the Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor (in the case of Guaranteed W&C Securities) and the Agents shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg or DTC, as applicable, in relation to the performance of its duties in respect of the W&C Securities.

## 4.8 Minimum and Maximum Number of W&C Securities Exercisable

### 4.8.1 *American Style Warrants*

This paragraph 4.8.1 applies only to American Style Warrants which are not Automatically Exercised.

4.8.1.1 The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

4.8.1.2 If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the **Quota**), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

**4.8.2** *Bermudan Style Warrants*

This paragraph 4.8.2 applies only to Bermudan Style Warrants which are not Automatically Exercised.

4.8.2.1 The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

4.8.2.2 If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the **Quota**), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Dates until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

**4.8.3** *European Style Warrants*

This paragraph 4.8.3 applies only to European Style Warrants which are not Automatically Exercised.

The number of W&C Securities exercisable by or on behalf of any Securityholder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number

specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

## 4.9 CNY Currency Event

### 4.9.1 *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 W&C Security, the Issuer's obligation to make a payment in Renminbi under the terms of the W&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.

### 4.9.2 *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 9 (*Notices*) stating the occurrence of the CNY Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

### 4.9.3 *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 W&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 W&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 W&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.

**4.9.4** *CNY account*

All payments in respect of any W&C Security 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)).

## 5. EARLY CANCELLATION, ADMINISTRATOR/BENCHMARK EVENTS AND INCONVERTIBILITY EVENT

### 5.1 Cancellation for Illegality

*This Condition 5.1 applies to W&C Securities which are subject to cancellation prior to the Settlement Date at the option of the Issuer upon an illegality as described below, such option being referred to as an* ***Illegality Cancellation****. The applicable Final Terms contains provisions applicable to any Illegality Cancellation and must be read in conjunction with this Condition 5.1 for full information on any Illegality Cancellation. In particular, the applicable Final Terms will identify the applicable notice periods.*

Unless this Condition 5.1 is specified as "Not Applicable" in the applicable Final Terms, in the event that the Issuer determines that the performance of its obligations under the W&C Securities or (in the case of Guaranteed W&C Securities), the obligations of the Guarantor under the Guarantee, or any arrangements made to hedge the Issuer's obligations under the W&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, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, 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 9 (which notice shall be irrevocable), on the expiry of such notice cancel all, but not some only, of the W&C Securities, each W&C Security being cancelled at the Early Cancellation Amount. If no such minimum period of notice or maximum period of notice are 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.

**5.2 Regulatory Cancellation Event**

*This Condition 5.2 applies to W&C Securities which are subject to cancellation prior to the Settlement Date at the option of the Issuer upon a regulatory event as described below, such option being referred to as a* ***Regulatory Cancellation****. The applicable Final Terms contains provisions applicable to any Regulatory Cancellation and must be read in conjunction with this Condition 5.2 for full information on any Regulatory Cancellation. In particular, the applicable Final Terms will identify the applicable notice periods.*

Unless this Condition 5.2 is specified as "Not Applicable" in the applicable Final Terms, in the event that the Calculation Agent determines that a change (including a future change) in applicable law or regulation has occurred or will occur which results, or will result, by reason of the W&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, the Issuer 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 9 (which notice shall be irrevocable) may, on the expiry of such notice cancel all, but not some only, of the W&C Securities, each W&C Security being cancelled at the Early Cancellation Amount. Payment shall be made in such manner as shall be notified to Securityholders in accordance with Condition 9. 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.

**5.3 Adjustment or Cancellation following an Administrator/Benchmark Event**

In the event that an Administrator/Benchmark Event occurs, the Issuer may (at its option):

**5.3.1** instruct the Calculation Agent to make such adjustments to the Conditions of the W&C Securities as the Calculation Agent may determine appropriate to account for the relevant event or circumstance, including to take into account any and all costs and expenses (including any licensing costs) associated or incurred by the Issuer and/or a Hedging Party in connection with maintaining the exposure of the W&C Securities to the Affected Benchmark, all as determined by the Calculation Agent. The Calculation Agent will give notice of such adjustments to the Issuer and the Issuer shall take such additional actions as it considers necessary to effect such adjustments; or

**5.3.2** instruct the Calculation Agent to, select a Replacement Benchmark to replace the exposure of the W&C Securities to the Affected Benchmark or, if the Calculation Agent determines a Replacement Benchmark is not available or appropriate, replace the Affected Benchmark with a Fixed Rate and in each case instruct the Calculation Agent to make such other modifications to the Conditions of the W&C Securities as the Calculation Agent determines necessary or appropriate in order to account for the effect of the replacement of the Affected Benchmark with the Replacement Benchmark or Fixed Rate, including to apply any spread adjustment (which may be positive, negative or zero) or otherwise account for any and all Replacement Related Costs, and to preserve as closely as practicable the economic equivalence of the W&C Securities before as after the replacement of the Affected Benchmark with the Fixed Rate; or

**5.3.3** having given not less than 10 nor more than 30 days' notice to the Securityholders of W&C Securities in accordance with Condition 9, on expiry of such notice cancel all, but not some only, of the W&C Securities, each W&C Security being cancelled at the Early Cancellation Amount.

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. The Issuer may at its option determine whether to apply any consequences for an Administrator/Benchmark Event at any relevant time and, without limitation, this may include that it is not then appropriate or that the impact of the Administrator/Benchmark Event is not then material for the W&C Securities. This will not prevent it applying consequences under this Condition in the future in relation to the occurrence of the relevant Administrator/Benchmark Event. Neither the Issuer nor the Calculation Agent will have any duty to monitor, enquire or satisfy itself as to whether any Administrator/Benchmark Event has occurred. In determining whether an Administrator/Benchmark Event has occurred, the Calculation Agent will act in accordance with Condition 8.2 and it may, but is not obliged to, refer to any publicly available information and pronouncements from regulators or industry bodies. In selecting a Replacement Benchmark, if applicable, the Calculation Agent will act in a commercially reasonable manner and it may, but is not obliged to, take into account its own, the Issuer's or a Hedging Party's internal models and policies, any industry developments and market consensus. For the avoidance of doubt, the Issuer may make all determinations and/or adjustments and take all actions in respect of the W&C Securities as are provided for in connection with an Administrator/Benchmark Event, irrespective of the fact that such event may have occurred prior to the Issue Date.

For the avoidance of doubt, the above is additional, and without prejudice, to any other terms of the W&C Securities. In the event that under any such terms any other consequences could apply in relation to an event or occurrence the subject of an Administrator/Benchmark Event, the Issuer shall determine which terms shall apply in its sole discretion acting in good faith and may consult with the Calculation Agent or any Hedging Party and may but does not have to take into account the approach to the relevant event or circumstance taken in the hedging arrangements.

As used in these Conditions:

**Administrator/Benchmark Event** means the Calculation Agent determines that

(1) a Benchmark Modification or Cessation Event has occurred or will occur or the level or value of a Benchmark is otherwise unavailable or cannot be used as provided for in the Conditions of the W&C Securities on any relevant day; or

(2) any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of a relevant Benchmark or the administrator or sponsor of a relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the Issuer or the Calculation Agent or any Hedging Party or any other entity is not, or will not be, permitted under any applicable law or regulation to use the relevant Benchmark to perform its or their respective obligations under the W&C Securities or maintain relevant hedging arrangements; or

(3) a Benchmark has been superseded or is no longer the industry standard for transactions that would previously have referenced such Benchmark, as a matter of law, regulation, market practice or based upon any official announcement of, or protocol published by, any industry body, including, without limitation, the International Swaps and Derivatives Association, Inc. (**ISDA**) and any committee sponsored by or constituted at the request of a central bank or any supervisory authority which is responsible for supervising the administrator of the Benchmark; or

(4) (i) it is not commercially reasonable to continue the use of the relevant Benchmark in connection with the W&C Securities or any hedging arrangements from the perspective of the Issuer or the Calculation Agent or a Hedging Party or (ii) the Issuer or the Calculation Agent suffers or will suffer an increased cost, as a result of any applicable licensing restrictions or changes in the cost of obtaining or maintaining any relevant licence (including, without

limitation, where the Issuer, the Calculation Agent or any Hedging Party or any other entity is required to hold a valid licence in order to issue or perform its obligations in respect of the W&C Securities or any hedging arrangements and for any reason such licence is either not obtained, not renewed or is revoked or there is a material change in the cost of obtaining or renewing such licence); or

(5) the regulatory supervisor for the administrator and/or sponsor of a relevant Benchmark (i) 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 (ii) 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.

**Affected Benchmark** means the Benchmark the subject of or affected by the relevant Administrator/Benchmark Event.

**Associated Costs** means, in respect of a W&C Security, an amount equal to such W&C Security's *pro rata* share of the total amount of any and all Costs associated or incurred by the Issuer, any Affiliate and/or Hedging Party (as applicable) in connection with such early cancellation, including, without limitation, any Costs associated with unwinding, substituting, settling, re-establishing, and/or incurring any funding relating to the W&C Securities and any Costs associated with unwinding, substituting, settling, re-establishing, and/or incurring any hedge or related trading positions relating to the W&C Securities, all as determined by the Calculation Agent.

**Benchmark** means any figure, level, rate or value by reference to which any amount payable or deliverable under the W&C Securities, or the value of the W&C Securities, is determined in whole or in part including, without limitation, any benchmark as defined in the Benchmarks Regulation, all as determined by the Calculation Agent.

**Benchmark Modification or Cessation Event** means, in respect of a Benchmark any of the following:

(i) the definition of, or the methodology or formula for the determination of, such Benchmark, or other means of calculating the Benchmark, is materially changed or is reasonably likely to be changed; or

(ii) the provision of such Benchmark or its publication is or is reasonably likely to be permanently or indefinitely cancelled or such provision ceases or is reasonably likely to cease; or

(iii) a regulator or other official sector entity prohibits the use of such Benchmark.

**Benchmarks Regulation** means the EU Benchmarks Regulation (Regulation (EU) 2016/1011) or such Regulation as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (as that Act is amended from time to time).

**Early Cancellation Amount** means, in respect of a W&C Security, the fair market value of such W&C Security (calculated, only in the case of an early cancellation following the occurrence of an Event of Default, without regard to the creditworthiness of the Issuer or the Guarantor (in the case of Guaranteed W&C Securities) at the relevant time) less any Associated Costs, as determined by the Calculation Agent in its discretion.

**Fixed Rate** means an amount, percentage, rate or value which in the determination of the Calculation Agent it is appropriate to substitute for references to the amount, percentage, rate or value of the Affected Benchmark in the Conditions in order to represent the fair market value of the *pro rata* share the Affected Benchmark represents within the W&C Securities' fair market value adjusted further to

take into account Replacement Related Costs. 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 Administrator/Benchmark Event.

**hedging arrangements** has the meaning given in Condition 8.2.1.2.

**Hedging Party** has the meaning given in Condition 8.2.1.2.

**Replacement Benchmark** means, in respect of an Affected Benchmark, (1) such index, benchmark or other price source (i) as is recognised or adopted as being an appropriate replacement index, benchmark or other price source for the Affected Benchmark in the over-the-counter derivatives market or other relevant market(s) in which the Hedging Party maintains hedging arrangements (if any) in relation to the Affected Benchmark for the purposes of the W&C Securities and (ii) which reflects most closely those hedging arrangements or (2) if no relevant hedging arrangement are maintained at any time then such index, benchmark or other price source as the Calculation Agent determines to be an appropriate replacement index, benchmark or other price source for the Affected Benchmark for purposes of the relevant W&C Securities. Where the Affected Benchmark is an interest rate (howsoever described) then in making such determination the Calculation Agent shall have regard to any index, benchmark or other price source formally recommended for use by the administrator of the Affected Benchmark or any index, benchmark or other price source which is formally recommended for use by any of (a) the central bank for the currency most closely associated with the Affected Benchmark or any central bank or other supervisor which is responsible for supervising either the Affected Benchmark or the administrator of the Affected Benchmark or (b) any working group or committee officially endorsed or convened by (i) the central bank for the currency most closely associated with the Affected Benchmark, (ii) any central bank or other supervisor which is responsible for supervising either the Affected Benchmark or the administrator of the Affected Benchmark, (iii) a group of those banks or other supervisors or (iv) the Financial Stability Board Provided That in each case the Calculation Agent will not be required to select any such index, benchmark or other price source if this would not reflect the hedging arrangements (if any) maintained by the Hedging Party in relation to the Affected Benchmark for purposes of the W&C Securities or would otherwise not be commercially appropriate for any reason for purposes of the W&C Securities, all as determined by the Calculation Agent.

**Replacement Related Costs** means an amount per W&C Security equal to its *pro rata* share of the total amount of any and all costs associated or incurred by the Issuer and/or Hedging Party in connection with replacing the Affected Benchmark with a Replacement Benchmark or Fixed Rate, including, without limitation, any costs associated with unwinding, substituting, re-establishing and/or incurring any funding costs relating to the proportion the Affected Benchmark represents of the overall W&C Securities' value and/or any costs associated with unwinding, substituting, re-establishing and/or incurring any hedging arrangements relating to the proportion the Affected Benchmark represents of the overall W&C Securities' value and/or any related licensing costs, all as determined by the Calculation Agent.

## 5.4 Inconvertibility Event

### 5.4.1 *Consequences of an Inconvertibility Event*

Unless Inconvertibility Event is specified as "Not Applicable" in the applicable Final Terms, if an Inconvertibility Event occurs at any time on or after the Trade Date, the Issuer may (at its option) instruct the Calculation Agent to make such determinations under and/or adjustments to the Conditions of the W&C Securities as the Calculation Agent may determine appropriate to account for the Inconvertibility Event, including to take into account any and all amounts, costs and expenses associated with such Inconvertibility Event or incurred by the

Issuer resulting from the Inconvertibility Event in relation to the W&C Securities (including any related hedging arrangements) (**Relevant Costs**). The Calculation Agent is permitted to make such determinations and adjustments which may include, but are not limited to:

(A) payments under the W&C Securities being made in a Relevant Currency other than that which is specified for payment in the Final Terms;

(B) deduction of an amount from payment or delivery amounts otherwise due to Securityholders under the relevant W&C Securities, to account for any increase in Relevant Costs;

(C) determination by the Calculation Agent of any relevant Settlement Rate at such time(s) as it deems appropriate by reference to such source(s) (which may include, without limitation, any related hedging arrangements) taking into consideration all available information that it deems relevant, in good faith;

(D) non-payment or non-delivery of any relevant payment or amount otherwise due under the W&C Securities and delay of such payment or delivery and, if applicable, determination of any relevant Settlement Rate until such time as the relevant Inconvertibility Event has ceased provided that, if the Inconvertibility Event continues to exist for more than 365 days (or such lesser number of days as the Calculation Agent selects as would fall immediately prior to the due date for settlement of the W&C Securities), the provisions of paragraph (E) below shall apply; and/or

(E) regardless of whether or not the Calculation Agent has first applied the provisions of any of the above paragraphs, a determination that each W&C Security will be cancelled by the Issuer at the Early Cancellation Amount, with the relevant payments in respect of such cancellation being made as specified in the relevant notice provided to Securityholders.

Once determined, the Calculation Agent will give notice of any such determinations and/or adjustments to the Issuer and the Issuer shall take such additional actions as it considers necessary to effect such determinations and/or adjustments, and shall give notice to Securityholders in relation to all such determinations and/or adjustments, in accordance with W&C Securities Condition 9. The Calculation Agent may make one or more adjustments or determinations in relation to the same Inconvertibility Event and will not be limited in its ability to select any adjustment or determination it may previously have made in relation to the same or a similar Inconvertibility Event.

For the avoidance of doubt, the above provisions are additional, and without prejudice, to any other terms of the W&C Securities. In the event that other consequences could apply under any such other terms in relation to an event or occurrence which would constitute an Inconvertibility Event, the Issuer shall determine which terms shall apply in its sole discretion acting in good faith and may consult with the Calculation Agent or any Hedging Party and may (but is not obliged to) take into account the approach to the relevant event or circumstance taken under any related hedging arrangements.

**5.4.2** *Definitions*

For purposes of this Condition 5.4:

**hedging arrangements** has the meaning given in Condition 8.2.1.2.

**Hedging Disruption Event** means an event that renders a Hedging Party unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the foreign exchange risk (in whole or in part) incurred by the Issuer as a result of the issuance of the W&C Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**Hedging Party** has the meaning given in Condition 8.2.1.2.

**Inconvertibility Event** means any action, event or circumstance whatsoever as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner which from a legal, regulatory or practical perspective:

(a) has or will have the direct or indirect effect of hindering, limiting or restricting:

(i) the convertibility of any Relevant Currency into another Relevant Currency through customary legal channels;

(ii) the convertibility of a Relevant Currency into another Relevant Currency at a rate at least as favourable as the rate for domestic institutions located in a Relevant Payment Jurisdiction;

(iii) the convertibility, transfer or remittance of a Relevant Currency from accounts within a Relevant Payment Jurisdiction to another country or countries;

(iv) the ability of the Issuer to make payment in any Relevant Currency (including, without limitation, as a result of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation or exchange of one Relevant Currency into another Relevant Currency);

(v) the hedging arrangements (which may include the occurrence of a Hedging Disruption Event);

(b) results or will result in the unavailability of a Relevant Currency in the interbank foreign exchange market located in a Relevant Payment Jurisdiction through customary legal channels; and/or

(c) prohibits or prevents or will prohibit or prevent the remittance abroad of funds invested in a Relevant Payment Jurisdiction,

in each case including but not limited to, as a direct or indirect result of any force majeure events, actual, anticipated or potential imposition of any capital controls or changes in law or regulation relating to foreign investment, tax, corporate or foreign ownership in a Relevant Payment Jurisdiction, by any relevant political or regulatory authorities.

For the avoidance of doubt, an Inconvertibility Event may occur in relation to the W&C Securities on more than one occasion. Where there are multiple occurrences of an Inconvertibility Event, different Relevant Currencies may be selected in each case.

**Relevant Currency** means each currency comprised in a currency pair relevant to the W&C Securities as determined and selected by the Calculation Agent where each such currency is any of (i) a currency specified for payment in the Final Terms, (ii) the currency of denomination or trading of the W&C Securities, (iii) a currency most closely associated with any asset deliverable under the Conditions in respect of the W&C Securities, (iv) a currency most closely associated with any underlying reference asset(s) or basis(es) for the W&C Securities, (v) a currency relevant to any hedging arrangements, or (vi) United States dollars.

**Relevant Payment Jurisdiction** means each jurisdiction in which the relevant Relevant Currency is the lawful currency, as selected by the Calculation Agent.

**Settlement Rate** means, where applicable, any rate specified or used in connection with the provisions of the Conditions or the applicable Final Terms for the conversion of one Relevant Currency into another Relevant Currency.

## 6. EVENT OF DEFAULT ON INSOLVENCY

If any one or more of the following events (each an **Event of Default**) shall have occurred and be continuing, namely:

**6.1.1** a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Issuer or the Guarantor (in the case of Guaranteed W&C Securities) bankrupt or insolvent or approving as properly filed a petition seeking reorganisation of the Issuer or the Guarantor (in the case of Guaranteed W&C Securities) under any applicable bankruptcy, insolvency or reorganisation law of the jurisdiction of incorporation of the Issuer (the **Issuer's Jurisdiction**) or the jurisdiction of incorporation of the Guarantor (the **Guarantor's Jurisdiction**) (if applicable) and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or the Guarantor (in the case of Guaranteed W&C Securities) or of all or substantially all of the property of the Issuer or the Guarantor (in the case of Guaranteed W&C Securities) or for the winding-up or liquidation of the affairs of the Issuer or the Guarantor (in the case of Guaranteed W&C Securities) shall have been entered under any applicable bankruptcy, insolvency or reorganisation law of the Issuer's Jurisdiction or the Guarantor's Jurisdiction (if applicable) and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or

**6.1.2** the Issuer or the Guarantor (in the case of Guaranteed W&C Securities) shall institute proceedings to be adjudicated a voluntary bankrupt or shall consent to the filing of a bankruptcy proceeding against it or shall file a petition or answer or consent seeking moratorium of payments (in respect of the Issuer only), reorganisation or arrangement under the applicable bankruptcy or reorganisation law of the Issuer's Jurisdiction or the Guarantor's Jurisdiction (if applicable), or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or substantially all of its property, or shall make an assignment for the benefit of its creditors or shall make any composition with its creditors or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Issuer or the Guarantor (in the case of Guaranteed W&C Securities) in furtherance of any of the aforesaid purposes,

then any Securityholder may, by written notice to the Issuer and, in the case of Guaranteed W&C Securities, the Guarantor (with a copy to the Principal Agent for information purposes only), declare such W&C Security(ies) held by the holder to be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Cancellation Amount (as defined in Condition 5), unless such Event of Default shall be cured prior to receipt of such written notice by the Issuer and, in the case of Guaranteed W&C Securities, the Guarantor.

## 7. PURCHASES

The Issuer, the Guarantor and any of their Affiliates, may, but is not obliged to, at any time purchase W&C Securities at any price in the open market or by tender or private treaty. Any W&C Securities so purchased may be held or resold or surrendered for cancellation; however, W&C Securities represented by a Rule 144A Global W&C Security so purchased may only be resold pursuant to Rule 144A.

## 8. AGENTS

### 8.1 Agents

The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint further or additional Agents, provided that no termination of appointment of the Principal Agent shall become effective until a replacement Principal Agent shall have been appointed and provided that, so long as any of the W&C Securities are listed on a stock exchange, there shall be an Agent having a specified office in each location required by the rules and regulations of the relevant listing authority and, provided that, so long as any of the W&C Securities are represented by a Rule 144A Global W&C Security held through DTC, there shall be a New York Security Agent. Notice of any termination of appointment and of any changes in the specified office of any Agent will be given to Securityholders in accordance with Condition 9 provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such termination or changes. In acting under the Agency Agreement, each Agent acts solely as agent of the Issuer and (in the case of Guaranteed W&C Securities) the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders and any Agent's determinations and calculations in respect of the W&C Securities shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor (in the case of Guaranteed W&C Securities) and the Securityholders.

The Agency Agreement may be amended by the parties thereto, but without the consent of the Securityholders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties may mutually deem necessary or desirable and which shall not be materially prejudicial to the interests of the Securityholders.

### 8.2 Calculation Agent

#### 8.2.1 Status of the Calculation Agent

8.2.1.1 *Determinations*

In relation to each issue of W&C Securities, the Calculation Agent (whether it be Nomura International plc or another entity) acts solely as agent of the Issuer and (in the case of Guaranteed W&C Securities) the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. All calculations and determinations made in respect of the W&C Securities by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor (in the case of Guaranteed W&C Securities) and the Securityholders. The Calculation Agent may,

with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

8.2.1.2 *Exercise of discretion*

In exercising its discretion under the Conditions, the Calculation Agent shall act in good faith and in a commercially reasonably manner. In doing so, the Calculation Agent may take into account such factors as it determines appropriate in each case, which may include in particular any circumstances or events which have or may have a material impact on the hedging arrangements entered into by the Issuer and/or a Hedging Party in respect of the W&C Securities. The exercise of the Calculation Agent's discretion under the Conditions are necessary because certain circumstances or events (for example but without limitation a material modification or disruption to the underlying asset or reference basis to which the W&C Securities are linked) may occur subsequent to the issuance of the W&C Securities which may materially affect the costs to the Issuer and/or a Hedging Party of maintaining the relevant W&C Securities or relevant hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the W&C Securities. In addition, as a result of certain circumstances or events (for example but without limitation the unavailability or material disruption to any reference source) it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of the underlying asset or otherwise in connection with the W&C Securities, and thus making it necessary for the Calculation Agent to exercise its discretion in such a case. As used herein, **Hedging Party** means the Issuer and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations under the W&C Securities from time to time. Such hedging arrangements may be carried out on a portfolio basis (i.e. where the hedging party maintains arrangements for hedging the Securities together with other obligations of the Issuer or its Affiliates). As used herein, **hedging arrangements** means the arrangements, if any, the Issuer makes to have available to it the relevant cash amounts or assets to be paid or delivered under the W&C Securities as these fall due. This may involve the Issuer and/or a Hedging Party investing directly in the underlying asset(s) or reference basis to which the W&C Securities are linked. Alternatively, the Issuer and/or a Hedging Party may make an indirect investment by entering into or acquiring a derivative contract referencing the underlying asset(s) or reference basis to which the W&C Securities are linked. The Issuer will select hedging arrangements which are efficient for it in the context of the tax, regulatory and business environment in which it operates. The Issuer and/or a Hedging Party may also adjust hedging arrangements from time to time but will not always be able to avoid adverse costs, taxes or regulatory changes which affect its hedging arrangements. For the avoidance of doubt, the Issuer is under no obligation to enter into any hedging arrangements.

8.2.1.3 *Determinations of amounts payable or deliverable*

The Calculation Agent will employ the methodology described in these Conditions and, in the case of Exempt W&C Securities, the applicable Pricing Supplement to determine amounts payable or deliverable in respect of the W&C Securities. When making any such determination in relation to any amounts so payable or deliverable, the Calculation Agent may in its sole and absolute discretion consider any relevant information, which may but is not required to include, without limitation, one or more of the following:

(i) quotations (either firm or indicative) supplied by one or more third parties or information sources;

(ii) information consisting of relevant market data in the relevant markets supplied by one or more third parties or information sources including, without limitation, relevant

rates, prices, yields, yield curves, volatilities, spreads correlation or other relevant market data in the relevant market; or

(iii) information of the types described in (i) or (ii) above from internal sources (including any Affiliates of the Calculation Agent) or other information of a type used by the Calculation Agent in the regular course of its business or in connection with similar transactions.

The Calculation Agent's determination in the application of such methodology or of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent under the Securities shall be final, conclusive and binding on the Issuer, the Guarantor (as applicable) and the Securityholders except in the case of manifest error.

Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under the Securities including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion.

8.2.1.4 *Modifications*

Without prejudice to the provisions of Conditions 8.2.1.2, 8.2.1.3 or 12 or any Technical Annex, the Calculation Agent shall be free to modify the methodology described in these 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. Any modification made by the Calculation Agent pursuant to the Condition 8.2.1.4 shall be notified to Holders by the Calculation Agent in accordance with Condition 9 below.

8.2.1.5 *Disclaimer of liability*

The Calculation Agent makes no express or implied representations or warranties as to (a) the advisability of investing in or obtaining exposure to the W&C Securities, (b) the value of the W&C Securities at any particular time on any particular date, or (c) any amounts that may become payable or deliverable in respect of the W&C Securities. The Calculation Agent shall not act as agent or trustee for the Securityholders.

Without limiting any of the foregoing, in no event shall the Calculation Agent have any liability (whether in negligence or otherwise) to any Securityholders for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages.

**8.2.2 Conflict of Interest**

In addition to providing calculation agency services to the Issuer, the Calculation Agent or any of its Affiliates may perform further or alternative roles relating to the Issuer, the Guarantor and any series of W&C Securities including, but not limited to, for example, being involved in arrangements relating to any of the underlying reference assets or bases (for

example as a calculation agent or, in the case of a proprietary index for example, as index sponsor). Furthermore, the Calculation Agent or any of its Affiliates may contract with the Issuer or the Guarantor (as applicable) and/or enter into transactions which relate to the Issuer, the Guarantor (as applicable), the W&C Securities or any of the underlying reference assets or bases and as a result the Calculation Agent may face a conflict between its obligations as Calculation Agent and its and/or its Affiliates' interests in other capacities. Subject to all regulatory obligations, none of the Issuer, the Guarantor (as applicable) or the Calculation Agent in respect of the W&C Securities shall owe any duty or responsibility to any Securityholder to avoid any conflict or to act in the interests of any Securityholder.

**8.3 Determinations by the Issuer or the Guarantor**

In exercising its discretion under the Conditions, the Issuer or (in the case of Guaranteed W&C Securities) the Guarantor shall act in good faith and in a commercially reasonably manner. The exercise of the Issuer's or the Guarantor's discretion, as applicable, under the Conditions are necessary because certain circumstances or events (e.g. material modification or disruption to the underlying asset or reference to which the W&C Securities are linked) may occur subsequent to the issuance of the W&C Securities which may materially affect the costs to the Issuer and/or a Hedging Party of maintaining the relevant W&C Securities or relevant hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the W&C Securities. In addition, as a result of certain circumstances or events (e.g. unavailability or material disruption to any reference source), it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of the underlying asset or otherwise in connection with the W&C Securities, and thus making it necessary for the Issuer or the Guarantor, as applicable, to exercise their discretion in such a case.

The Issuer's ability to perform its obligations under the W&C Securities may be hedged by the Issuer entering into certain hedging arrangements with a Hedging Party. In relation to the discretion of the Issuer in respect of the method of settlement under the Conditions, the exercise of any such discretion is necessary to enable the Issuer to settle the W&C Securities taking in to account its hedging arrangements. Certain events (e.g. failure by the Hedging Party to deliver the relevant underlying assets) beyond the control of the Issuer may occur and such events may materially increase the costs of the Issuer to perform its obligations under the W&C Securities.

Any determination made by the Issuer or the Guarantor, as applicable, pursuant to the Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor (if any) and the Securityholders.

**9. NOTICES**

All notices regarding the W&C Securities will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the W&C Securities are for the time being listed or by which they have been admitted to trading.

Until such time as any definitive W&C Securities are issued, there may, so long as any Global W&C Securities representing the W&C Securities are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the W&C Securities. Any such notice shall be deemed to have been given to the holders of the W&C Securities on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Securityholder shall be in writing and given by lodging the same, together (in the case of any W&C Security in definitive form) with the relative W&C Security or W&C Securities, with the Principal Agent, New York Security Agent or any person appointed by them to maintain the relevant register of holders of such Series of W&C Securities. Whilst any of the W&C Securities are represented by a Global W&C Security, such notice may be given by any holder of a W&C Security to the Principal Agent or the New York Security Agent, as applicable, through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Agent, the New York Security Agent and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

All notices given pursuant to this Condition 9 in respect of W&C Securities that are admitted to trading on the Luxembourg Stock Exchange, shall also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

## 10. EXPENSES AND TAXATION

A holder of W&C Securities must pay all Exercise Expenses relating to such W&C Securities as provided in Condition 4.1 above.

Neither the Issuer nor (in the case of Guaranteed W&C Securities) the Guarantor shall be liable for or otherwise obliged to pay any tax, duty, withholding or other payment (including any stamp or transfer tax or any withholding or deduction required pursuant to Section 871(m) of the Code or 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), 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 (in the case of Guaranteed W&C Securities) the Guarantor shall be made subject to any such tax, duty, withholding, deduction or other payment which may be required to be made, paid, withheld or deducted.

## 11. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of Securityholders to create and issue further W&C Securities having terms and conditions the same as the W&C Securities or the same in all respects save for the issue price, as the case may be, and the issue date thereof and so as to be consolidated with and form a single Series with the outstanding W&C Securities.

## 12. MEETINGS OF SECURITYHOLDERS AND MODIFICATIONS

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the W&C Securities or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or (in respect of Guaranteed W&C Securities) the Guarantor and shall be convened by the Issuer if required in writing by the Securityholders holding not less than 10 per cent. (by number) of the W&C Securities for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons present and holding or representing a clear majority (by number) of the W&C Securities for the time being outstanding, or at any adjourned meeting one or more persons present whatever the number of the W&C Securities so held or represented by them, except that at any meeting the business of which includes the modification of certain provisions of the Conditions of the W&C Securities (including modifying any Exercise Date, reducing or cancelling the Cash Settlement Amount or the Entitlement or altering the Settlement Currency), the quorum shall be one or more persons present and holding or representing not less than

two-thirds (by number) of the W&C Securities of the time being outstanding, or at any adjourned such meeting one or more persons present and holding or representing not less than one-third (by number) of the W&C Securities for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in number of the W&C Securities for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Agent) by or on behalf of the holders of not less than three-fourths in number of the W&C Securities for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Securityholders. An Extraordinary Resolution passed at any meeting of the Securityholders shall be binding on all Securityholders, whether or not they are present at the meeting. For the purposes of the provisions for convening meetings of the Securityholders, any W&C Securities which are for the time being held by or for the benefit of the Issuer or (in the case of Guaranteed W&C Securities) the Guarantor or any of their Affiliates shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

The Issuer, without the consent of the Securityholders, may modify the Conditions in any manner which the Issuer may deem necessary or desirable provided that such modification (i) is not, in the sole opinion of the Issuer, materially prejudicial to the interests of the Securityholders or (ii) is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law. Any such modification shall be binding on the Securityholders and any such modification shall be notified to the Securityholders in accordance with Condition 9 as soon as practicable thereafter, provided that failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

## 13. SUBSTITUTION

### 13.1 Substitution of the Issuer

**13.1.1** *Conditions precedent to Substitution of the Issuer*

The Issuer may, without the consent of the Securityholders, be replaced and substituted by the Substituted Obligor (as defined below) in respect of the W&C Securities provided that:

13.1.1.1 a deed poll (the **Deed Poll**) and/or such other documents (if any) shall be executed by the Substituted Obligor and the Guarantor (in the case of Guaranteed W&C Securities) as may be necessary to give full effect to the substitution (together with the Deed Poll, the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Obligor shall undertake in favour of each Securityholder to be bound by these Conditions (as amended in the manner provided in paragraph 13.1.2 below) and the provisions of the Agency Agreement and the Deed of Covenant as fully as if the Substituted Obligor had been named in the W&C Securities, the Agency Agreement and the Deed of Covenant as the principal obligor in respect of the W&C Securities in place of the Issuer (or any previous Substituted Obligor) and pursuant to which the Guarantor (in the case of Guaranteed W&C Securities) shall unconditionally and irrevocably guarantee in favour of each Securityholder the payment of all sums payable by and/or delivery obligations in respect of such Guaranteed W&C Securities of the Substituted Obligor as such principal debtor;

13.1.1.2 the Documents shall contain a warranty and representation by:

(1) the Substituted Obligor:

(A) that it has obtained all necessary corporate, governmental and regulatory approvals and consents for such substitution and for the performance by it of its obligations under the Documents and that all such approvals and consents are in full force and effect; and

(B) that the obligations assumed by it under the Documents are all legal, valid and binding in accordance with their respective terms; and

(2) the Guarantor (in the case of Guaranteed W&C Securities):

(A) that the Guarantor has obtained all necessary corporate, governmental and regulatory approvals and consents for the giving of such guarantee and the performance by the Guarantor of its obligations under the Documents and that all such approvals and consents are in full force and effect; and

(B) that the obligations assumed by the Guarantor under the Documents and the guarantee are all legal, valid and binding in accordance with their respective terms;

13.1.1.3 each (if any) stock exchange, competent listing authority and/or quotation system which has the W&C Securities listed thereon shall have confirmed that following the proposed substitution of the Substituted Obligor the W&C Securities would continue to be listed, quoted and/or traded on such stock exchange, competent listing authority and/or quotation system;

13.1.1.4 the Issuer and the Substituted Obligor, as the case may be, shall have delivered to the Principal Agent for its safekeeping or procured the delivery to the Principal Agent for its safekeeping of a legal opinion from a reputable firm of lawyers in England and Wales acting for the Issuer, to the effect that the Documents constitute legal, valid and binding obligations of the Issuer and the Substituted Obligor under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Principal Agent;

13.1.1.5 the Issuer shall have delivered to the Principal Agent for its safekeeping or procured the delivery to the Principal Agent for its safekeeping of a legal opinion addressed to the Dealers from a reputable firm of lawyers from the Issuer's Jurisdiction acting for the Issuer, to the effect that the Issuer has the capacity and authority to enter into the Documents under the laws of the Issuer's Jurisdiction and that the Documents constitute legal, valid and binding obligations of the Issuer under such laws, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Principal Agent;

13.1.1.6 the Substituted Obligor shall have delivered to the Principal Agent for its safekeeping or procured the delivery to the Principal Agent for its safekeeping of a legal opinion from a reputable firm of lawyers from the jurisdiction of the Substituted Obligor (the **Substituted Obligor's Jurisdiction**) acting for the Substituted Obligor, to the effect that the Substituted Obligor has the

capacity and authority to enter into the Documents under the laws of the Substituted Obligor's Jurisdiction and, where the Substituted Obligor's Jurisdiction is other than England, that the Documents constitute legal, valid and binding obligations of the relevant Substituted Obligor under such laws, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Principal Agent;

13.1.1.7 in the case of Guaranteed W&C Securities, the Guarantor shall have delivered to the Principal Agent for its safekeeping or procured the delivery to the Principal Agent for its safekeeping of a legal opinion addressed to the Dealers from a reputable firm of lawyers in England and Wales acting for the Guarantor, to the effect that the Documents (including the guarantee given by the Guarantor in respect of the Substituted Obligor) constitute legal, valid and binding obligations of the Guarantor, under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Principal Agent;

13.1.1.8 in the case of Guaranteed W&C Securities, the Guarantor shall have delivered to the Principal Agent for its safekeeping or procured the delivery to the Principal Agent for its safekeeping of a legal opinion addressed to the Dealers from a reputable firm of lawyers from the Guarantor's Jurisdiction acting for the Guarantor to the effect that the Guarantor has the capacity and authority to enter into the Documents (including the guarantee given by the Guarantor in respect of the Substituted Obligor) under the laws of the Guarantor's Jurisdiction and, that the Documents constitute legal, valid and binding obligations of the Guarantor, under the laws of the Guarantor's Jurisdiction, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Principal Agent; and

13.1.1.9 there is no outstanding Event of Default in respect of the W&C Securities.

**13.1.2** *Assumption by Substituted Obligor*

Upon the execution of the Documents as referred to in paragraph 13.1.1 above, the Substituted Obligor shall be deemed to be named in the W&C Securities as the principal obligor in place of the Issuer (or of any previous Substituted Obligor) and the W&C Securities shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer (or such previous Substituted Obligor) from all of its obligations as principal obligor in respect of the W&C Securities.

**13.1.3** *Deposit of Documents*

The Documents shall be deposited with and held by the Principal Agent for so long as any W&C Security remains unexercised and for so long as any claim made against the Substituted Obligor or, in the case of Guaranteed W&C Securities, the Guarantor by any Securityholder in relation to the W&C Securities or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Obligor and, in the case of Guaranteed W&C Securities, the Guarantor shall acknowledge in the Documents the right of every Securityholder to the production of the Documents for the enforcement of any of the W&C Securities or the Documents.

**13.1.4** *Notice of Substitution*

Not later than 15 days after the execution of the Documents, the Substituted Obligor shall give notice thereof to the Securityholders in accordance with Condition 9.

**13.1.5** *Substituted Obligor*

Substituted Obligor means any company which is 100 per cent. directly or indirectly owned by Nomura Holdings, Inc.

**13.2 Substitution of the Guarantor**

**13.2.1** *Conditions precedent to Substitution of the Guarantor*

In respect of Guaranteed W&C Securities, the Guarantor may, without the consent of the Securityholders, be replaced and substituted by a Substituted Guarantor (as defined below) in respect of such W&C Securities provided that:

13.2.1.1 such substitution shall only occur pursuant to a reorganisation of or within the group of companies consisting of Nomura Holdings, Inc. and its consolidated subsidiaries;

13.2.1.2 such documents shall be executed by the Substituted Guarantor as may be necessary to give full effect to the substitution (the **Guarantor Substitution Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Guarantor shall undertake in favour of each Securityholder to be bound by these Conditions (as amended in the manner provided in paragraph 13.2.2 below) and the provisions of the Agency Agreement as fully as if the Substituted Guarantor had been named in the W&C Securities and the Agency Agreement as the guarantor in respect of such W&C Securities in place of the Guarantor (or any previous Substituted Guarantor);

13.2.1.3 the Guarantor Substitution Documents shall contain a warranty and representation by the Substituted Guarantor:

(1) that it has obtained all necessary corporate, governmental and regulatory approvals and consents for such substitution and for the performance by it of its obligations under, the Guarantor Substitution Documents and that all such approvals and consents are in full force and effect; and

(2) that the obligations assumed by it under the Guarantor Substitution Documents are all legal, valid and binding in accordance with their respective terms;

13.2.1.4 each (if any) stock exchange, competent listing authority and/or quotation system which has such W&C Securities listed thereon shall have confirmed that following the proposed substitution of the Substituted Guarantor such W&C Securities would continue to be listed, quoted and/or traded on such stock exchange, competent listing authority and/or quotation system;

13.2.1.5 the Guarantor and the Substituted Guarantor, as the case may be, shall have delivered to the Principal Agent for its safekeeping or procured the delivery to the Principal Agent for its safekeeping of legal opinions addressed to the Dealers from:

(1) a reputable firm of lawyers in England and Wales acting for the Guarantor, to the effect that the Guarantor Substitution Documents constitute legal, valid and binding obligations of the Guarantor and the Substituted Guarantor under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Guarantor for the Guarantor and to be available for inspection by Securityholders at the specified office of the Principal Agent;

(2) a reputable firm of lawyers from the Guarantor's Jurisdiction acting for the Guarantor, to the effect that the Guarantor has the capacity and authority to enter into the Guarantor Substitution Documents under the laws of the Guarantor's Jurisdiction and that the Guarantor Substitution Documents constitute legal, valid and binding obligations of the Guarantor under the laws of the Guarantor's Jurisdiction, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Guarantor for the Guarantor and to be available for inspection by Securityholders at the specified office of the Principal Agent; and

(3) a legal opinion from a reputable firm of lawyers from the jurisdiction of the Substituted Guarantor (the **Substituted Guarantor's Jurisdiction**) acting for the Substituted Guarantor, to the effect that the Substituted Guarantor has the capacity and authority to enter into the Guarantor Substitution Documents under the laws of the Substituted Guarantor's Jurisdiction and, where the Substituted Guarantor's Jurisdiction is other than England, that the Guarantor Substitution Documents constitute legal, valid and binding obligations of the Substituted Guarantor under the relevant law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Guarantor for the Guarantor and to be available for inspection by Securityholders at the specified office of the Principal Agent; and

13.2.1.6 there is no outstanding Event of Default in respect of the W&C Securities.

**13.2.2** *Assumption by Substituted Guarantor*

Upon the execution of the Guarantor Substitution Documents as referred to in paragraph 13.2.1 above, the Substituted Guarantor shall be deemed to be named in the W&C Securities as the guarantor for such W&C Securities in place of the Guarantor (or of any previous Substituted Guarantor) and the W&C Securities shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Guarantor Substitution Documents shall operate to release the Guarantor as guarantor (or such previous Substituted Guarantor) from all of its obligations as guarantor in respect of the W&C Securities.

**13.2.3** *Deposit of Guarantor Substitution Documents*

The Guarantor Substitution Documents shall be deposited with and held by the Principal Agent for so long as any W&C Security remains unexercised and for so long as any claim made against the Substituted Guarantor by any Securityholder in relation to the W&C Securities or the Guarantor Substitution Documents shall not have been finally adjudicated, settled or discharged. The Substituted Guarantor shall acknowledge in the Guarantor Substitution Documents the right of every Securityholder to the production of the Guarantor Substitution Documents for the enforcement of any of the W&C Securities or the Guarantor Substitution Documents.

**13.2.4** *Notice of Substitution*

Not later than 15 days after the execution of the Guarantor Substitution Documents, the Substituted Guarantor shall give notice thereof to the Securityholders in accordance with Condition 9.

**13.2.5** *Substituted Guarantor*

**Substituted Guarantor** means any company which is either the ultimate parent company of the Issuer or a company with the same ultimate parent company as the Issuer, save that in the latter case such Substituted Guarantor shall have a credit rating at least equal to that of the Guarantor (or the previous Substituted Guarantor) as at the date of substitution.

## 14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the W&C Securities by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any reason which exists or is available apart from that Act.

## 15. SEVERABILITY

Should any of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.

## 16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 16.1 Governing law

The Agency Agreement, the Guarantee, the Deed of Covenant, the W&C Securities, and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Deed of Covenant and the W&C Securities, are governed by and shall be construed in accordance with, English law.

**16.2 Submission to jurisdiction**

**16.2.1** Subject to Condition 16.2.3 below, the English courts have exclusive jurisdiction to settle any disputes arising out of or in connection with the W&C Securities including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the W&C Securities (a **Dispute**) and all Disputes will be submitted to the exclusive jurisdiction of the English courts.

**16.2.2** For the purposes of the Condition 16.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

**16.2.3** This Condition 16.2.3 is for the benefit of the Securityholders only. To the extent allowed by law, the Securityholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent Proceedings in any number of jurisdictions.

**16.3 Process Agent for the Issuer and the Guarantors**

The Issuer and each Guarantor irrevocably appoints Nomura International plc at its registered office at 1 Angel Lane, London EC4R 3AB as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Nomura International plc being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in respect of any Dispute. The Issuer and each Guarantor agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

**17. REDENOMINATION**

Redenomination may be specified as applicable in the applicable Pricing Supplement for a Series of Exempt W&C Securities. If redenomination is so specified as applicable, the Issuer may, without the consent of the Securityholders, on giving prior notice to the Principal Agent, Euroclear and Clearstream, Luxembourg or the New York Security Agent and DTC, as applicable, and at least 30 days' prior notice to the Securityholders in accordance with Condition 9 elect that, with effect from the Adjustment Date specified in the notice, certain terms of the W&C Securities shall be redenominated in euro;

The election will have effect as follows:

(a) where the Settlement Currency of the W&C Securities is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Calculation Agent may decide and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the W&C Securities will be made solely in euro as though references in the W&C Securities to the Settlement Currency were to euro;

(b) where the Exchange Rate and/or any other terms of the Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the Original Currency) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted for or, as the case may be into, euro at the Established Rate; and

(c) such other changes shall be made to the Conditions as the Issuer may decide, in its sole and absolute discretion to conform them to conventions then applicable to instruments expressed in euro; and/or

(d) require that the Calculation Agent make such adjustments to the Multiplier and/or the Settlement Price and/or (in the case of Warrants) the Exercise Price and/or any other terms of the Conditions and/or the Pricing Supplement as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Multiplier and/or the Settlement Price and/or the Exercise Price and/or such other terms of the Conditions.

Notwithstanding the foregoing, neither the Issuer, the Guarantor, any of their Affiliates or agents, the Calculation Agent nor any Agent shall be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith;

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

**Adjustment Date** means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

**Established Rate** means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 104 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;

**National Currency Unit** means the unit of the currency of a country, as those units are defined on the date on which the country of the Original Currency first participates in European Economic and Monetary Union; and

**Treaty** means the Treaty on the Functioning of the European Union, as amended.

## 18. ADDITIONAL CONDITIONS RELATING TO NON-EXEMPT W&C SECURITIES

Condition 18.1 below applies to Non-Exempt W&C Securities specified in the applicable Final Terms as FX Basket Knock-Out W&C Securities.

Condition 18.2 below applies to Non-Exempt W&C Securities specified in the applicable Final Terms as FX Basket Knock-In W&C Securities.

Condition 18.3 below applies to Non-Exempt W&C Securities specified in the applicable Final Terms as Equity Delta One W&C Securities.

### 18.1 FX Basket Knock-Out W&C Securities

*This Condition 18.1 applies to W&C Securities specified in the applicable Final Terms as FX Basket Knock-Out W&C Securities. The Cash Settlement Amount for FX Basket Knock-Out W&C Securities are calculated by reference to a specified currency or basket of currencies as further described below.*

*If the W&C Securities are FX Basket Knock-Out W&C Securities, the Additional Terms and Conditions contained in Annex 3 will apply, subject as amended and/or varied and/or supplemented in this Condition 18.1.*

*The applicable Final Terms also contains provisions applicable to FX Basket Knock-Out W&C Securities, including the determination of the Cash Settlement Amount thereof, and must be read in conjunction with this Condition 18.1 for full information on FX Basket Knock-Out W&C Securities. In particular, the applicable Final Terms will identify each Alternate Currency Pair, the Consequences of a Disruption Event, each Currency Pair, the Disruption Events, each First Relevant Currency, each FX Price Source, the Leverage, the Maximum Days of Disruption, the Notional Amount, the Price Materiality Percentage, the Primary Rate, each Second Relevant Currency, the Secondary Rate, each Specified Financial Centre, the Knock-Out Level, each Observation Date, the Observation Cut-Off Date, the Valuation Date, the Valuation Time, w and X, Y and Z.*

Each FX Basket Knock-Out W&C Security entitles its holder in respect of an Actual Exercise Date, upon due exercise, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:

(a) if the Continuous Knock-Out Condition has been met, zero; or

(b) if the Continuous Knock-Out Condition has not been met, the Notional Amount per W&C Security multiplied by a percentage calculated by the Calculation Agent in accordance with the following formula:

$$\text{Leverage x Max} \left[0, \sum_{i=1}^{n} w_i \text{ x } \frac{X_i - Y_i}{Z_i}\right]$$

Any amount determined pursuant to the above, if not an amount in the Specified Currency, will be converted into the Specified Currency at the Exchange Rate. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Specified Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with W&C Securities exercised at the same time by the same Securityholder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such W&C Securities.

Where:

**Alternate Currency Pair** means, in respect of a Currency Pair, each currency pair specified as such in the applicable Final Terms.

**Barrier Start Date** means the date specified as such in the applicable Final Terms.

**Continuous Knock Out Condition** means at any time on any Observation Date during any Weekly Observation Interval falling within the period commencing on and including 7:00 am London time on the Barrier Start Date and ending on and including 4:00 pm London time on the Observation Cut-Off Date, any Settlement Rate in respect of any Currency Pair is equal to or less than the Knock Out Level in respect of such Currency Pair, as determined by the Calculation Agent.

**Currency Pair** means each currency pair specified as such in the applicable Final Terms.

**Exchange Rate** means the spot rate of exchange between the currency in which the Notional Amount is denominated (the **Notional Amount Currency**) and the Settlement Currency (expressed as the number of units (or part units) of the relevant Notional Amount Currency for which one unit of the

relevant Settlement Currency can be exchanged) or on the basis of such other applicable market convention as the Calculation Agent determines appropriate.

**First Relevant Currency** means, in respect of a Currency Pair, the Relevant Currency specified as such in the applicable Final Terms.

**FX Price Source** means, in respect of a Currency Pair or an Alternate Currency Pair, the source specified as such for such Currency Pair or Alternate Currency Pair, as applicable, in the applicable Final Terms.

$_i$ means each Currency Pair.

**Knock Out Level** means, in respect of a Currency Pair, the level specified as such in the applicable Final Terms.

**Leverage** means an amount which may be greater than or less than 100 per cent., as specified in the applicable Final Terms.

**Max** followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a comma inside those brackets.

**n** means the number of Currency Pairs to which the W&C Securities relate.

**Observation Cut-Off Date** means the date specified as such in the applicable Final Terms.

**Observation Date** means each Observation Date specified in the applicable Final Terms or if any such date is not an FX Business Day the first FX Business Day thereafter unless, in the opinion of the Calculation Agent, such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then the provisions of FX Linked Condition 3 shall apply.

**Reference Exchange Rate** means, in respect of a Currency Pair, the spot exchange rate for the First Relevant Currency quoted against the Second Relevant Currency expressed as the number of units of the First Relevant Currency quoted per one unit of the Second Relevant Currency.

**Relevant Currency** means each currency comprising a Currency Pair and any references to the conversion of one Relevant Currency to another shall be construed as applying in relation to a Currency Pair.

**Relevant Time** means the time at which the relevant Settlement Rate is determined.

**Second Relevant Currency** means, in respect of a Currency Pair, the Relevant Currency specified as such in the applicable Final Terms.

**Settlement Rate** means, in respect of a Currency Pair and an Observation Date or the Valuation Date, the Reference Exchange Rate for that Currency Pair on such Observation Date or Valuation Date at the Relevant Time or Valuation Time respectively as determined by the Calculation Agent by reference to the Settlement Rate Option for that Currency Pair (and such determination may be made, without limitation, with such adjustments as are, at the discretion of the Calculation Agent, necessary to the published quoting conventions and/or implying the Reference Exchange Rate from more than one Settlement Rate Option) unless a Disruption Event exists or occurs, in which case, the relevant Settlement Rate for that Currency Pair will be determined by the Calculation Agent in accordance with FX Linked Condition 3 for which purposes references therein to "Valuation Date" will, in the case of an Observation Date, be deemed to be to "Observation Date" and FX Linked Condition 3 will be construed accordingly.

**Settlement Rate Option** means, in respect of a Currency Pair and an Observation Date or the Valuation Date, the rate published for the Currency Pair fixing rate on the FX Price Source for that Currency Pair at or about (i) the Relevant Time on such Observation Date or (ii) the Valuation Time on the Valuation Date or, if Alternate Currency Pairs are specified for the relevant Currency Pair, the Reference Exchange Rate will be implied from more than one Settlement Rate Option by determining the rate for each Alternate Currency Pair for that Currency Pair, published for the Alternate Currency Pair fixing rate on the FX Price Source for that Alternate Currency Pair at or about (i) the Relevant Time on such Observation Date or (ii) the Valuation Time on the Valuation Date.

**Weekly Observation Interval** means the period between 5:00 am Sydney time on each Monday and 5:00 pm New York City time on the immediately succeeding Friday (inclusive).

$\mathbf{w_i}$ means, in respect of a Currency Pair, the weighting of such Currency Pair (being a number less than or equal to 1) as specified in the applicable Final Terms in relation to such Currency Pair.

$\mathbf{X_i}$ means, in respect of a Currency Pair, either (i) the Exercise Price in respect of such Currency Pair, or (ii) the Settlement Rate in respect of such Currency Pair and the Valuation Date, in each case as specified in the applicable Final Terms.

$\mathbf{Y_i}$ means, in respect of a Currency Pair, either (i) the Exercise Price in respect of such Currency Pair, or (ii) the Settlement Rate in respect of such Currency Pair and the Valuation Date, in each case as specified in the applicable Final Terms.

$\mathbf{Z_i}$ means, in respect of a Currency Pair, is either (i) the Exercise Price in respect of such Currency Pair, (ii) the Settlement Rate in respect of such Currency Pair and the Valuation Date or (iii) 1, in each case as specified in the applicable Final Terms.

## 18.2 FX Basket Knock-In W&C Securities

*This Condition 18.2 applies to W&C Securities specified in the applicable Final Terms as FX Basket Knock-In W&C Securities. The Cash Settlement Amount for FX Basket Knock-In W&C Securities are calculated by reference to a specified currency or basket of currencies as further described below.*

*If the W&C Securities are FX Basket Knock-In W&C Securities, the Additional Terms and Conditions contained in Annex 3 will apply, subject as amended and/or varied and/or supplemented in this Condition 18.2.*

*The applicable Final Terms also contains provisions applicable to FX Basket Knock-In W&C Securities, including the determination of the Cash Settlement Amount thereof, and must be read in conjunction with this Condition 18.2 for full information on FX Basket Knock-In W&C Securities. In particular, the applicable Final Terms will identify each Alternate Currency Pair, the Consequences of a Disruption Event, each Currency Pair, the Disruption Events, each First Relevant Currency, each FX Price Source, the Leverage, the Maximum Days of Disruption, the Notional Amount, the Price Materiality Percentage, the Primary Rate, each Second Relevant Currency, the Secondary Rate, each Specified Financial Centre, the Knock In Level, each Observation Date, the Observation Cut-Off Date, the Valuation Date, the Valuation Time, w and X, Y and Z.*

Each FX Basket Knock-In W&C Security entitles its holder in respect of an Actual Exercise Date, upon due exercise, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:

(a) if the Continuous Knock-In Condition has not been met, zero; or

(b) if the Continuous Knock-In Condition has been met, the Notional Amount per W&C Security multiplied by an amount calculated by the Calculation Agent in accordance with the following formula:

$$\text{Leverage x Max} \left[0, \sum_{i=1}^{n} w_i \text{ x } \frac{X_i - Y_i}{Z_i}\right]$$

Any amount determined pursuant to the above, if not an amount in the Specified Currency, will be converted into the Specified Currency at the Exchange Rate. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Specified Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with W&C Securities exercised at the same time by the same Securityholder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such W&C Securities.

Where:

**Alternate Currency Pair** means, in respect of a Currency Pair, each currency pair specified as such in the applicable Final Terms.

**Continuous Knock In Condition** means at any time on any Observation Date during any Weekly Observation Interval falling within the period commencing on and including 7:00 am London time on the Trade Date and ending on and including 4:00 pm London time on the Observation Cut-Off Date, any Settlement Rate in respect of any Currency Pair is equal to or greater than the Knock In Level in respect of such Currency Pair, as determined by the Calculation Agent.

**Currency Pair** means each currency pair specified as such in the applicable Final Terms.

**Exchange Rate** means the spot rate of exchange between the currency in which the Notional Amount is denominated (the **Notional Amount Currency**) and the Settlement Currency (expressed as the number of units (or part units) of the relevant Notional Amount Currency for which one unit of the relevant Settlement Currency can be exchanged) or on the basis of such other applicable market convention as the Calculation Agent determines appropriate.

**First Relevant Currency** means, in respect of a Currency Pair, the Relevant Currency specified as such in the applicable Final Terms.

**FX Price Source** means, in respect of a Currency Pair or an Alternate Currency Pair, the source specified as such for such Currency Pair or Alternate Currency Pair, as applicable, in the applicable Final Terms.

$_i$ means each Currency Pair.

**Knock In Level** means, in respect of a Currency Pair, the level specified as such in the applicable Final Terms.

**Leverage** means an amount which may be greater than or less than 100 per cent., as specified in the applicable Final Terms.

**Max** followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a comma inside those brackets.

**n** means the number of Currency Pairs to which the W&C Securities relate.

**Observation Cut-Off Date** means the date specified as such in the applicable Final Terms.

**Observation Date** means each Observation Date specified in the applicable Final Terms or if any such date is not an FX Business Day the first FX Business Day thereafter unless, in the opinion of the Calculation Agent, such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then the provisions of FX Linked Condition 3 shall apply.

**Reference Exchange Rate** means, in respect of a Currency Pair, the spot exchange rate for the First Relevant Currency quoted against the Second Relevant Currency expressed as the number of units of the First Relevant Currency quoted per one unit of the Second Relevant Currency.

**Relevant Currency** means each currency comprising a Currency Pair and any references to the conversion of one Relevant Currency to another shall be construed as applying in relation to a Currency Pair.

**Relevant Time** means the time at which the relevant Settlement Rate is determined.

**Second Relevant Currency** means, in respect of a Currency Pair, the Relevant Currency specified as such in the applicable Final Terms.

**Settlement Rate** means, in respect of a Currency Pair and an Observation Date or the Valuation Date, the Reference Exchange Rate for that Currency Pair on such Observation Date or Valuation Date at the Relevant Time or Valuation Time respectively, as determined by the Calculation Agent by reference to the Settlement Rate Option for that Currency Pair (and such determination may be made, without limitation, with such adjustments as are, at the discretion of the Calculation Agent, necessary to the published quoting conventions and/or implying the Reference Exchange Rate from more than one Settlement Rate Option) unless a Disruption Event exists or occurs, in which case, the relevant Settlement Rate for that Currency Pair will be determined by the Calculation Agent in accordance with FX Linked Condition 3 for which purposes references therein to "Valuation Date" will, in the case of an Observation Date, be deemed to be "Observation Date" and FX Linked Condition 3 will be construed accordingly.

**Settlement Rate Option** means, in respect of a Currency Pair and an Observation Date or the Valuation Date, the rate published for the Currency Pair fixing rate on the FX Price Source for that Currency Pair at or about (i) the Relevant Time on such Observation Date or (ii) the Valuation Time on the Valuation Date or, if Alternate Currency Pairs are specified for the relevant Currency Pair, the Reference Exchange Rate will be implied from more than one Settlement Rate Option by determining the rate for each Alternate Currency Pair for that Currency Pair, published for the Alternate Currency Pair fixing rate on the FX Price Source for that Alternate Currency Pair at or about (i) the Relevant Time on such Observation Date or (ii) the Valuation Time on the Valuation Date.

**Weekly Observation Interval** means the period between 5:00 am Sydney time on each Monday and 5:00 pm New York City time on the immediately succeeding Friday (inclusive).

$\mathbf{w_i}$ means, in respect of a Currency Pair, the weighting of such Currency Pair (being a number less than or equal to 1) as specified in the applicable Final Terms in relation to such Currency Pair.

$\mathbf{X_i}$ means, in respect of a Currency Pair, either (i) the Exercise Price in respect of such Currency Pair, or (ii) the Settlement Rate in respect of such Currency Pair and the Valuation Date, in each case as specified in the applicable Final Terms.

$\mathbf{Y_i}$ means, in respect of a Currency Pair, either (i) the Exercise Price in respect of such Currency Pair, or (ii) the Settlement Rate in respect of such Currency Pair and the Valuation Date, in each case as specified in the applicable Final Terms.

**$Z_i$** means, in respect of a Currency Pair, either (i) the Exercise Price in respect of such Currency Pair, (ii) the Settlement Rate in respect of such Currency Pair and the Valuation Date or (iii) 1, in each case as specified in the applicable Final Terms.

### 18.3 Equity Delta One W&C Securities

*This Condition 18.3 applies to W&C Securities specified in the applicable Final Terms as Equity Delta One W&C Securities. The Cash Settlement Amount for Equity Delta One W&C Securities are calculated by reference to a specified share as further described below.*

*If the W&C Securities are Equity Delta One W&C Securities, the Additional Terms and Conditions contained in Annex 2 will apply, subject as amended and/or varied and/or supplemented in this Condition 18.3.*

*The applicable Final Terms also contains provisions applicable to Equity Delta One W&C Securities, including the determination of the Cash Settlement Amount thereof, and must be read in conjunction with this Condition 18.3 for full information on Equity Delta One W&C Securities. In particular, the applicable Final Terms will identify the Additional Disruption Events, the Disruption Cut-Off Date, the Equity Currency, the Exchange(s), Exchange Business Days, the Final Valuation Date, the Related Exchange, the Share, Scheduled Trading Days, the Valuation Date and the Valuation Time and whether Options Exchange Adjustment and Share Substitution apply.*

(a) Each Equity Delta One W&C Security entitles its holder in respect of an Actual Exercise Date, upon due exercise, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:

$[V_F \text{ x Exchange Rate}] - C$

The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Specified Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with W&C Securities exercised at the same time by the same Securityholder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such W&C Securities.

Where:

**$V_F$** means the Final Price.

**C** means the Specified Currency equivalent of the Costs as determined by the Calculation Agent using such foreign exchange rate as the Calculation Agent deems appropriate with respect to the relevant time(s) the Costs arise or may arise.

**Costs** means, in respect of a W&C Security, such W&C Security's *pro rata* share of the total amount of any commissions, costs, expenses, duties, taxes (including but not limited to any capital gains tax or withholding tax), levies, registration fees, custodial fees or other charges which may be required to be made, paid, withheld or deducted by the Issuer and/or any of its Affiliates and/or any of their respective nominees as a result of, or in connection with, the Issuer and/or any of its Affiliates and/or any of their respective nominees (a) being a direct holder of any Hedging Shares and/or selling and/or realising any Hedging Shares and/or (b) unwinding any Hedge Position.

**Exchange Rate** means (i) the rate of exchange between the Equity Currency and the Specified Currency (expressed as a number of units of the Specified Currency for which a unit of the Equity Currency can be exchanged) determined at or around the Final Valuation Date which the Calculation Agent determines appropriate in its sole discretion or, (ii) where the Equity Currency is the same as the Specified Currency, one.

**Hedge Position** means any Product that the Issuer and/or any of its Affiliates and/or any of their respective nominees (a) enters into as a result of being the direct holder of the Hedging Shares and/or selling and/or realising the Hedging Shares, or (b) would have entered into if they were to fully hedge the market, equity or other price risk of the Issuer entering into and performing its obligations with respect to the W&C Securities, using such Products as may be determined by the Calculation Agent.

**Product** means an exchange traded fund, share, an instrument representing such exchange traded fund or share (including, without limitation, participation notes), futures contracts or exchange-traded options commonly used to hedge the issuance or sale of a security that is linked to the Hedging Shares.

**Valuation Date** means the Final Valuation Date.

(b) **Cash Dividends**

(i) Following the declaration by a Share Issuer of a cash dividend (other than any Extraordinary Dividend) (each a **Cash Dividend**) in respect of which the In-dividend Date (as defined below) falls in the period from and including the Trade Date to but excluding the originally scheduled Final Valuation Date without regard to any Scheduled Trading Day or Disrupted Day adjustment (the **Dividend Period**), the Issuer will pay a Coupon Amount in respect of each Security on the related Coupon Payment Date (as defined below). Each such **Coupon Amount** will equal the amount of such Cash Dividend declared in relation to one Share (less (a) all withholding taxes, if any, including, but without limitation, those that would have been withheld in relation to the payment of such cash dividend to a foreign investor and (b) any other expenses or deductions which would apply to or be made in relation to the payment of such cash dividend to a foreign investor all determined in the Equity Currency and on a per Share basis, *multiplied by* the Dividend Exchange Rate as defined below).

**Dividend Exchange Rate** means, in relation to a Cash Dividend, (i) the rate of exchange between the Equity Currency and the Specified Currency (expressed as a number of units of the Specified Currency for which a unit of the Equity Currency can be exchanged) at or around the Dividend Receipt Date, as determined by the Calculation Agent or, (ii) where the Equity Currency is the same as the Specified Currency, one.

**Dividend Receipt Date** means the date upon which a holder of Shares entitled to the relevant Cash Dividend would have received such Cash Dividend according to prevailing market practice, as determined by the Calculation Agent.

**In-dividend Date** means, in relation to a Cash Dividend, the final date upon which a purchaser of Shares on the Exchange would, according to prevailing market practice, be entitled to receive the Cash Dividend.

(ii) Coupon Amounts (if any) will only be payable on the Securities in the circumstances set out in paragraph (i) above and subject to the provisions of paragraphs (iii) and (iv) and will be deemed only to have accrued on the Securities as of the relevant Coupon Payment Date. No interest will accrue or be payable in any other circumstance.

(iii) In the event any Coupon Payment Date would fall after the Maturity Date the Issuer will give notice to the Securityholders of procedures for payment of such Coupon Amount(s) which may be made outside of DTC or Euroclear and Clearstream, Luxembourg and may require Securityholders as of a record date selected by the Issuer in its sole discretion to provide a notice to the Issuer giving all necessary details required by the Issuer in its sole discretion to make such payments.

(iv) Following any Cash Dividend declaration, the Calculation Agent shall as soon as is reasonably practicable under the circumstances procure that the Issuer will give notice

to the Securityholders in accordance with N&C Securities Condition 16 stating the occurrence of the Cash Dividend, giving details thereof and setting out the method and anticipated date of the related Coupon Payment Date provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Coupon Amount payment and the Calculation Agent will determine the basis on which the Coupon Amount will be paid.

**Coupon Payment Date** means the date that is three (3) Business Days following the relevant Dividend Receipt Date.

(c) **Potential Adjustment Events**

Equity Linked Condition 2 (*Consequences of Potential Adjustment Events*) will be deemed deleted and replaced by the following:

**"2. Consequences of Potential Adjustment Events**

2.1 Following the declaration by a Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, then:

(i) if concentrative, Terms Adjustment (as specified below) will apply, and

(ii) if dilutive, the Calculation Agent will determine in its discretion whether Terms Adjustment or Security Distribution Adjustment (as specified below) applies.

2.2 If the Calculation Agent determines that **Terms Adjustment** applies, then the Calculation Agent will make the appropriate adjustment(s), if any, to one or more of any variable(s) relevant to the exercise, settlement, payment or other terms of the Securities as the Calculation Agent determines appropriate to account for the Potential Adjustment Event and determine the effective date(s) of that adjustment(s) (which may include but shall not be limited to adjustment(s) to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

2.3 If the Calculation Agent determines that **Security Distribution Adjustment** applies, then the Calculation Agent will determine the basis on which additional Securities will be made available to Securityholders to account for the diluting effect of the relevant Potential Adjustment Event (which may include, without limitation, determining one or more of the matters referred to in paragraph 2.5 below).

2.4 Following any Terms Adjustment or Security Distribution Adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Securityholders in accordance with W&C Securities Condition 9 stating details of any Terms Adjustment or Security Distribution Adjustment and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

2.5 A Security Distribution Adjustment may (but is not required to) be made on the basis of one or more of the following, all as determined by the Calculation Agent. In each case the Security Distribution Adjustment may be made on different terms and different dates than the relevant event to which the Potential Adjustment Event relates:

(i) the date (the **Record Date**) upon which each Securityholder will become entitled to additional Securities and the date (the **Distribution Settlement Date**) on or prior to which delivery of any additional Securities and any related cash amounts (whether payable by Securityholders or the Issuer) are to be effected;

(ii) the aggregate number of additional Securities to be delivered to the relevant Clearing Systems or otherwise made available for the account of Securityholders;

(iii) arrangements for payment by Securityholders or deduction by the Issuer of any amounts on account of taxes, duties and/or expenses, including any applicable depository charges, transaction charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, as may be relevant, arising in connection with the delivery of such additional Securities (which may include the Issuer reducing the number of additional Securities to be delivered and/or requiring such amounts to be paid by Securityholders as a precondition to receiving additional Securities);

(iv) whether entitlement to additional Securities is to be made on the basis of the aggregate number of Securities held by a Securityholder or on a per Security basis and whether, in respect of any holding(s) of Securities by the Issuer and/or any of its Affiliates, any such party(ies) is to waive its entitlement to receive any additional Securities in respect of any such holding(s); and

(v) whether, in order to reflect the relevant Potential Adjustment Event and any terms to which holders of the Shares are subject, Securityholders will be required to pay any subscription price or other amount in order to obtain the additional Securities and/or the time period during which the offer of additional Securities will remain open.

2.6 For the avoidance of doubt, if Security Distribution Adjustment applies, the Issuer may rely on W&C Securities Condition 11 for the purposes of issuing additional Securities for delivery."

## USE OF PROCEEDS OF THE W&C SECURITIES

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

The Issuer intends to use the net proceeds from each issue of W&C Securities for its general corporate purposes, which include making a profit. This shall include the general corporate purposes of NHI and its consolidated subsidiaries (the Nomura Group), as further described in the Description of the Guarantor section below. A substantial portion of the proceeds from the issue of W&C Securities may be used to hedge market risk with respect to such W&C Securities. 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.

## ANNEX 1

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

**Clause** **Page**


1. Consequences of Disrupted Days ..... 414
2. Adjustments to an Index ..... 417
3. Correction to an Index ..... 419
4. Additional Disruption Events ..... 420
5. Definitions ..... 420
6. Knock-In, Knock-Out Provisions ..... 427
7. Autocall Provisions ..... 429
8. Trigger Event Provisions ..... 430
9. Mandatory Early Termination ..... 431
10. FX Disruption ..... 432
11. Index Disclaimer ..... 433
12. Futures Price Valuation ..... 434

***This Annex applies to Exempt Securities and the following Non-Exempt 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***

*If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to N&C Securities specified in the applicable Final Terms as Index Linked N&C Securities shall comprise the terms and conditions of the N&C Securities (the **N&C Securities Conditions**) and the additional Terms and Conditions for Index Linked Securities set out below (the **Index Linked Conditions**) and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Index Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the **W&C Securities Conditions**) and the Index Linked Conditions, in each case, together with the Additional Terms and Conditions contained in any of the other Annexes to the Terms and Conditions that are specified in the applicable Final Terms as applying to the Securities and subject, in each case, to completion in the applicable Final Terms or Pricing Supplement (as applicable) and, in the case of Exempt Securities only, supplement or amendment in the applicable Pricing Supplement. In the case of Index Linked N&C Securities which are Exempt N&C Securities or Index Linked W&C Securities which are Exempt W&C Securities, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable and (ii) the Index Linked Conditions, the Index Linked Conditions shall prevail. In the case of Index Linked N&C Securities which are not Exempt N&C Securities or Index Linked W&C Securities which are not Exempt W&C Securities, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Index Linked Conditions, the N&C Securities Conditions or the W&C Securities Conditions, as applicable, shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions, the W&C Securities Conditions and/or the Index Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Index Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "W&C Security" and "W&C Securities" as the context admits.*

**1. Consequences of Disrupted Days**

If, in respect of any Index, the Calculation Agent determines that any Valuation Date or Averaging Date is a Disrupted Day, then

1.1 Single Index Valuation Dates:

in the case of Index Linked Securities relating to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to such Index, provided that (A) such day shall not be later than the Disruption Cut-Off Date, notwithstanding that such day may be a Disrupted Day in respect of such Index and (B) in this case the Calculation Agent shall determine the level of that Index as of the Valuation Time on the Disruption Cut-Off Date in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price or such other level or value as the Calculation Agent determines to be appropriate as of the Valuation Time on the Disruption Cut-Off Date of each relevant Component Asset (or, if an event giving rise to a Disrupted Day has occurred or is continuing in respect of the relevant Component Asset on the Disruption Cut-Off Date, its good faith estimate of the value for the relevant Component Asset as of the Valuation Time on the Disruption Cut-Off Date).

1.2 Index Basket/Mixed Basket Valuation Dates:

in the case of Index Linked Securities relating to an Index Basket or a Mixed Basket, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the scheduled Valuation Date and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (for the purposes of this Index Linked Condition 1.2, each an **Affected Index**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, provided that (A) such day shall not be later than the Disruption Cut-Off Date, notwithstanding that such day is a Disrupted Day in respect of the Affected Index and (B) in this case the Calculation Agent shall determine the level of the Affected Index as of the Valuation Time on the Disruption Cut-Off Date in accordance with the formula for and method of calculating the Affected Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price or such other level or value as the Calculation Agent determines to be appropriate as of the Valuation Time on the Disruption Cut-Off Date of each relevant Component Asset (or, if an event giving rise to a Disrupted Day has occurred or is continuing in respect of the relevant Component Asset on the Disruption Cut-Off Date, its good faith estimate of the value for the relevant Component Asset as of the Valuation Time on the Disruption Cut-Off Date).

1.3 Single Index/Index Basket/Mixed Basket Averaging Dates:

where the Securities are related to a single Index or are related to an Index Basket or a Mixed Basket and "Scheduled Trading Day (Single Index Basis)" or "Scheduled Trading Day (Per Index Basis)" is specified as applicable in the applicable Final Terms and the Calculation Agent determines that any Averaging Date is a Disrupted Day in respect of any Index, and in the relevant Final Terms the consequence specified is:

(a) **Omission**,

then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level or value provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of Index Linked Condition 1.1 above (*Consequences of Disrupted Days – Single Index Valuation Dates*) or Index Linked Condition 1.2 (Consequences of Disrupted Days – *Index Basket/Mixed Basket Valuation Dates*:) as applicable will apply for purposes of determining the relevant level or value on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day;

(b) **Postponement**,

then the provisions of Index Linked Condition 1.1 above (*Consequences of Disrupted Days – Single Index Valuation Dates*) or Index Linked Condition 1.2 (*Consequences of Disrupted Days - Index Basket/Mixed Basket Valuation Dates*:) will apply for the purposes of determining the relevant level or value on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(c) **Modified Postponement**,

then the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Disruption Cut-Off Date, then

(i) that Disruption Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Disruption Cut-Off Date is already or is deemed to be an Averaging Date), and

(ii) the Calculation Agent shall determine the level or value of the Index as of the Valuation Time on the Disruption Cut-Off Date in accordance with Index Linked Condition 1.1 above (*Consequences of Disrupted Days – Single Index Valuation Dates)* or Condition 1.2 *(Consequences of Disrupted Days – Index Basket/Mixed Basket Valuation Dates*:) above as applicable and such determination by the Calculation Agent shall be deemed to be the relevant level or value for such Index in respect of the relevant Averaging Date.

If the Calculation Agent determines that any Averaging Date in respect of Indices to which this Index Linked Condition 1.3 relates is a Disrupted Date and, if in the Final Terms no consequence is specified, then "Modified Postponement" will apply.

1.4 Index Basket/Mixed Basket Averaging Dates:

Where the Securities are related to an Index Basket or a Mixed Basket and "Scheduled Trading Date (All Indices Basis)" is specified as applicable in the applicable Final Terms and the Calculation Agent determines that any Averaging Date is a Disrupted Day, and in the relevant Final Terms the consequence specified is:

(a) **Omission**,

then the Averaging Date will be deemed not to be an Averaging Date, provided that, if through the operation of this provision there would be no Averaging Date, then

(i) the sole Averaging Date for each Index which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the originally designated final Averaging Date (the **Scheduled Final Averaging Date**); and

(ii) the sole Averaging Date for each Index which the Calculation Agent determines is affected by the occurrence of a Disrupted Day (each an **Affected Index**) shall be the first Scheduled Trading Day following the Scheduled Final Averaging Date that is not a Disrupted Day relating to the Affected Index unless each of the Scheduled Trading Days immediately following the Scheduled Final Averaging Date which (but for the occurrence of the Disrupted Day) would have been the Averaging Date, until and including the Disruption Cut-Off Date, is a Disrupted Day relating to the Affected Index. In that case,

(A) that Disruption Cut-Off Date shall be deemed to be the sole Averaging Date in respect of the Affected Index, notwithstanding the fact that such day is a Disrupted Day; and

(B) the Calculation Agent shall determine the relevant level or value of the Affected Index as of the Valuation Time on the Disruption Cut-Off Date in accordance with Index Linked Condition 1.2 above (*Consequences of Disrupted Days – Index Basket/Mixed Basket Valuation Dates*) above and such determination by the Calculation Agent shall be deemed to be the relevant level or value for such Index in respect of the sole Averaging Date;

(b) **Postponement**, then the Averaging Date for each Index shall be the first succeeding Scheduled Trading Day following the originally designated Averaging Date (the **Scheduled Averaging Date**) that is not a Disrupted Day in relation to any Affected Index (irrespective of whether, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date) unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days, until and including the Disruption Cut-Off Date, is a Disrupted Day in respect of any Index (for the purposes of this Index Linked Condition 1.4(b), each an **Affected Index**). In that case:

(i) that Disruption Cut-Off Date shall be deemed to be such Averaging Date in respect of each Index (irrespective of whether the Disruption Cut-Off Date is already or is deemed to be an Averaging Date); and

(ii) the Calculation Agent shall determine the relevant level or value of each Index as of the Valuation Time on the Disruption Cut-Off Date which in the case of an Affected Index will be determined in accordance with Index Linked Condition 1.2 above (*Consequences of Disrupted Days – Index Basket/Mixed Basket Valuation Dates*) above and such determination by the Calculation Agent shall be deemed to be the relevant level or value for such Index in respect of the relevant Averaging Date; or

(c) **Modified Postponement**, then

(A) the Averaging Date for each Index which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**); and

(B) the Averaging Date for each Index which the Calculation Agent determines is affected by the occurrence of a Disrupted Day (each an **Affected Index**) shall be the first succeeding Valid Date in relation to the Affected Index. If the first succeeding Valid Date in respect of the Affected Index has not occurred as of the Valuation Time on the Disruption Cut-Off Date, then:

(i) that Disruption Cut-Off Date shall be deemed to be the Averaging Date in respect of the Affected Index (irrespective of whether the Disruption Cut-Off Date is already or is deemed to be an Averaging Date); and

(ii) the Calculation Agent shall determine the relevant level or value of the Affected Index as of the Valuation Time on the Disruption Cut-Off Date in accordance with Index Linked Condition 1.2 (*Consequences of Disrupted Days – Index Basket/Mixed Basket Valuation Dates*) above and such determination by the Calculation Agent shall be deemed to be the relevant level in respect of the relevant Averaging Date.

If the Calculation Agent determines that any Averaging Date is a Disrupted Day and, if in the Final Terms no consequence is specified, then "Modified Postponement" will apply.

1.5 Notice

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, of the occurrence of a Disrupted Day on any day on which any Index valuation or obligation is scheduled to occur, provided that any failure to give, or non-receipt of such notice will not affect the validity of such Disrupted Day.

**2. Adjustments to an Index**

(a) *Successor Index*

If a relevant Index is not calculated and announced by the relevant Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula

for and method of calculation as used in the calculation of that Index, then in each case that index (the **Successor Index**) will be deemed to be the relevant Index.

The Calculation Agent may make such adjustment(s) that it determines appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Securities to account for that Successor Index.

(b) *Index Adjustment Event*

If (i) on or prior to any date on which any Index valuation or obligation is scheduled to occur, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain the relevant Index in the event of changes in constituent stock and capitalisation and other routine events) (an **Index Modification**) or permanently cancels the relevant Index and no Successor Index exists (an **Index Cancellation**), (ii) on any relevant date on which any Index valuation or observation is scheduled to occur, an Index Sponsor fails to calculate and announce the relevant Index (an **Index Disruption** (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day) or (iii) at any time an Index Restriction Event occurs, then the Issuer may take the action described in (A), (B), (C), (D) or (E) below as it determines appropriate:

(A) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Securities and, if so, require the Calculation Agent to determine any relevant adjustment to be made to the Conditions to account for the relevant Index Adjustment Event, which may include, without limitation, (i) delaying any Valuation Date, Averaging Date or any other date for Index valuation or observation until the relevant Index Adjustment Event no longer exists or (ii) in the case of an Index Basket or Mixed Basket, removing the affected Index from the Index Basket or Mixed Basket and making such adjustment to the Securities as it determines appropriate (which may, without limitation, include adjusting any value or weighting of the remaining Indices) in order to account for the level or value of the affected Index at the time of its removal as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements (this may mean that the economic benefit of the Securities for the Holder is reduced or that the removal of the Index has a material adverse effect on the Securities);

(B) require the Calculation Agent to replace any Index that is affected by an Index Adjustment Event with one or more successor indices (in each case any such replacement being a **Replacement Index**) (and as appropriate replace the Index Sponsor with the index sponsor in respect of the Replacement Index and make such adjustments to any other Conditions as the Calculation Agent considers relevant to account for such replacement in accordance with Index Linked Condition 2(c) below), whereupon the Replacement Index(ices) will be deemed to be the successor(s) to the relevant Index and will take effect from the date of such replacement, provided however that the selection of a Replacement Index will be made by the Calculation Agent in accordance with the Index Replacement Criteria. Thereafter, all references to the relevant Index or Index Sponsor (as applicable) shall be deemed to be references to such relevant replacements;

(C) other than following the occurrence of an Index Restriction Event, require the Calculation Agent to determine the relevant level or value for the Index using, in lieu of a published level or value for the relevant Index, the level or value for that Index as at the relevant time as determined by the Calculation Agent in accordance with the formula for and method of calculating the relevant Index last in effect prior to the change, failure or cancellation, but using only those securities (or assets or other reference bases or Index components) that comprised that Index immediately prior to that Index Adjustment Event. Notwithstanding the

foregoing, the Issuer will not require the Calculation Agent to calculate the relevant level for an Index in accordance with this paragraph (C) on more than one consecutive Valuation Date, Averaging Date or other relevant date for valuation or observation of the Index. If, following the occurrence of an Index Adjustment Event, the Calculation Agent has already calculated the relevant level for an Index as described in this paragraph (C) on any Valuation Date, Averaging Date or other relevant date for valuation or observation of the Index, on or prior to the next date on which the Index falls to be valued thereafter, if the relevant Index Adjustment Event is continuing the Issuer may take any of the actions described in paragraphs (A) or (B) above or paragraphs (D) or (E) below;

(D) in the case of an Index Basket or a Mixed Basket, and in respect of all but not some only of the Securities outstanding, redeem or cancel, as applicable, such portion (the **Relevant Portion**) of the nominal amount or amount of each Security then outstanding as corresponds to the then value or level of the Index or Indices that is or are affected by an Index Adjustment Event as a proportion of the total value or level of the Basket (in the determination of the Calculation Agent), in each case by payment of an amount equal to the product of (i) the Relevant Portion and (ii) the Early Redemption Amount or Early Cancellation Amount, as applicable, which the Calculation Agent determines would then apply (determined as if (E) below applied). Payment of any amounts in respect of such partial redemption or cancellation, as applicable, will be made in such manner as shall be notified to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, and, for the avoidance of doubt, this provision (D) may apply to the Securities on more than one occasion and the remaining portion of the Securities shall in each case thereafter remain outstanding and the Calculation Agent may make such adjustments to the Conditions as it determines appropriate to reflect such partial redemption or cancellation; or

(E) give notice to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, and redeem or cancel all, but not some only, of the Securities, each N&C Security being redeemed at the Early Redemption Amount and each W&C Security being cancelled at the Early Cancellation Amount. Payment in respect of such early redemption or cancellation shall be made as specified in such notice to Securityholders.

(c) *Valuation of Replacement Indices*

For the purposes of any adjustments to account for a replacement as referred to in Index Linked Condition 2(b)(B) above, the Calculation Agent shall adjust the Strike Level or such values, levels, variables or terms for the valuation or observation of the Replacement Index in the terms of the Securities in order to account for the price or value of the affected Index at the time of its replacement as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements. This may mean that the economic benefit, if any, of the replacement for the Holder is reduced or that the replacement has a material adverse effect on the Securities. For example, and without limitation, the relevant level or value of the Replacement Index may be adjusted by the same proportion as any fall in value of the affected Index at the time of the replacement relative to the Trade Date and may be further reduced to account for the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements.

**3. Correction to an Index**

If the level or value of an Index published on any Valuation Date, Averaging Date or any other date for Index valuation or observation, as the case may be, by the Index Sponsor and which is utilised for any calculation or determination made for the purposes of the Securities (a **Relevant Calculation**) is subsequently corrected and the correction (the **Corrected Index Level**) published by the Index Sponsor no later than two Business Days prior to the date of payment or delivery of any amount calculated by reference to the Relevant Calculation then the Calculation Agent may, but shall not be

required to, treat such Corrected Index Level as the relevant level or value for such index on such Valuation Date, Averaging Date or other relevant date, as the case may be, and the Calculation Agent shall use such Corrected Index Level in determining the Relevant Calculation.

**4. Additional Disruption Events**

In the event that an Additional Disruption Event occurs as determined by the Calculation Agent, then the Calculation Agent shall either (a) (i) make such adjustment to the exercise, settlement, payment or any other terms of the 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 the Securities as of such date as the Calculation Agent shall determine by notice given to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, each N&C Security being redeemed at the Early Redemption Amount and each W&C Security being cancelled at the Early Cancellation Amount. Payment in respect of such early redemption or cancellation shall be made as specified in such notice to Securityholders.

**5. Definitions**

As used herein:

**Additional Disruption Event** means any of Change in Law, Hedging Disruption and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

**Averaging Date** means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day then the provisions of Index Linked Condition 1 (*Consequences of Disrupted Days*) shall apply.

**Change in Law** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal to hold, acquire or dispose of relevant hedge positions relating to an Index or (ii) it will incur a materially increased cost in performing its obligations in relation to the Index Linked Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, the Guarantor (if applicable) and/or any of their Affiliates).

**Closing Level** means, in relation to an Index and any Scheduled Trading Day, the closing level of such Index, as calculated and announced by the Index Sponsor at the Valuation Time on such day, as determined by the Calculation Agent.

**Component Asset** means, in relation to an Index, any security or other property or reference basis which comprises such Index.

**Disrupted Day** means (a) except with respect to a Multi-exchange Index or Proprietary Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred, (b) with respect to any Multi-exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index; (ii) any Related Exchange fails to open for trading during its regular

trading session or (iii) a Market Disruption Event has occurred and (c) for any Proprietary Index, any Scheduled Trading Day on which a Market Disruption Event has occurred (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption).

**Disruption Cut-Off Date** will be specified in the applicable Final Terms as either (i) the date falling a number of Scheduled Trading Days, as specified in the Final Terms, after the relevant originally scheduled Valuation Date, Observation Date, Averaging Date or other similar date on which any observation or valuation is required to be made in respect of the Securities or (ii) the date falling a number of Scheduled Trading Days, as specified in the Final Terms, prior to the next succeeding day on which any payment or delivery is to be made under the Securities which is determined in whole or in part by reference to the valuation or observation of the relevant Index(ices) which is affected by occurrence of the relevant Disrupted Day(s).

**Early Closure** means in respect of an Index the closure on any Exchange Business Day of (A)(a) in relation to an Index other than a Multi-exchange Index, any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of the relevant Index, and (b) with respect to any Multi-exchange Index, the Exchange in respect of any Component Asset of such Index or (B) any Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

**Exchange** means (i) in relation to an Index other than a Multi-exchange Index or a Proprietary Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities or other property comprised in such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities or other property comprised in such Index on such temporary substitute exchange or quotation system as on the original Exchange), and (ii) with respect to any Multi-exchange Index, and in respect of each Component Asset, the principal stock exchange on which such Component Asset is principally traded, as determined by the Calculation Agent.

**Exchange Business Day** means either (i) in the case of a single Index, Exchange Business Day (Single Index Basis) or (ii) in the case of an Index Basket or a Mixed Basket, (a) Exchange Business Day (All Indices Basis) or (b) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that, in the case of an Index Basket or a Mixed Basket, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Index Basis) shall apply.

**Exchange Business Day (All Indices Basis)** means, in respect of an Index Basket or a Mixed Basket, any Scheduled Trading Day on which (i) in respect of any Index other than a Multi-exchange Index, each Exchange and each Related Exchange, if any, are open for trading during their respective regular trading session(s) in respect of all Indices comprised in the Index Basket or Mixed Basket, notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time and (ii) in respect of any Multi-exchange Index, (a) each Index Sponsor publishes the level of the relevant Multi-exchange Index and (b) each Related Exchange, if any, is open for trading during its regular trading session in respect of all Multi-exchange Indices comprised in the Index Basket or Mixed Basket, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

**Exchange Business Day (Per Index Basis)** means, in respect of an Index Basket or Mixed Basket, any Scheduled Trading Day on which (i) in respect of an Index other than a Multi-exchange Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are open for trading during their regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Multi-exchange Index, (a) the relevant Index Sponsor publishes the level of such Multi-exchange Index and (b) the Related Exchange, if any, is open for trading during its regular trading session in respect of such Multi-exchange Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

**Exchange Business Day (Single Index Basis)** means any Scheduled Trading Day on which (i) in respect of an Index other than a Multi-exchange Index, the Exchange and the Related Exchange(s), if any, are open for trading during their regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Multi-exchange Index (a) the Index Sponsor publishes the level of such Multi-exchange Index and (b) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Multi-exchange Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

**Exchange Disruption** means, in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for:

(a) (i) in relation to an Index other than a Multi-exchange Index on any relevant Exchange, securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) with respect to any Multi-exchange Index any Component Asset of such Index on the Exchange in respect of such Component Asset; or

(b) futures or options contracts relating to such Index on the relevant Related Exchange.

**Final Level** means, unless otherwise specified in the applicable Final Terms, and subject as referred to in Index Linked Condition 1 (*Consequences of Disrupted Days*) above, as the case may be:

(a) in the case of Index Linked Securities relating to a single Index, (A) if Averaging is not specified in the applicable Final Terms, an amount equal to the Closing Level of the Index on the Final Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an amount equal to the arithmetic mean of the Closing Levels of the Index on each Averaging Date which if so specified in the applicable Final Terms will be the Averaging Dates in relation to a specific level or value; and

(b) in the case of Index Linked Securities relating to an Index Basket or a Mixed Basket and in respect of each Index comprising the basket, (A) if Averaging is not specified in the applicable Final Terms, an amount equal to the Closing Level of such Index on the Final Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an amount equal to the arithmetic mean of the Closing Levels of such Index on each Averaging Date which if so specified in the applicable Final Terms will be the Averaging Dates in relation to a specific level or value and, in the case of (A) or (B), multiplied by the relevant Weighting (if any).

**Final Valuation Date** means the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day, unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then the provisions of Index Linked Condition 1 (*Consequences of Disrupted Days*) shall apply.

**Hedging Disruption** means that the Issuer or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or

dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk (or any other relevant price risk including, but not limited to, the currency risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover, receive, repatriate, remit or transfer the proceeds of any such transaction(s) or asset(s).

**Increased Cost of Hedging** means that the Issuer and/or any of its Affiliates or agents acting on its behalf would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates or agents shall not be deemed an Increased Cost of Hedging.

**Index** and **Indices** mean, subject to adjustment in accordance with these Index Linked Conditions, the index or indices specified in the applicable Final Terms, and related expressions shall be construed accordingly.

**Index Adjustment Event** means any Index Modification, Index Cancellation, Index Disruption or Index Restriction Event.

**Index Basket** means the basket of Indices described in the applicable Final Terms, subject to adjustment in accordance with the terms hereof.

**Index Business Day** means, in respect of a Proprietary Index, each day in respect of which the relevant Index Sponsor is scheduled to calculate and publish the relevant level or value of the Proprietary Index.

**Index Level** means at any time, the level of the Index as published by the Index Sponsor on the relevant Bloomberg or Reuters page (as applicable) or if such page is not available any successor page or alternative source as determined by the Calculation Agent from time to time.

**Index Replacement Criteria** means either (i) in the case of Exempt Securities only, the Index Replacement Criteria specified in the applicable Pricing Supplement or (ii) in the case of Non-Exempt Securities or any Exempt Securities for which no Index Replacement Criteria are specified in the applicable Pricing Supplement, the requirement that the Calculation Agent will use its reasonable endeavours to ensure that, as far as reasonably practical, each Replacement Index shall (a) be representative of substantially the same asset class(es) as the affected Index and (b) where such asset class is equities, relate to underlying equity securities which are (i) from substantially the same region(s) or sector(s) (depending on whether the affected Index is a regional or sectorial index, as determined by the Calculation Agent) and (ii) (A) where all the equity securities underlying the affected Index are quoted on a non-European exchange or quotation system, quoted on an exchange(s) or quotation system(s) in the same region(s) as the equity securities underlying the affected Index, or (B) where all the equity securities underlying the affected Index are quoted on a European exchange or quotation system, quoted on an exchange(s) or quotation system(s) in any European states(s), and in each case where such exchange(s) or quotation system(s) have similar liquidity to the exchange(s) or quotation system(s) on which the equity securities underlying the affected Index are quoted, all as determined by the Calculation Agent, in each case at the time of replacement.

**Index Restriction Event** means the occurrence of circumstances in which (i) the Issuer, the Calculation Agent or any other person using an Index or a combination of Indices in connection with the Securities is prevented from using or (ii) it is not commercially reasonable for any such entity to continue the use of such Index or combination of Indices, in each case as a result of:

(a) any applicable legal restrictions; or

(b) any applicable licensing restrictions or changes in the cost of obtaining or maintaining any relevant licence (including, without limitation, where the Issuer, the Calculation Agent, or any such other person is required to hold a valid licence in order to issue or perform its obligations in respect of the Securities and for any reason such licence is either not obtained, not renewed or is revoked or there is a material change in the cost of obtaining or renewing such licence).

**Index Sponsor** means each index sponsor specified as such in the applicable Final Terms, or any successor sponsor acceptable to the Calculation Agent.

**Initial Valuation Date** means the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day, unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day the provisions of Index Linked Condition 1 (*Consequences of Disrupted Days*) shall apply.

**Market Disruption Event** means in relation to Securities relating to a single Index or a Mixed Basket either:

(a) in respect of an Index which is not a Multi-exchange Index or a Proprietary Index:

(i) the occurrence or existence at any time of:

(A) a Trading Disruption; or

(B) an Exchange Disruption,

which in either case the Calculation Agent determines is material at any time during the one hour period that ends at the relevant Valuation Time; or

(ii) an Early Closure.

For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a Component Asset at any time, then the relevant percentage contribution of that Component Asset to the level of the Index shall be based on a comparison of (1) the portion of the level of the Index attributable to that Component Asset and (2) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event; or

(b) with respect to any Multi-exchange Index either:

(i) (A) the occurrence or existence, in respect of any Component Asset, of:

(1) a Trading Disruption, which the Calculation Agent determines is material at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Asset is principally traded;

(2) an Exchange Disruption, which the Calculation Agent determines is material at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Asset is principally traded; or

(3) an Early Closure; and

(B) the aggregate of all Component Assets in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of (A) a Trading Disruption, (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Related Exchange; or (C) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Asset at any time, if a Market Disruption Event occurs in respect of such Component Asset at that time, then the relevant percentage contribution of that Component Asset to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that Component Asset to (ii) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; or

(c) with respect to any Proprietary Index, the failure by the Index Sponsor to calculate and publish the relevant level or value of the Index on any Scheduled Trading Day or in respect of such Scheduled Trading Day within the scheduled timeframe for publication.

**Mixed Basket** means the basket of one or more Indices and any other asset described in the applicable Final Terms.

**Multi-exchange Index** means any Index in respect of which "Multi-exchange" is specified as the relevant Exchange in the applicable Final Terms.

**Observation Date** means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions of Index Linked Condition 1 (*Consequences of Disrupted Days*) shall apply as if references in such provisions to "Averaging Date" were to "Observation Date".

**Observation Period** means the period specified as the Observation Period in the applicable Final Terms.

**Proprietary Index** means an index described as such in the applicable Final Terms and which may, without limitation, be sponsored and/or calculated by the Issuer or any of its Affiliates.

**Related Exchange** means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange); provided that (i) where "All Exchanges" is specified as the Related Exchange in respect of an Index in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contacts relating to such Index or (ii) where "Hedging Exchanges" is specified as the Related Exchange in respect of an Index in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system for futures or options contracts relating to such Index which (in the determination of the Calculation Agent) is material in the context of any hedging arrangements entered into by the Issuer and/or any Hedging Party in relation to the Securities.

**Scheduled Closing Time** means, in respect of a relevant Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such relevant Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**Scheduled Trading Day** means (1) other than in the case of a Proprietary Index, either (i) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (ii) in the case of an Index Basket or a Mixed Basket, (a) Scheduled Trading Day (All Indices Basis) or (b) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that, in the case of an Index Basket or a Mixed Basket, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per Index Basis) shall apply, or (2) in the case of a Proprietary Index, an Index Business Day.

**Scheduled Trading Day (All Indices Basis)** means in respect of an Index Basket or Mixed Basket, any day on which (i) in respect of any Indices other than Multi-exchange Indices, each Exchange and each Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s) in respect of all Indices comprised in the Index Basket or a Mixed Basket, as applicable, and (ii) in respect of any Multi-exchange Index, (a) each Index Sponsor is scheduled to publish the level of such Multi-exchange Index and (b) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of all Multi-exchange Indices comprised in the Index Basket or a Mixed Basket, as applicable.

**Scheduled Trading Day (Per Index Basis)** means, in respect of an Index Basket or a Mixed Basket, any day on which (i) in respect of an Index other than a Multi-exchange Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are scheduled to be open for trading during their respective regular trading session(s), and (ii) in respect of a Multi-exchange Index, (a) the relevant Index Sponsor is scheduled to publish the level of such Multi-exchange Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Multi-exchange Index.

**Scheduled Trading Day (Single Index Basis)** means any day on which (i) in respect of an Index other than a Multi-exchange Index, the Exchange and Related Exchange(s), if any, are scheduled to be open for trading during their respective regular trading session(s), and (ii) in respect of a Multi-exchange Index (a) the Index Sponsor is scheduled to publish the level of such Multi-exchange Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Multi-exchange Index.

**Strike Level** means, in relation to an Index, the Closing Level of such Index on the Initial Valuation Date.

**Trading Disruption** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (A) with respect to any Index that is not a Multi-exchange Index, (i) relating to securities that comprise 20 per cent. or more of the level of the relevant Index on any relevant Exchange, or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange or (B) with respect to any Multi-exchange Index, (i) relating to any Component Asset on the Exchange in respect of such Component Asset; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

**Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

**Valuation Date** means each date specified as such in the applicable Final Terms (including the Initial Valuation Date and the Final Valuation Date), or if any such day is not a Scheduled Trading Day, the

next following Scheduled Trading Day, unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day the provisions of Index Linked Condition 1 (*Consequences of Disrupted Days*) shall apply.

**Valuation Time** means:

(a) with respect to any Index that is not a Multi-exchange Index or a Proprietary Index, the official close of trading on the relevant Exchange;

(b) with respect to any Multi-exchange Index, (A) for the purposes of determining whether a Market Disruption Event has occurred, (i) in respect of any Component Asset, the Scheduled Closing Time on the Exchange in respect of such Component Asset provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time and (ii) in respect of any options contracts or future contracts on the Index, the close on trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; and

(c) with respect to any Proprietary Index, the time at which the Index Sponsor calculates and publishes the official closing level of the Index.

**Weighting** means, in respect of each Index in an Index Basket or a Mixed Basket, the weighting of such Index in the Index Basket or Mixed Basket (as applicable) as specified in the applicable Final Terms.

## 6. Knock-In, Knock-Out Provisions

6.1 Knock-In, Knock-Out

If a "Knock-In Event" is specified in the Final Terms, then the payment and/or delivery obligations under the Securities relating to the occurrence of a Knock-In Event shall be as set out in the applicable Final Terms.

If a "Knock-Out Event" is specified in the Final Terms, then the payment and/or delivery obligations under the Securities relating to the occurrence of a Knock-Out Event shall be as set out in the applicable Final Terms.

6.2 Disrupted Days

If the Knock-In Valuation Time or the Knock-Out Valuation Time specified in the applicable Final Terms is a single time on each relevant day and any Knock-In Determination Day or Knock-Out Determination Day is a Disrupted Day then, unless otherwise provided in the applicable Final Terms (in the case of Exempt Securities only), (A) if "Knock-In/Knock-Out Determination Day consequences of a Disrupted Day" is specified as Omission in the applicable Final Terms, such day shall be ignored for purposes of determining whether a Knock-In Event or a Knock-Out Event has occurred; Provided That if the Knock-In Period Ending Date or the Knock-Out Period Ending Date is a Disrupted Day and no Knock-In Event or Knock-Out Event has occurred in the Knock-In Determination Period or Knock-Out Determination Period, the Knock-In Period Ending Date or Knock-Out Period Ending Date, as applicable, shall be treated as a Valuation Date to which the provisions contained in Index Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine the relevant level or value of the relevant Index(ices) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms in the case of Exempt Securities, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur, or (B) if "Knock-In/Knock-Out

Determination Day consequences of a Disrupted Day" is specified as Postponement in the applicable Final Terms, such day shall be treated as a Valuation Date to which the provisions contained in Index Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine the relevant level or value of the relevant Index(ices) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms in the case of Exempt Securities, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur.

If the Knock-In Valuation Time or the Knock-Out Valuation Time specified in the applicable Final Terms is other than a single time on each relevant day and if on any Knock-In Determination Day or Knock-Out Determination Day as of any Knock-In Valuation Time or Knock-Out Valuation Time a Knock-In Event or Knock-Out Event has or would have occurred but the conditions for a Disrupted Day have been satisfied at such time then, unless otherwise provided in the applicable Final Terms, (A) if "Knock-In/Knock-Out intraday valuation consequences of disruption" is specified as Omission in the applicable Final Terms, such Valuation Time shall be ignored for purposes of determining whether a Knock-In Event or a Knock-Out Event has occurred Provided That if no Knock-In Event or Knock-Out Event has occurred in the Knock-In Determination Period or Knock-Out Determination Period and the conditions for a Disrupted Day are satisfied as of the last occurring Knock-In Valuation Time or Knock-Out Valuation Time on the Knock-In Period Ending Date or Knock-Out Period Ending Date, then such day shall be treated as a Valuation Date to which the provisions contained in Index Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine the relevant level or value of the relevant Index(ices) in respect of such day in accordance with such provisions for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur, or (B) if "Knock-In/Knock-Out intraday valuation consequences of disruption" is specified as Materiality in the applicable Final Terms, then (i) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is not material for the purposes of determining the Index Level as of such time, the Knock-In Event or Knock-Out Event, as applicable, shall occur notwithstanding such event or occurrence, or (ii) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is material for the purposes of determining the Index Level as of such time, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred at such time Provided That if no Knock-In Event or Knock-Out Event has occurred in the Knock-In Determination Period or Knock-Out Determination Period and the conditions for a Disrupted Day are satisfied as of the last occurring Knock-In Valuation Time or Knock-Out Valuation Time on the Knock-In Period Ending Date or Knock-Out Period Ending Date, then such day shall be treated as a Valuation Date to which the provisions contained in Index Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine the relevant level or value of the relevant Index(ices) in respect of such day in accordance with such provisions for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur.

6.3 Definitions

Unless otherwise specified in the applicable Final Terms (in the case of Exempt Securities only):

**Knock-In Determination Day** means the date(s) specified as such in the applicable Final Terms or, if not so specified, each Scheduled Trading Day during the Knock-In Determination Period.

**Knock-In Determination Period** means the period which commences on, and includes, the Knock-In Period Beginning Date and ends on, and includes, the Knock-In Period Ending Date.

**Knock-In Event** is as specified in the applicable Final Terms.

**Knock-In Level** means (i) in the case of a single Index, the level or value of the Index specified and (ii) in the case of an Index Basket or a Mixed Basket, the level or value in each case specified as such or otherwise determined in the applicable Final Terms.

**Knock-In Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-In Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-In Valuation Time** means the time or period of time on any Knock-In Determination Day specified as such in the applicable Final Terms and for the purposes of Index Linked Condition 1 (*Consequences of Disrupted Days*) each such time shall be treated as a Valuation Time.

**Knock-Out Determination Day** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-Out Determination Period.

**Knock-Out Determination Period** means the period which commences on, and includes, the Knock-Out Period Beginning Date and ends on, and includes, the Knock-Out Period Ending Date.

**Knock-Out Event** is as specified in the applicable Final Terms.

**Knock-Out Level** means (i) in the case of a single Index the level or value of the Index specified and (ii) in the case of an Index Basket or a Mixed Basket, the level or value, in each case specified as such or otherwise determined in the applicable Final Terms.

**Knock-Out Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-Out Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-Out Valuation Time** means the time or period of time on any Knock-Out Determination Day specified as such in the applicable Final Terms and for the purposes of Index Linked Condition 1 (*Consequences of Disrupted Days*) each such time shall be treated as a Valuation Time.

## 7. Autocall Provisions

7.1 Autocall Event

If "Autocall Provisions" are specified as applicable in the Final Terms, then the payment and/or delivery obligations under the Securities relating to the occurrence of an Autocall Event shall be as set out in the applicable Final Terms.

7.2 Disrupted Days

If any Autocall Observation Date is a Disrupted Day then the applicable provisions for such event shall be as set out in the applicable Final Terms.

7.3 Definitions

**Adjusted Strike Level** means, in relation to an Index, an amount equal to the product of (i) the relevant Strike Level Adjustment Percentage and (ii) the Strike Level of such Index.

**Autocall Event** has the meaning set out in the applicable Final Terms.

**Autocall Observation Date** has the meaning set out in the applicable Final Terms.

**Barrier Level** means, in relation to an Index, an amount equal to the product of (i) the relevant Barrier Percentage and (ii) the Strike Level of such Index.

**Barrier Percentage** means, in relation to an Index, the percentage specified in the applicable Final Terms.

**Strike Level Adjustment Percentage** means, in relation to an Index, the percentage specified in the applicable Final Terms.

## 8. Trigger Event Provisions

8.1 Trigger Event

If "Trigger Event" is specified as applicable in the Final Terms, then the payment and/or delivery provisions under the Securities relating to the occurrence of a Trigger Event shall be as set out in the applicable Final Terms.

8.2 Disrupted Days

If Trigger Event (Closing Observation) is specified as Applicable in the applicable Final Terms and any Trigger Event Observation Date is a Disrupted Day, then, unless otherwise provided in the applicable Final Terms (in the case of Exempt Securities), (A) if "Trigger Event Observation Date consequences of a Disrupted Day" is specified as Omission in the applicable Final Terms, such day shall be ignored for purposes of determining whether a Trigger Event has occurred; Provided That if the final day of any Trigger Event Observation Period is a Disrupted Day and no Trigger Event has occurred in such Trigger Event Observation Period, such final day of such Trigger Event Observation Period shall be treated as a Valuation Date to which the provisions contained in Index Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine the relevant level or value of the relevant Index(ices) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms in the case of Exempt Securities, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Trigger Event shall occur, or (B) if "Trigger Event Observation Date consequences of a Disrupted Day" is specified as Postponement in the applicable Final Terms, such day shall be treated as a Valuation Date to which the provisions contained in Index Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine the relevant level or value of the relevant Index(ices) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms in the case of Exempt Securities, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Trigger Event shall occur.

If Trigger Event (Intraday Observation) is specified as Applicable in the applicable Final Terms and if on any Trigger Event Observation Date as of any Trigger Event Valuation Time a Trigger Event has or would have occurred but the conditions for a Disrupted Day have been satisfied at such time then, unless otherwise provided in the applicable Final Terms (in the case of Exempt Securities only), (A) if "Trigger Event intraday valuation consequences of disruption" is specified as Omission in the applicable Final Terms, such Valuation Time shall be ignored for purposes of determining whether a Trigger Event has occurred Provided That if no Trigger Event has occurred in the Trigger Event Observation Period and the conditions for a Disrupted Day are satisfied as of the last occurring Trigger Event Valuation Time on the final day of such Trigger Event Observation Period, then such day shall be treated as a Valuation Date to which the provisions contained in Index Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine the relevant level or value of the relevant Index(ices) in respect of such day in accordance with such provisions for

purposes of determining whether a Trigger Event shall occur, or (B) if "Trigger Event intraday valuation consequences of disruption" is specified as Materiality in the applicable Final Terms, then (i) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is not material for purposes of determining the Index Level as of such time, the Trigger Event shall occur notwithstanding such event or occurrence, or (ii) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is material for the purposes of determining the Index Level as of such time, then the Trigger Event shall be deemed not to have occurred at such time Provided That if no Trigger Event has occurred in a Trigger Event Observation Period and the conditions for a Disrupted Day are satisfied as of the last occurring Trigger Event Valuation Time on the final day of such Trigger Event Observation Period, then such day shall be treated as a Valuation Date to which the provisions contained in Index Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine the relevant level or value of the relevant Index(ices) in respect of such day in accordance with such provisions for purposes of determining whether a Trigger Event shall occur.

8.3 Definitions

**Trigger Event** means a Trigger Event (Closing Observation), a Trigger Event (Intraday Observation) or such other event as specified in the applicable Final Terms (in the case of Exempt Securities only).

**Trigger Event (Closing Observation)** means a determination by the Calculation Agent that on any Trigger Event Observation Date the Closing Level of any Index as calculated and announced by the Index Sponsor at the Trigger Event Valuation Time is less than or equal to the relevant Trigger Level for such Index, as determined by the Calculation Agent.

**Trigger Event Date** means a date on which a Trigger Event has occurred as determined by the Calculation Agent.

**Trigger Event (Intraday Observation)** means a determination by the Calculation Agent that at any time during the regular trading session hours on any Trigger Event Observation Date the level or value of any Index is less than or equal to the relevant Trigger Level for such Index, as determined by the Calculation Agent.

**Trigger Event Observation Date** means each Scheduled Trading Day during the Trigger Event Observation Period.

**Trigger Event Observation Period** means the period from and including the Initial Valuation Date to and including the Final Valuation Date.

**Trigger Event Valuation Time** means the time or period of time on any Trigger Event Observation Date specified as such in the applicable Final Terms and for the purposes of Index Linked Condition 1 (*Consequences of Disrupted Days*) each such time shall be treated as a Valuation Time.

**Trigger Level** means, in relation to an Index, an amount equal to the product of (i) the relevant Trigger Percentage and (ii) the Strike Level of such Index.

**Trigger Percentage** means, in relation to an Index, the percentage specified as such in the applicable Final Terms.

## 9. Mandatory Early Termination

Unless the Securities have been previously redeemed, exercised, terminated or cancelled, if on any Mandatory Early Termination Valuation Date a Mandatory Early Termination Event occurs, then the Securities will be automatically redeemed or cancelled, as applicable, in whole, but not in part, on the Mandatory Early Termination Date immediately following such Mandatory Early Termination

Valuation Date and the redemption or cancellation amount payable by the Issuer on such date upon redemption or cancellation of each Security shall be an amount in the Specified Currency equal to the relevant Mandatory Early Termination Amount.

As used herein:

**Mandatory Early Termination Amount** means, unless otherwise provided in the applicable Final Terms (in the case of Exempt Securities only), in respect of a Mandatory Early Termination Date, an amount equal to the product of (i) the Mandatory Early Termination Calculation Amount and (ii) the relevant Mandatory Early Termination Rate relating to that Mandatory Early Termination Date.

**Mandatory Early Termination Calculation Amount** is as specified in the applicable Final Terms.

**Mandatory Early Termination Date** means each date specified as such in the applicable Final Terms, which may be subject in each case to adjustment in accordance with the business day convention, if any, specified in the applicable Final Terms.

**Mandatory Early Termination Event** means (each of) the events specified as such in the applicable Final Terms.

**Mandatory Early Termination Level** means the level or value per Index specified as such or otherwise determined in the applicable Final Terms.

**Mandatory Early Termination Rate** means, in respect of a Mandatory Early Termination Date, the rate specified as such in the applicable Final Terms.

**Mandatory Early Termination Valuation Date** means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then, unless otherwise provided in the applicable Final Terms (in the case of Exempt Securities only), the corresponding provisions in Index Linked Condition 1 (*Consequences of Disrupted Days*) shall apply on the basis such Mandatory Early Termination Valuation Date shall be deemed to be a Valuation Date.

**Mandatory Early Termination Valuation Time** means in respect of any Index the time on any Mandatory Early Termination Valuation Date as specified in the applicable Final Terms and such time shall be deemed to be the Valuation Time for the purposes of Index Linked Condition 1 (*Consequences of Disrupted Days*).

**10. FX Disruption**

10.1 In the event that the Index Currency of the Index or, in the case of an Index Basket or a Mixed Basket, any of the Indices within the Basket (as specified in the applicable Final Terms) is not the same as the Specified Currency or the Settlement Currency, as applicable, of the Securities, then following:

(a) the occurrence of any event that:

(i) generally prevents or delays the Issuer or any of its Affiliates directly or indirectly from converting one or more Index Currencies into the Specified Currency or the Settlement Currency, as applicable, (i) through customary legal channels or (ii) at a rate that is at least as favourable as the rate for domestic institutions located in the relevant Index Currency Jurisdiction;

(ii) generally prevents or delays the Issuer or any of its Affiliates directly or indirectly from delivering the Specified Currency or the Settlement Currency, as applicable, and/or an Index

Currency from accounts inside the relevant Index Currency Jurisdiction to accounts outside such Index Currency Jurisdiction; or

(iii) renders the Issuer or any of its Affiliates unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the foreign exchange risk incurred by the Issuer or any of its Affiliates in respect of the relevant Index Currency(ies) or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s); or

(b) the government or other relevant authority with jurisdiction in a relevant Index Currency Jurisdiction giving public notice of its intention to impose any capital controls which the Calculation Agent determines are likely (i) to have a material affect on the ability of any of the Issuer or its Affiliates to hedge its foreign exchange risk in respect of the relevant Index Currency(ies) or unwind any such hedging transaction or (ii) to reduce the value of any such hedging transaction,

the Issuer may take the action described in (A) or (B) below as it deems appropriate:

(A) require the Calculation Agent to determine an exchange rate (or alternative method for determining the exchange rate) for conversion of the relevant Index Currency(ies) into the Specified Currency or Settlement Currency, as applicable, taking into consideration all available information that in good faith it deems relevant; or

(B) postpone the date of any relevant valuation, observation and/or payment date in respect of the Securities for so long as, in the opinion of the Calculation Agent, any of the events described in (a) or (b) above have occurred or are continuing.

10.2 In the event that the Index Currency in respect of an Index ceases to be the currency most closely associated with such Index (in the determination of the Calculation Agent), the Issuer may determine the appropriate adjustment(s), if any, to be made to any one or more of the Conditions to account for such circumstance and determine the effective date of such adjustment(s). Details of any such adjustment(s) shall be notified to Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, provided that any failure by the Issuer to provide such notice shall not affect the validity of any such adjustment(s).

As used in this Index Linked Condition 10, **Index Currency Jurisdiction** means any jurisdiction in which the relevant Index Currency is the lawful currency selected by the Calculation Agent.

**11. Index Disclaimer**

The Index Linked Securities are not sponsored, endorsed, sold or promoted by any Index or any Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Index Linked Securities. 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. Except as disclosed prior to the Issue Date specified in the applicable Final Terms, none of the Issuer, the Guarantor (if applicable) or any of their Affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, the Guarantor (if applicable), their Affiliates

or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

## 12. Futures Price Valuation

12.1 Where Futures Price Valuation is specified to apply in relation to an Index in the applicable Final Terms, for the purposes of such Index the following amendments shall apply to these Index Linked Conditions:

**Closing Level** shall be deemed to mean, in relation to the relevant Index and any Scheduled Trading Day, the Official Settlement Price on such day.

For the purposes of determining any Scheduled Trading Day where Futures Price Valuation applies in relation to any Index or (in the case of an Index Basket or Mixed Basket) any constituent Index, any reference to such Index or constituent Index in the definition of Scheduled Trading Day (Single Index Basis), Scheduled Trading Day (All Indices Basis), or Scheduled Trading Day (Per Index Basis), as applicable, will be deemed not to apply and instead (as well as fulfilling the relevant requirements of the relevant definition in relation to each other constituent Index (if any)), a Scheduled Trading Day must be a day on which the Official Settlement Price is published by the relevant Futures or Options Exchange:

(i) in relation to each such Index to which Futures Price Valuation applies; or

(ii) for the purposes of determining a Scheduled Trading Day (Per Index Basis) in relation to any such Index or constituent Index, in relation to such Index or constituent Index, as applicable.

The provisions of Index Linked Condition 1 (*Consequences of Disrupted Days*) will not apply in relation to any Index or (in the case of an Index Basket or Mixed Basket) constituent Index in respect of which Futures Price Valuation applies (although such provisions will continue to apply to any other constituent Index and, in the case of an Index Basket or Mixed Basket, a Valuation Date, Averaging Date or any other date for valuation or observation will be determined accordingly), unless there is a Non-Commencement or Discontinuance of the Exchange-traded Contract, in which case the provisions of Index Linked Condition 1 (*Consequences of Disrupted Days*) will continue to apply to the relevant Index or constituent Index.

For these purposes:

**Exchange-traded Contract** in relation to an Index means a futures or options contract specified as such for the Index in the applicable Final Terms, in each case, identified by reference to (a) the Index to which it relates, (b) the delivery month of such contract and (c) the Futures or Options Exchange on which it is traded.

**Futures or Options Exchange** means, in respect of an Index, the relevant exchange specified in the description of the Exchange-traded Contract for such Index in the applicable Final Terms or any successor thereto acceptable to the Calculation Agent.

**Non-Commencement or Discontinuance of the Exchange-traded Contract** means there is no Official Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to a Valuation Date, Averaging Date or other date for Index valuation or observation, as the case may be.

**Official Settlement Price** means the official settlement price (however described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

12.2 Adjustments to the Exchange-traded Contract

Without duplication of Index Linked Condition 2 (which shall govern in the event of a conflict), in the event that the terms of the Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall, if necessary, adjust one or more of the Strike Level, the Knock-In Price, the Knock-Out Price and/or any other variable relevant to the Securities to account for such change or modification, including for the cost of the Issuer and/or any Affiliate of adjusting any associated hedging arrangements (this may mean that the economic benefit of the Securities for the Holder is reduced or that the adjustment has a material adverse effect on the Securities).

12.3 Non-Commencement or Discontinuance of the Exchange-traded Contract

Where there is a Non-Commencement or Discontinuance of the Exchange-traded Contract, the Official Settlement Price for any Valuation Date, Averaging Date or any other relevant date for Index valuation or observation, as the case may be, shall be deemed to be the level of the relevant Index at the close of the regular trading session on the relevant Exchange (as defined in Index Linked Condition 5) or, in the case of a Multi-exchange Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor, in each case on the Valuation Date, Averaging Date or other relevant date.

12.4 Correction of the Official Settlement Price

If the Official Settlement Price for any Valuation Date, Averaging Date or any other date for Index valuation or observation, as the case may be, (an **Exchange-traded Contract Relevant Calculation**) is subsequently corrected and the correction (the **Corrected Official Settlement Price**) is published by the relevant Futures or Options Exchange no later than two Business Days prior to the date of payment or delivery of any amount calculated by reference to the Exchange-traded Contract Relevant Calculation then the Calculation Agent may, but shall not be required to, treat such Corrected Official Settlement Price as the relevant level or value for such index on such Valuation Date, Averaging Date or other relevant date, as the case may be, and the Calculation Agent shall use such Corrected Official Settlement Price in determining the Relevant Calculation.

## ANNEX 2

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

**Clause** **Page**


1. Consequences of Disrupted Days ..... 437
2. Consequences of Potential Adjustment Events ..... 440
3. Consequences of Extraordinary Events ..... 441
4. Correction of Share prices ..... 443
5. Consequences of Additional Disruption Events ..... 443
6. Definitions ..... 443
7. Knock-In, Knock-Out Provisions ..... 450
8. Trigger Event Provisions ..... 452
9. Autocall Provisions ..... 454
10. Mandatory Early Termination ..... 454
11. FX Disruption ..... 455
12. GDR/ADR Linked Securities ..... 456
13. General Provisions in respect of GDR/ADR Linked Securities ..... 456
14. Share Event in respect of GDR/ADR Linked Securities ..... 457
15. Additional Potential Adjustment Events and Amended Consequences of Potential Adjustment Events ..... 457
16. Amended Definition of De-listing and Consequences of Extraordinary Events ..... 458
17. Provisions relating to Exchangeable Equity Linked N&C Securities ..... 458
18. Final Redemption Amount and Exchange Events ..... 459
19. Determination of Entitlement ..... 459

***This Annex applies to Exempt Securities and the following Non-Exempt 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***
- ***Equity Delta One W&C Securities***

***No Equity Linked W&C Securities that would be subject to Article 17 of the EU Prospectus Regulation (Commission Delegated Regulation (EC) No. 2019/980) may be issued under the Programme unless those Equity Linked W&C Securities are Exempt Securities.***

*If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to N&C Securities specified in the applicable Final Terms as Equity Linked N&C Securities shall comprise the terms and conditions of the N&C Securities (the N&C Securities Conditions) and the additional Terms and Conditions for Equity Linked Securities set out below (the Equity Linked Conditions) and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Equity Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the W&C Securities Conditions) and the Equity Linked Conditions, in each case together with the Additional Terms and Conditions contained in any of the other Annexes to the Terms and Conditions that are specified in the applicable Final Terms as applying to the Securities and subject, in each case, to completion in the applicable Final Terms or Pricing Supplement (as applicable) and, in the case of Exempt Securities only, supplement or amendment in the applicable Pricing Supplement. In the case of Equity Linked N&C Securities which are Exempt N&C Securities or Equity Linked W&C Securities which are Exempt W&C Securities, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Equity Linked Conditions, the Equity Linked Conditions shall prevail. In the case of Equity Linked N&C Securities which are not Exempt N&C Securities or Equity Linked W&C Securities which are not Exempt W&C Securities, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Equity Linked Conditions, the N&C Securities Conditions or the W&C Securities Conditions, as applicable, shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions, the W&C Securities Conditions and/or the Equity Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Equity Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "W&C Security" and "W&C Securities" as the context admits.*

**1. Consequences of Disrupted Days**

If, in respect of any Share, the Calculation Agent determines that any Valuation Date or Averaging Date is a Disrupted Day, then:

1.1 Single Share Valuation Dates:

in the case of Equity Linked Securities relating to a single Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to such Share, provided that (A) such day shall not be later than the Disruption Cut-off Date, notwithstanding that such day may be a Disrupted Day in respect of such Shares and (B) in this case the Calculation Agent shall determine its good faith estimate of the value for such Shares that would have prevailed but for that Disrupted Day as of the Valuation Time on that Disruption Cut-off Date;

1.2 Share Basket/Mixed Basket Valuation Dates:

in the case of Equity Linked Securities relating to a Share Basket or a Mixed Basket, the Valuation Date for the Shares of each Share Issuer not affected by the occurrence of a Disrupted Day shall be the scheduled Valuation Date and the Valuation Date for the Shares of each Share Issuer affected by the occurrence of a Disrupted Day (for the purposes of this Equity Linked Condition 1.2, each an **Affected Share**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, provided that (A) such day shall not be later than the Disruption Cut-off Date, notwithstanding that such day may be a Disrupted Day in respect of the Affected Share and (B) in this case the Calculation Agent shall determine its good faith estimate of the value for the Affected Share that would have prevailed but for that Disrupted Day as of the Valuation Time on that Disruption Cut-off Date;

1.3 Single Share/Share Basket/Mixed Basket Averaging Dates:

where the Securities are related to a single Share or are related to a Share Basket or a Mixed Basket and "Scheduled Trading Day (Single Share Basis)" or "Scheduled Trading Day (Per Share Basis)" is specified as applicable in the applicable Final Terms and the Calculation Agent determines that any Averaging Date is a Disrupted Day in respect of any Share, and in the relevant Final Terms the consequence specified is:

(a) **Omission**,

then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of Equity Linked Condition 1.1 (*Consequences of Disrupted Days – Single Share Valuation Dates*) or Equity Linked Condition 1.2 (*Consequences of Disrupted Days – Share Basket/Mixed Basket Valuation Dates*:) as applicable will apply for purposes of determining the relevant price on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day;

(b) **Postponement**,

then the provisions of Equity Linked Condition 1.1 (*Consequences of Disrupted Days – Single Share Valuation Dates*) or Equity Linked Condition 1.2 (*Consequences of Disrupted Days – Share Basket/Mixed Basket Valuation Dates*:) will apply for the purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(c) **Modified Postponement**,

then the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Disruption Cut-Off Date, then

(i) that Disruption Cut-off Date shall be deemed to be the Averaging Date (irrespective of whether the Disruption Cut-off Date is already or is deemed to be an Averaging Date); and

(ii) the Calculation Agent shall determine the price of the Share as of the Valuation Time on the Disruption Cut-off Date in accordance with part (B) of Equity Linked Condition 1.1 (*Consequences of Disrupted Days – Single Share Valuation Dates*) or Condition 1.2 (*Consequences of Disrupted Days – Share Basket/Mixed Basket Valuation Dates*:) above as applicable and such determination by the Calculation Agent shall be deemed to be the relevant value for such Shares in respect of the relevant Averaging Date.

If the Calculation Agent determines that any Averaging Date in respect of Securities to which this Equity Linked Condition 1.3 relates is a Disrupted Date and, if in the Final Terms no consequence is specified, then "Modified Postponement" will apply.

1.4 Share Basket/Mixed Basket Averaging Dates:

Where the Equity Linked Securities are related to a Share Basket or a Mixed Basket and "Scheduled Trading Date (All Shares Basis)" is specified as applicable in the applicable Final Terms and the Calculation Agent determines that any Averaging Date is a Disrupted Day, and in the relevant Final Terms the consequence specified is:

(a) **Omission**,

then the Averaging Date will be deemed not to be an Averaging Date, provided that, if through the operation of this provision there would be no Averaging Date, then

(A) the sole Averaging Date for each Share which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the originally designated final Averaging Date (the **Scheduled Final Averaging Date**);

(B) and the sole Averaging Date for each Share which the Calculation Agent determines is affected by the occurrence of a Disrupted Day (for the purposes of this Equity Linked Condition 1.4(a), each an **Affected Share**) shall be the first Scheduled Trading Day following the Scheduled Final Averaging Date that is not a Disrupted Day relating to the Affected Share unless each of the Scheduled Trading Days immediately following the Scheduled Final Averaging Date which (but for the occurrence of the Disrupted Day) would have been the Averaging Date, until and including the Disruption Cut-Off Date, is a Disrupted Day relating to the Affected Share. In that case,

(i) that Disruption Cut-Off Date shall be deemed to be the sole Averaging Date in respect of the Affected Share, notwithstanding the fact that such day is a Disrupted Day; and

(ii) the Calculation Agent shall determine the price of the Affected Share at the Valuation Time on the Disruption Cut-Off Date in accordance with part (B) of Equity Linked Condition 1.2 (*Consequences of Disrupted Days – Share Basket/Mixed Basket Valuation Dates*) above and such determination by the Calculation Agent shall be deemed to be the relevant value for such Shares in respect of the sole Averaging Date;

(b) **Postponement**, then the Averaging Date for each Share shall be the first succeeding Scheduled Trading Day following the originally designated Averaging Date (the **Scheduled Averaging Date**) that is not a Disrupted Day in relation to any Affected Share (irrespective of whether, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date) unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days, until and including the Disruption Cut-Off Date, is a Disrupted Day in respect of any Share (for the purposes of this Equity Linked Condition 1.4(b), each an **Affected Share**). In that case:

(i) that Disruption Cut-Off Date shall be deemed to be such Averaging Date in respect of each Share (irrespective of whether the Disruption Cut-Off Date is already or is deemed to be an Averaging Date); and

(ii) the Calculation Agent shall determine the price of each Share as of the Valuation Time on the Disruption Cut-Off Date which in the case of an

Affected Share will be determined in accordance with part (B) of Equity Linked Condition 1.2 (*Consequences of Disrupted Days – Share Basket/Mixed Basket Valuation Dates*) above and such determination by the Calculation Agent shall be deemed to be the relevant value for such Shares in respect of the relevant Averaging Date; or

(c) **Modified Postponement**, then

(A) the Averaging Date for each Share which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**); and

(B) the Averaging Date for each Share which the Calculation Agent determines is affected by the occurrence of a Disrupted Day (for the purposes of this Equity Linked Condition 1.4(c), each an **Affected Share**) shall be the first succeeding Valid Date in relation to the Affected Share. If the first succeeding Valid Date in respect of the Affected Share has not occurred as of the Valuation Time on the Disruption Cut-Off Date, then:

(i) that Disruption Cut-Off Date shall be deemed to be the Averaging Date in respect of the Affected Share (irrespective of whether the Disruption Cut-Off Date is already or is deemed to be an Averaging Date); and

(ii) the Calculation Agent shall determine the price of the Affected Share as of the Valuation Time on the Disruption Cut-Off Date in accordance with part (B) of Equity Linked Condition 1.2 (*Consequences of Disrupted Days – Share Basket/Mixed Basket Valuation Dates*) above and such determination by the Calculation Agent shall be deemed to be the relevant value for such Shares in respect of the relevant Averaging Date.

If the Calculation Agent determines that any Averaging Date in respect of Securities to which this Equity Linked Condition 1.4 relates is a Disrupted Day and, if in the Final Terms no consequence is specified, "Modified Postponement" will apply.

1.5 Notice

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, of the occurrence of a Disrupted Day on any day on which any Share valuation or observation is scheduled to occur, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Disrupted Day.

**2. Consequences of Potential Adjustment Events**

Following the declaration by a Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares or on the composition of the Share Basket or Mixed Basket, as applicable, and, if so, the Calculation Agent will determine and make the appropriate adjustment(s), if any, to be made to one or more of any variable(s) relevant to the exercise, settlement, payment or other terms of the Securities as the Calculation Agent determines appropriate to account for the Potential Adjustment Event and determine the effective date(s) of that adjustment(s) (which may include but shall not be limited to adjustment(s) to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect

of the Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, stating the adjustment made and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

**3. Consequences of Extraordinary Events**

3.1 Extraordinary Events:

If a Merger Event, De-listing, Nationalisation, Insolvency or Tender Offer occurs in relation to a Share, the Issuer may take the action described in (i), (ii), (iii), (iv) or (v) below:

(i) require the Calculation Agent to determine the appropriate adjustment(s), if any, to be made to any terms of the Conditions and/or the applicable Final Terms to account for the Merger Event, De-listing, Nationalisation, Insolvency or Tender Offer, as the case may be, and determine the effective date(s) of such adjustment(s) and for these purposes (a) the Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the relevant event made by any options exchange to options on the Shares traded on that options exchange and the relevant adjustments may in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares and/or (b) in the case of a Share Basket or Mixed Basket, the Calculation Agent may remove the affected Share from the Share Basket or Mixed Basket and make such adjustments to the Securities as it determines appropriate (which may, without limitation, include any value or weighting of the remaining Shares) in order to account for the price or value of the affected Share at the time of its removal as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements (and this may mean that the economic benefit of the Securities for the Holder is reduced or that the removal of the Share has a material adverse effect on the Securities);

(ii) where the Equity Linked Securities relate to a Share Basket or a Mixed Basket, on giving notice to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, redeem each N&C Security or cancel each W&C Security, as applicable, in part. If a Security is so redeemed or cancelled in part the portion (the **Partial Amount**) of each such Security representing the affected Share(s) shall be redeemed or cancelled, as applicable, and the Issuer will (x) pay to each Holder in respect of each Security held by them an amount equal to the fair market value of the Partial Amount, taking into account the Merger Event, De-listing, Nationalisation, Insolvency or Tender Offer, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent; and (y) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any of the Conditions and/or the applicable Final Terms to account for such redemption or cancellation in part. For the avoidance of doubt the remaining part of each such Security after such redemption or cancellation and adjustment shall remain outstanding with full force and effect (subject to adjustment as provided above). Payments will be made in such manner as shall be notified to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable;

(iii) give notice to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, and redeem or cancel all, but not some only, of the

Securities, each N&C Security being redeemed at the Early Redemption Amount and each W&C Security being cancelled at the Early Cancellation Amount;

(iv) if "Options Exchange Adjustment" is specified as applicable in the applicable Final Terms, following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer shall select (the **Options Exchange**), require the Calculation Agent to make a corresponding adjustment to any one or more of the Conditions and/or the applicable Final Terms which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the Conditions and/or the applicable Final Terms as the Calculation Agent determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, De-listing, Nationalisation, Insolvency or Tender Offer, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or

(v) if "Share Substitution" is specified as applicable in the applicable Final Terms, then on or after the relevant Merger Date, De-listing, Nationalisation, Insolvency or Tender Offer Date, as the case may be, require the Calculation Agent to adjust the Conditions and/or the applicable Final Terms to include shares (the **Substitute Shares**) selected by the Calculation Agent in accordance with the criteria for share selection (**Share Substitution Criteria**), if any, set out in the applicable Final Terms, or otherwise as provided below, in place of the Share(s) (for the purposes of this Equity Linked Condition 3, the **Affected Share(s)**) which are affected by such Merger Event, De-listing, Nationalisation, Insolvency or Tender Offer and the Substitute Shares will, from the date so determined by the Calculation Agent (the **Share Substitution Date**) be deemed to be "Shares" and the relevant issuer of such shares (the **Substitute Share Issuer**), a "Share Issuer" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any of the Conditions and/or the applicable Final Terms as the Calculation Agent determines appropriate and the provisions of Equity Linked Condition 3.2 below shall apply. If "Share Substitution" is specified as applicable in the applicable Final Terms but no Share Substitution Criteria are set out in the Final Terms, the Calculation Agent will use reasonable endeavours to ensure that, to the extent practicable, any Substitute Share Issuer will (a) be selected from the same region(s) or sector(s) (depending on whether the Affected Shares were selected on the basis of region or sector, as determined by the Calculation Agent and (b) (where the Affected Shares are quoted on a non-European exchange or quotation system) have shares quoted on an exchange(s) or quotation system(s) in the same region(s) as the Affected Shares, or (where the Affected Shares are quoted on a European exchange or quotation system) have shares quoted on an exchange(s) or quotation system(s) in any European state(s) and in each case where such exchange(s) or quotation system(s) have similar liquidity to the exchange(s) or quotation system(s) on which the Affected Shares are quoted, all as determined by the Calculation Agent, in each case at the time of substitution.

Upon the occurrence of a Merger Event, De-listing, Nationalisation, Insolvency or Tender Offer, the Issuer shall give notice as soon as practicable to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, stating the occurrence of the Merger Event, De-listing, Nationalisation, Insolvency or Tender Offer, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, De-listing, Nationalisation, Insolvency or Tender Offer, as the case may be.

**For the avoidance of doubt nothing in these Equity Linked Conditions shall require the Calculation Agent, the Issuer or the Guarantor (if any) to monitor any Share Issuer or Share on**

**an on-going basis and no representation (express or implied) is made that there will be any such monitoring.**

3.2 Valuation of Shares of Substitute Share Issuers:

For the purposes of any adjustments to account for a Share substitution as referred to in Equity Linked Condition 3.1(v) above, the Calculation Agent shall adjust the Strike Price or other relevant values, levels, variables or terms for the valuation or observation of the Substitute Shares in the terms of the Securities in order to account for the price or value of the Affected Shares at the time of their removal as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements. This may mean that the economic benefit, if any, of the Share substitution for the Holder is reduced or that the Share substitution has a material adverse effect on the Securities. For example, and without limitation, the Strike Price for the Substitute Share may be adjusted by the same proportion as any fall in value of the Affected Share at the time of its removal relative to the Trade Date and may be further reduced to account for the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements.

**4. Correction of Share prices**

If the price of a Share published on any Valuation Date, Observation Date, Averaging Date or any other date for Share valuation or observation, as the case may be, by the relevant Exchange and which is utilised for any calculation or determination made for the purposes of the Securities (a **Relevant Calculation**) is subsequently corrected and the correction (the **Corrected Share Price**) published by the relevant Exchange no later than two Business Days prior to the date of payment of any amount calculated by reference to the Relevant Calculation then the Calculation Agent may, but shall not be required to, treat such Corrected Share Price as the relevant price for such Share on such Valuation Date, Observation Date, Averaging Date or other relevant date, as the case may be, and the Calculation Agent shall use such Corrected Share Price in determining the Relevant Calculation.

**5. Consequences of Additional Disruption Events**

In the event that an Additional Disruption Event occurs as determined by the Calculation Agent, then the Calculation Agent shall either (a) (i) make such adjustment to the exercise, settlement, payment or any other terms of the 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 the Securities as of such date as the Calculation Agent shall determine by notice given to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, each N&C Security being redeemed at the Early Redemption Amount and each W&C Security being cancelled at the Early Cancellation Amount. Payment in respect of such early redemption or cancellation shall be made as specified in such notice to Securityholders.

**6. Definitions**

As used herein:

**Additional Disruption Event** means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow and/or Insolvency Filing, in each case if specified in the applicable Final Terms;

**Averaging Date** means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a

Disrupted Day then the provisions of Equity Linked Condition 1 (*Consequences of Disrupted Days*) shall apply;

**Change in Law** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal to hold, acquire or dispose of relevant hedge positions relating to any relevant Share or (ii) it will incur a materially increased cost in performing its obligations in relation to the Equity Linked Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, the Guarantor (if applicable) and/or any of their Affiliates);

**Closing Price** means, in relation to any Shares and any Scheduled Trading Day, the price per Share in respect of such Shares quoted on the applicable Exchange at the Valuation Time on such day, as determined by the Calculation Agent;

**De-listing** means that the relevant Exchange announces that, pursuant to the rules of such Exchange, the Shares of a Share Issuer cease (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted (i) in respect of any Share whose Exchange is located in the United States of America, on the New York Stock Exchange, the American Stock Exchange or the NASDAQ NMS (or any successor exchange or quotation system thereto) or (ii) in respect of any Share whose Exchange is located in, or most closely associated with, the European Union, in any member state of the European Union and (iii) in respect of any Share whose Exchange is located elsewhere, on an exchange or quotation system located in the same country as the Exchange;

**Disruption Cut-Off Date** will be specified in the applicable Final Terms as either (i) the date falling a number of Scheduled Trading Days, as specified in the Final Terms, after the relevant originally scheduled Valuation Date, Observation Date, Averaging Date or other similar date on which any observation or valuation is required to be made in respect of the Securities or (ii) the date falling a number of Scheduled Trading Days, as specified in the Final Terms, prior to the next succeeding day on which any payment or delivery is to be made under the Securities which is determined in whole or in part by reference to the valuation or observation of the relevant Share(s) which is affected by occurrence of the relevant Disrupted Day(s);

**Disrupted Day** means any Scheduled Trading Day on which a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

**Early Closure** means in respect of any Shares, the closure on any Exchange Business Day of the relevant Exchange or Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such relevant Exchange or Related Exchange at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on the relevant Exchange or Related Exchange on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day;

**Exchange** means, in respect of any Shares, the exchange or quotation system specified as such for such Shares in the applicable Final Terms or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Shares has temporarily relocated or relocated in circumstances specified in items (i), (ii) or (iii) of the definition of "De-listing" (provided that the Calculation Agent has determined that there is comparable liquidity relative to the

Shares on such temporary substitute exchange or quotation system as on the original Exchange) and **Exchanges** means, as the context requires, such stock exchanges or quotation systems in respect of the Shares of all the Share Issuers;

**Exchange Business Day** means either (i) in the case of a single Share, Exchange Business Day (Single Share Basis) or (ii) in the case of a Share Basket or a Mixed Basket, (a) Exchange Business Day (All Shares Basis) or (b) Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, in the case of a Share Basket or a Mixed Basket, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

**Exchange Business Day (All Shares Basis)** means, in respect of a Share Basket or a Mixed Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all Shares comprised in the Share Basket or Mixed Basket, as applicable, during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

**Exchange Business Day (Per Share Basis)** means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**Exchange Business Day (Single Share Basis)** means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**Exchange Disruption** means, in respect of any Shares, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, such Shares on the relevant Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Shares on a relevant Related Exchange;

**Extraordinary Dividend** means a dividend or portion thereof characterised as such by the Calculation Agent;

**Final Price** means, unless otherwise specified in the applicable Final Terms, and subject to Equity Linked Condition 1 (*Consequences of Disrupted Days*) above:

(a) in the case of Equity Linked Securities relating to a single Share, (A) if Averaging is not specified in the applicable Final Terms, an amount equal to the Closing Price of the Shares on the Final Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an amount equal to the arithmetic mean of the Closing Price of the Shares on each Averaging Date which if so specified in the applicable Final Terms will be the Averaging Dates in relation to a specific level or value; and

(b) in the case of Equity Linked Securities relating to a Share Basket or a Mixed Basket and in respect of each Share comprising such Share Basket or Mixed Basket, (A) if Averaging is not specified in the applicable Final Terms, an amount equal to the Closing Price of such Share on the Final Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an amount equal to the arithmetic mean of the Closing Prices of such Shares on each Averaging Date which if so specified in the applicable Final Terms will be the Averaging Dates in relation to a specific level or value and, in the case of (A) or (B), multiplied by the relevant Weighting;

**Final Valuation Date** means the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day, unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then the provisions of Equity Linked Condition 1 (*Consequences of Disrupted Days*) shall apply;

**Hedging Disruption** means that the Issuer and/or any of its Affiliates or agents are unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk (or any other relevant price risk including, but not limited to, the currency risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover, receive, repatriate, remit or transfer the proceeds of any such transaction(s) or asset(s);

**Hedging Shares** means the number of Shares that the Calculation Agent deems necessary to hedge the equity or other price risk of the Issuer entering into and performing its obligations with respect to the Equity Linked Securities;

**Increased Cost of Hedging** means that the Issuer and/or any of its Affiliates or agents would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Equity Linked Securities, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates or agents shall not be deemed an Increased Cost of Hedging;

**Increased Cost of Stock Borrow** means that the Issuer and/or any of its Affiliates would incur a rate to borrow Shares that is greater than the Initial Stock Loan Rate;

**Initial Stock Loan Rate** means, in respect of a Share, the Initial Stock Loan Rate specified in relation to such Share in the applicable Final Terms;

**Initial Valuation Date** means the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day, unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then the provisions of Equity Linked Condition 1 (*Consequences of Disrupted Days*) shall apply;

**Insolvency** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceedings affecting a Share Issuer (i) all the Shares of a Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of a Share Issuer, become legally prohibited from transferring them;

**Insolvency Filing** means that a Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing;

**Loss of Stock Borrow** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

**Market Disruption Event** means in relation to any Shares, the occurrence or existence at any time of (i) a Trading Disruption, (ii) an Exchange Disruption which in either case the Calculation Agent determines is material at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure;

**Maximum Stock Loan Rate** means in respect of a Share, the Maximum Stock Loan Rate specified in the applicable Final Terms;

**Merger Date** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date therefor as determined by the Calculation Agent;

**Merger Event** means, as determined by the Calculation Agent in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a **Reverse Merger**), in each case if the Merger Date is on or before (a) in the case of Cash Settled Securities, the last occurring Valuation Date or Observation Date, as the case may be, or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security or such other date for valuation of the relevant Shares or (b) in the case of Physical Delivery Securities, the Maturity Date or Settlement Date or any later date for delivery in accordance with the Conditions, as applicable;

**Mixed Basket** means the basket of one or more Shares and any other asset described in the Final Terms;

**Nationalisation** means that all the Shares or all or substantially all the assets of a Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

**Observation Date** means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions of Equity Linked Condition 1 shall apply as if references in such provisions to "Averaging Date" were to "Observation Date";

**Observation Period** means the period specified as the Observation Period in the applicable Final Terms;

**Potential Adjustment Event** means any of the following:

(1) a subdivision, consolidation or reclassification of Shares (unless resulting in a Merger Event or a Tender Offer) or, a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue;

(2) a distribution, issue or dividend to existing holders of the Shares of (a) such Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of a Share Issuer equally or proportionately with such payments to holders of such Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;

(3) an Extraordinary Dividend;

(4) a call by a Share Issuer in respect of relevant Shares which are not fully paid;

(5) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(6) in respect of a Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent;

(7) any redemption of rights as referred to in (6) above; or

(8) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Shares or of the composition of the Share Basket or Mixed Basket;

**Related Exchange** means, in respect of any Shares, each exchange specified as such for such Shares in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Shares has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Shares on such temporary substitute exchange or quotation system as on the original Related Exchange); and "Related Exchanges" means, as the context requires, such exchanges or quotation systems in respect of all or any one or more of the Shares; provided that (i) where "All Exchanges" is specified as the Related Exchange in respect of the Shares of a Share Issuer in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contacts relating to such Shares or (ii) where "Hedging Exchanges" is specified as the Related Exchange in respect of the Shares of a Share Issuer in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system for futures or options contracts relating to such Shares which (in the determination of the Calculation Agent) is material in the context of any hedging arrangements entered into by the Issuer and/or any Hedging Party in relation to the Securities;

**Scheduled Closing Time** means, in respect of a relevant Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such relevant Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**Scheduled Trading Day** means either (i) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (ii) in the case of a Share Basket or a Mixed Basket, (a) Scheduled Trading Day (All Shares Basis) or (b) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, in the case of a Share Basket or a Mixed Basket, if no such

specification is made in the applicable Final Terms, Scheduled Trading Day (Per Share Basis) shall apply, and, where Scheduled Trading Day (Per Share Basis) applies, each of such Shares shall be valued independently of each other, and the provisions in relation to Disrupted Day, Averaging Date, Observation Date, Closing Price, Final Price and Exchange Business Day shall be applied and construed by the Calculation Agent accordingly;

**Scheduled Trading Day (All Shares Basis)** means, in respect of a Share Basket or a Mixed Basket, any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading in respect of all Shares comprised in the Share Basket or Mixed Basket, as applicable, during their respective regular trading session(s);

**Scheduled Trading Day (Per Share Basis)** means, in respect of a Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Share are scheduled to be open for trading during their respective regular trading session(s);

**Scheduled Trading Day (Single Share Basis)** means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

**Share** means each of the Shares specified as such in the applicable Final Terms;

**Share Basket** means the basket of Shares of the companies described in the applicable Final Terms, subject to adjustment in accordance with the terms hereof;

**Share Issuer** means the issuer of the relevant Shares;

**Share Price** means at any time on any Scheduled Trading Date, the price of the Share on the applicable Exchange, as determined by the Calculation Agent;

**Strike Price** means, in relation to any Shares, the Closing Price of such Shares on the Initial Valuation Date;

**Tender Offer** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the makings of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

**Tender Offer Date** means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent);

**Trading Disruption** means, in respect of any Share, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the relevant Share on the relevant Exchange, or (ii) in futures or options contracts relating to the relevant Share on a relevant Related Exchange;

**Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur;

**Valuation Date** means each date specified as a Valuation Date in the applicable Final Terms (including, if applicable, the Initial Valuation Date and the Final Valuation Date), or if such day is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If such day is a Disrupted Day then the provisions of Equity Linked Condition 1 (*Consequences of Disrupted Days*) shall apply;

**Valuation Time** means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is so specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date, Averaging Date or other similar day, as the case may be, in relation to each Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; and

**Weighting** for each Share means the weighting of such Share in the relevant Share Basket or Mixed Basket as specified in the applicable Final Terms.

## 7. Knock-In, Knock-Out Provisions

7.1 Knock-In, Knock-Out

If a "Knock-In Event" is specified in the Final Terms, then the payment and/or delivery provisions under the Securities relating to the occurrence of a Knock-In Event shall be as set out in (i) the applicable Final Terms in the case of Exempt Securities, (ii) N&C Condition 22 in the case of Non-Exempt N&C Securities or (iii) W&C Condition 18 in the case of Non-Exempt W&C Securities.

If a "Knock-Out Event" is specified in the Final Terms, then the payment and/or delivery provisions under the Securities relating to the occurrence of a Knock-Out Event shall be as set out in (i) the applicable Final Terms in the case of Exempt Securities, (ii) N&C Condition 22 in the case of Non-Exempt N&C Securities or (iii) W&C Condition 18 in the case of Non-Exempt W&C Securities.

7.2 Disrupted Days

If the Knock-In Valuation Time or the Knock-Out Valuation Time specified in the applicable Final Terms is a single time on each relevant day and any Knock-In Determination Day or Knock-Out Determination Day is a Disrupted Day then, unless otherwise provided in the applicable Final Terms (in the case of Exempt Securities only), (A) if "Knock-In/Knock-Out Determination Day consequences of a Disrupted Day" is specified as Omission in the applicable Final Terms, such day shall be ignored for purposes of determining whether a Knock-In Event or a Knock-Out Event has occurred; Provided That if the Knock-In Period Ending Date or the Knock-Out Period Ending Date is a Disrupted Day and no Knock-In Event or Knock-Out Event has occurred in the Knock-In Determination Period or Knock-Out Determination Period, the Knock-In Period Ending Date or Knock-Out Period Ending Date, as applicable, shall be treated as a Valuation Date to which the provisions contained in Equity Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine a price of the relevant Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms in the case of Exempt Securities, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur, or (B) if "Knock-In/Knock-Out Determination Day consequences of a Disrupted Day" is specified as Postponement in the applicable Final Terms, such day shall be treated as a Valuation Date to which the provisions contained in Equity Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine a price of the relevant Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms in the case of Exempt Securities, for example but without

limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur.

If the Knock-In Valuation Time or the Knock-Out Valuation Time specified in the applicable Final Terms is other than a single time on each relevant day and if on any Knock-In Determination Day or Knock-Out Determination Day, as of any Knock-In Valuation Time or Knock-Out Valuation Time, a Knock-In Event or Knock-Out Event has or would have occurred but the conditions for a Disrupted Day have been satisfied at such time then, unless otherwise provided in the applicable Final Terms (in the case of Exempt Securities only), (A) if "Knock-In/Knock-Out intraday valuation consequences of disruption" is specified as Omission in the applicable Final Terms, such Valuation Time shall be ignored for purposes of determining whether a Knock-In Event or a Knock-Out Event has occurred Provided That if no Knock-In Event or Knock-Out Event has occurred in the Knock-In Determination Period or Knock-Out Determination Period and the conditions for a Disrupted Day are satisfied as of the last occurring Knock-In Valuation Time or Knock-Out Valuation Time on the Knock-In Period Ending Date or Knock-Out Period Ending Date, then such day shall be treated as a Valuation Date to which the provisions contained in Equity Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine a price of the relevant Share(s) in respect of such day in accordance with such provisions for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur, or (B) if "Knock-In/Knock-Out intraday valuation consequences of disruption" is specified as Materiality in the applicable Final Terms, then (i) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is not material for the purposes of determining the price of the relevant Share(s) as of such time, the Knock-In Event or Knock-Out Event, as applicable, shall occur notwithstanding such event or occurrence, or (ii) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is material for the purposes of determining the price of the relevant Share(s) as of such time, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred at such time Provided That if no Knock-In Event or Knock-Out Event has occurred in the Knock-In Determination Period or Knock-Out Determination Period and the conditions for a Disrupted Day are satisfied as of the last occurring Knock-In Valuation Time or Knock-Out Valuation Time on the Knock-In Period Ending Date or Knock-Out Period Ending Date, as applicable, then such day shall be treated as a Valuation Date to which the provisions contained in Equity Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine a price of the relevant Share(s) in respect of such day in accordance with such provisions for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur.

7.3 Definitions

Unless otherwise specified in the applicable Final Terms (in the case of Exempt Securities only):

**Knock-In Determination Day** means the date(s) specified as such in the applicable Final Terms or, if not so specified, each Scheduled Trading Day during the Knock-In Determination Period.

**Knock-In Determination Period** means the period which commences on, and includes, the Knock-In Period Beginning Date and ends on, and includes, the Knock-In Period Ending Date.

**Knock-In Event** is as specified in the applicable Final Terms.

**Knock-In Price** means (i) in the case of a single Share, the price of the Share specified and (ii) in the case of a Share Basket or a Mixed Basket, the price in each case specified as such or otherwise determined in the applicable Final Terms.

**Knock-In Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-In Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-In Valuation Time** means the time or period of time on any Knock-In Determination Day specified as such in the applicable Final Terms and for the purposes of Equity Linked Condition 1 (*Consequences of Disrupted Days*) each such time shall be treated as a Valuation Time.

**Knock-Out Determination Day** means the date(s) specified as such in the applicable Final Terms or, if not so specified, each Scheduled Trading Day during the Knock-Out Determination Period.

**Knock-Out Determination Period** means the period which commences on, and includes, the Knock-Out Period Beginning Date and ends on, and includes, the Knock-Out Period Ending Date.

**Knock-Out Event** is as specified in the applicable Final Terms.

**Knock-Out Price** means (i) in the case of a single Share the price of the Share specified and (ii) in the case of a Share Basket or a Mixed Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms.

**Knock-Out Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-Out Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-Out Valuation Time** means the time or period of time on any Knock-Out Determination Day specified as such in the applicable Final Terms and for the purposes of Equity Linked Condition 1 (*Consequences of Disrupted Days*) each such time shall be treated as a Valuation Time.

## 8. Trigger Event Provisions

8.1 Trigger Event

If "Trigger Event" is specified as applicable in the Final Terms, then the payment and/or delivery provisions under the Securities relating to the occurrence of a Trigger Event shall be as set out in the applicable Final Terms.

8.2 Disrupted Days

If Trigger Event (Closing Observation) is specified as Applicable in the applicable Final Terms and any Trigger Event Observation Date is a Disrupted Day then, unless otherwise provided in the applicable Final Terms in the case of Exempt Securities, (A) if "Trigger Event Observation Date consequences of a Disrupted Day" is specified as Omission in the applicable Final Terms, such day shall be ignored for purposes of determining whether a Trigger Event has occurred; Provided That if the final day of any Trigger Event Observation Period is a Disrupted Day and no Trigger Event has occurred in such Trigger Event Observation Period, such final day of such Trigger Event Observation Period shall be treated as a Valuation Date to which the provisions contained in Equity Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine the price of the relevant Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms in the case of Exempt Securities, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Trigger Event shall occur, or (B) if "Trigger Event Observation Date consequences of a Disrupted Day" is specified as Postponement in the applicable Final Terms, such day shall be treated as a Valuation Date to which the provisions contained in Equity Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation

Agent shall determine the price of the relevant Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms in the case of Exempt Securities, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Trigger Event shall occur.

If Trigger Event (Intraday Observation) is specified as Applicable in the applicable Final Terms and if on any Trigger Event Observation Date as of any Trigger Event Valuation Time a Trigger Event has or would have occurred but the conditions for a Disrupted Day have been satisfied at such time then, unless otherwise specified in the applicable Final Terms (in the case of Exempt Securities only), (A) if "Trigger Event intraday valuation consequences of disruption" is specified as Omission in the applicable Final Terms, such Valuation Time shall be ignored for purposes of determining whether a Trigger Event has occurred; Provided That if no Trigger Event has occurred in the Trigger Event Observation Period and the conditions for a Disrupted Day are satisfied as of the last occurring Trigger Event Valuation Time on the final day of such Trigger Event Observation Period, then such day shall be treated as a Valuation Date to which the provisions contained in Equity Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine a price of the relevant Share(s) in respect of such day in accordance with such provisions for purposes of determining whether a Trigger Event shall occur, or (B) if "Trigger Event intraday valuation consequences of disruption" is specified as Materiality in the applicable Final Terms, then (i) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is not material for purposes of determining the price of the relevant Share(s) as of such time, the Trigger Event shall occur notwithstanding such event or occurrence, or (ii) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is material for the purposes of determining the price of the relevant Share(s) as of such time, then the Trigger Event shall be deemed not to have occurred at such time Provided That if no Trigger Event has occurred in a Trigger Event Observation Period and the conditions for a Disrupted Day are satisfied as of the last occurring Trigger Event Valuation Time on the final day of such Trigger Event Observation Period, then such day shall be treated as a Valuation Date to which the provisions contained in Equity Linked Condition 1 (*Consequences of Disrupted Days*) apply and the Calculation Agent shall determine the price of the relevant Share(s) in respect of such day in accordance with such provisions for purposes of determining whether a Trigger Event shall occur.

8.3 Definitions

**Trigger Event** means a Trigger Event (Closing Observation), a Trigger Event (Intraday Observation) or such other event as specified in the applicable Final Terms (in the case of Exempt Securities only);

**Trigger Event (Closing Observation)** means a determination by the Calculation Agent that on any Trigger Event Observation Date the Closing Price of any Share is less than or equal to the relevant Trigger Price for such share, as determined by the Calculation Agent;

**Trigger Event Date** means a date on which a Trigger Event occurs as determined by the Calculation Agent;

**Trigger Event (Intraday Observation)** means a determination by the Calculation Agent that at any time during the regular trading session hours on the applicable Exchange on any Trigger Event Observation Date the price per Share in respect of any Share quoted on the applicable Exchange is less than or equal to the relevant Trigger Price for such Share, as determined by the Calculation Agent;

**Trigger Event Observation Date** means each Scheduled Trading Day during the Trigger Event Observation Period;

**Trigger Event Observation Period** means the period from and including the Initial Valuation Date to and including the Final Valuation Date;

**Trigger Percentage** means, in relation to any Shares, the percentage specified as such in the applicable Final Terms;

**Trigger Price** means, in relation to any Shares, an amount equal to the product of (i) the relevant Trigger Percentage and (ii) the Strike Price of such Shares; and

**Trigger Event Valuation Time** means the time or period of time on any Trigger Event Observation Date specified as such in the applicable Final Terms and for the purposes of Equity Linked Condition 1 (*Consequences of Disrupted Days*) each such time shall be treated as a Valuation Time.

## 9. Autocall Provisions

9.1 Autocall Event

If "Autocall Provisions" are specified as applicable in the Final Terms, then the payment and/or delivery obligations under the Securities relating to the occurrence of an Autocall Event shall be as set out in the applicable Final Terms.

9.2 Disrupted Days

If any Autocall Observation Date is a Disrupted Day then the applicable provisions for such event shall be as set out in the applicable Final Terms.

9.3 Autocallable Equity Linked Definitions

**Adjusted Strike Price** means, in relation to any Shares, an amount equal to the product of (i) the relevant Strike Price Adjustment Percentage and (ii) the Strike Price of such Share.

**Autocall Event** has the meaning set out in the applicable Final Terms.

**Autocall Observation Date** has the meaning set out in the applicable Final Terms.

**Barrier Percentage** means, in relation to any Share, the percentage specified as such in the applicable Final Terms.

**Barrier Price** means, in relation to any Share, an amount equal to the product of (i) the relevant Barrier Percentage and (ii) the Strike Price of such Share.

**Strike Price Adjustment Percentage** means in relation to any Shares, the percentage specified as such in the applicable Final Terms.

## 10. Mandatory Early Termination

Unless the Securities have been previously redeemed, exercised, terminated or cancelled, if on any Mandatory Early Termination Valuation Date a Mandatory Early Termination Event occurs, then the Securities will be automatically redeemed or cancelled, as applicable, in whole, but not in part, on the Mandatory Early Termination Date immediately following such Mandatory Early Termination Valuation Date and the redemption or cancellation amount payable by the Issuer on such date upon redemption or cancellation of each Security shall be an amount in the Specified Currency equal to the relevant Mandatory Early Termination Amount.

As used herein:

**Mandatory Early Termination Amount** means, in respect of a Mandatory Early Termination Date, unless otherwise specified in the applicable Final Terms (in the case of Exempt Securities only), an

amount equal to the product of (i) the Mandatory Early Termination Calculation Amount and (ii) the relevant Mandatory Early Termination Rate relating to that Mandatory Early Termination Date.

**Mandatory Early Termination Calculation Amount** is as specified in the applicable Final Terms.

**Mandatory Early Termination Date** means each date specified as such in the applicable Final Terms, which may be subject in each case to adjustment in accordance with the business day convention, if any, specified in the applicable Final Terms.

**Mandatory Early Termination Event** means (each of) the event(s) specified as such in the applicable Final Terms.

**Mandatory Early Termination Rate** means, in respect of any Mandatory Early Termination Date, the rate specified as such in the applicable Final Terms.

**Mandatory Early Termination Valuation Date** means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then unless otherwise provided in the applicable Final Terms (in the case of Exempt Securities only), the corresponding provisions in Equity Linked Condition 1 (*Consequences of Disrupted Days*) shall apply on the basis such Mandatory Early Termination Valuation Date shall be deemed to be a Valuation Date.

**Mandatory Early Termination Valuation Time** means in respect of any Shares the time on any Mandatory Early Termination Valuation Date as specified in the applicable Final Terms and such time shall be deemed to be the Valuation Time for the purposes of Equity Linked Condition 1 (*Consequences of Disrupted Days*).

**11. FX Disruption**

11.1 In the event that the Equity Currency of the Shares or, in the case of an Share Basket or a Mixed Basket, any of the Shares within the Basket (as specified in the applicable Final Terms) is not the same as the Specified Currency or the Settlement Currency, as applicable, of the Securities, then following:

(a) the occurrence of any event that:

(i) generally prevents or delays the Issuer or any of its Affiliates directly or indirectly from converting one or more Equity Currencies into the Specified Currency, or Settlement Currency, as applicable, (i) through customary legal channels or (ii) at a rate that is at least as favourable as the rate for domestic institutions located in the relevant Equity Currency Jurisdiction;

(ii) generally prevents or delays the Issuer or any of its Affiliates directly or indirectly from delivering the Specified Currency or the Settlement Currency, as applicable, and/or an Equity Currency from accounts inside the relevant Equity Currency Jurisdiction to accounts outside such Equity Currency Jurisdiction; or

(iii) renders the Issuer or any of its Affiliates unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the foreign exchange risk incurred by the Issuer or any of its Affiliates in respect of the relevant Equity Currency(ies) or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s); or

(b) the government or other relevant authority with jurisdiction in a relevant Equity Currency Jurisdiction giving public notice of its intention to impose any capital controls which the Calculation Agent

determines are likely (i) to have a material affect on the ability of any of the Issuer or its Affiliates to hedge its foreign exchange risk in respect of the relevant Equity Currency(ies) or unwind any such hedging transaction or (ii) to reduce the value of any such hedging transaction,

the Issuer may take the action described in (A) or (B) below as it deems appropriate:

(A) require the Calculation Agent to determine an exchange rate (or alternative method for determining the exchange rate) for conversion of the relevant Equity Currency(ies) into the Specified Currency or Settlement Currency, as applicable, taking into consideration all available information that in good faith it deems relevant; or

(B) postpone the date of any relevant valuation, observation and/or payment date in respect of the Securities for so long as, in the opinion of the Calculation Agent, any of the events described in (a) or (b) above have occurred or are continuing.

11.2 In the event that the Equity Currency in respect of the Shares of a Share Issuer ceases to be the currency in which such Shares are traded or settled (in the determination of the Calculation Agent), the Issuer may determine the appropriate adjustment(s), if any, to be made to any one or more of the Conditions to account for such circumstance and determine the effective date of such adjustment(s). Details of any such adjustment(s) shall be notified to Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, provided that any failure by the Issuer to provide such notice shall not affect the validity of any such adjustment(s).

As used in this Equity Linked Condition 11, **Equity Currency Jurisdiction** means any jurisdiction in which the relevant Equity Currency is the lawful currency selected by the Calculation Agent.

**12. GDR/ADR Linked Securities**

If "GDR/ADR Linked Securities" is specified as applicable in the applicable Final Terms, the provisions of Equity Linked Conditions 13 to 16 inclusive shall apply (in each case subject to completion and/or, in the case of Exempt Securities only, amendment in the applicable Final Terms).

**13. General Provisions in respect of GDR/ADR Linked Securities**

The provisions of Equity Linked Conditions 1 to 11 (inclusive) shall apply to GDR/ADR Linked Securities:

(i) where "Partial Lookthrough" is specified as applicable in the applicable Final Terms, as if references therein to the "Shares" were to the Global Depositary Receipts (**GDRs**) and/or American Depositary Receipts (**ADRs**) specified in the applicable Final Terms and/or the Underlying Shares, as applicable, references to the "Share Issuer" were to the Underlying Share Issuer and/or the issuer of the GDRs or ADRs, as applicable, and references to the "Exchange" were to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the primary exchange or quotation system on which the Underlying Shares are listed; or

(ii) where "Full Lookthrough" is specified as applicable in the applicable Final Terms, as if references therein to "Shares" were to the Underlying Shares, references to the "Share Issuer" were to the Underlying Share Issuer and references to the "Exchange" were to the primary exchange or quotation system on which the Underlying Shares are listed,

and in each case with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable to account for the relevant GDRs and/or ADRs.

**14. Share Event in respect of GDR/ADR Linked Securities**

A Share Event (as defined below) shall be deemed to be an Extraordinary Event to which the provisions of Equity Linked Condition 3.1 shall apply and upon the occurrence of a Share Event, the Issuer may take the action described in items (i), (ii), (iii), (iv) or (v) set out in Equity Linked Condition 3.1 above. The Issuer shall give notice as soon as practicable to Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto. If an event may constitute both a Share Event and an Additional Disruption Event, the Calculation Agent shall determine which of these events such event constitutes.

For these purposes:

**Depository** means the issuer of the ADRs or GDRs, as applicable.

**Deposit Agreement** means, in relation to the ADRs or GDRs, as applicable, the agreements or other instruments constituting the ADRs or GDRs and/or relating to the Underlying Shares as amended or supplemented from time to time.

**Replacement DRs** means depositary receipts other than the relevant ADRs or GDRs over the same Underlying Shares.

**Share Event** means each of the following events:

(i) written instructions have been given by the Underlying Share Issuer to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares; and/or

(ii) the termination of the deposit agreement in respect of the Underlying Shares.

**Underlying Shares** mean the shares or other securities underlying the ADRs or GDRs, as the case may be.

**Underlying Share Issuer** means the issuer of the Underlying Shares.

**15. Additional Potential Adjustment Events and Amended Consequences of Potential Adjustment Events**

15.1 The following additional events shall be deemed to be added to the events listed in the definition of Potential Adjustment Events set out in Equity Linked Condition 6 (*Definitions*):

"a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares; and

any amendment or supplement to the terms of the Deposit Agreement."

15.2 The words "an economic effect on the Securities or" shall be added to Equity Linked Condition 2 (*Consequences of Potential Adjustment Events*) immediately prior to the words "a diluting or concentrative effect…" therein.

15.3 The words "or any adjustment made by the Depository under the Deposit Agreement" shall be added to the end of Equity Linked Condition 2 (*Consequences of Potential Adjustment Events*).

15.4 If the Calculation Agent determines that no adjustment to the Securities under the terms of Equity Linked Condition 2 (*Consequences of Potential Adjustment Events*) that it could make will produce a commercially reasonable result, the Calculation Agent may elect to treat the Potential Adjustment

Event as an Extraordinary Event to which the consequences in paragraphs (ii), (iv) or (v) of Equity Linked Condition 3.1 (*Extraordinary Events*) shall apply, as selected by the Calculation Agent.

**16. Amended Definition of De-listing and Consequences of Extraordinary Events**

16.1 The definition of De-listing shall be amended by the addition of the words "(A) the Depository announces that the Deposit Agreement is (or will be) terminated and/or (B)" immediately after the word "means" in the first line thereof.

16.2 Equity Linked Condition 3.1 (*Extraordinary Events*) paragraph (i) shall be amended by the addition of the words "or any adjustment made by the Depository under the Deposit Agreement" immediately after the words "that options exchange" therein.

16.3 For the purposes of Equity Linked Condition 3.1 (*Extraordinary Events*), Replacement DRs shall be deemed to be eligible Substitute Shares to which the provisions of paragraph (v) may apply if so determined by the Calculation Agent.

**17. Provisions relating to Exchangeable Equity Linked N&C Securities**

If "Exchangeable Equity Linked N&C Securities" is specified as applicable in the applicable Final Terms, the provisions of Equity Linked Conditions 17 to 19 inclusive shall apply.

For these purposes:

**Board Lot** means (i) the applicable minimum board lot for trading of the Shares on the Exchange as specified by the Exchange from time to time or (ii) where no such minimum board lot exists, one Share.

**Cash Exchange Amount** means, unless otherwise specified in the applicable Final Terms (in the case of Exempt Securities only), an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

(Final Price x Number of Shares per Security)

**EDRA Final Price** means the Final Price in respect of the first Scheduled Trading Day following the relevant Exercise Date which will be subject to adjustment as though such day was a Valuation Date in accordance with Equity Linked Condition 1.1 in the event that day is a Disrupted Day.

**Entitlement** has the meaning given in Equity Linked Condition 19 below.

**Exchange Optional Redemption Amount** means, unless otherwise specified in the applicable Final Terms (in the case of Exempt Securities only), an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

(EDRA Final Price x Number of Shares per Security)

**Exchange Period** means the period from (but excluding) the Issue Date to (and including) the day immediately preceding the originally scheduled Final Valuation Date (without regard to any Disrupted Day).

**Exchange Right** means the Securityholder's right on any Exercise Date to deliver an Asset Transfer Notice as described in Equity Linked Condition 18.3 below.

**Exchange Settlement Date** means, following the exercise of the Exchange Right, the third Business Day following the relevant Exercise Date.

**Exercise Date** has the meaning given in Equity Linked Condition 18.3 below.

**Final Price** means the Final Price in respect of the Final Valuation Date (as determined in accordance with Equity Linked Condition 6).

**Fractional Share Amount** has the meaning given in Equity Linked Condition 19.2 below.

**Number of Shares per Security** means, in respect of any Security, the number of Shares per Security determined in accordance with the Exchange Formula (as set out in the applicable Final Terms).

**18. Final Redemption Amount and Exchange Events**

18.1 Unless previously redeemed or purchased and cancelled, and unless the Exchange Right is exercised in respect of the relevant Security, each Security shall be redeemed on the Maturity Date at the Final Redemption Amount (as specified in Equity Linked Condition 18.2 below).

18.2 Unless otherwise specified in the applicable Final Terms (in the case of Exempt Securities only), the Final Redemption Amount shall be an amount in the Specified Currency equal to (a) the relevant Specified Denomination for such Security or, if greater (b) the relevant Cash Exchange Amount.

18.3 In respect of any Security, the Holder has the right to deliver an Asset Transfer Notice in accordance with the Physical Delivery N&C Securities Conditions set out in Annex 8 (*Additional Terms and Conditions for Physical Delivery N&C Securities*). The day on which an Asset Transfer Notice is validly delivered (or, if such day is not a Scheduled Trading Day, the immediately following Scheduled Trading Day) is referred to as the **Exercise Date**.

18.4 An Exercise Date may only occur in the Exchange Period and the last day of the Exchange Period is the Cut-off Date for purposes of the Physical Delivery N&C Securities Conditions. If the Exchange Right is exercised in respect of any N&C Security, such N&C Security will be redeemed on the Exchange Settlement Date by the Issuer applying the Nominal Amount of such N&C Security as at such date on behalf of the relevant Securityholder to purchase the Entitlement (as defined in Condition 19) and the Issuer will deliver and pay, as applicable, the Entitlement together with any Fractional Share Amount to or to the order of such Securityholder in respect of each N&C Security, in each case for value on the Exchange Settlement Date, in accordance with, and subject to, the provisions of these Equity Linked Conditions and the Physical Delivery N&C Securities Conditions.

**19. Determination of Entitlement**

19.1 Unless otherwise specified in the applicable Final Terms, the **Entitlement** in respect of each Security will be equal to the Number of Shares per Security.

19.2 In circumstances where the Number of Shares per Security is not equal to an integral multiple of the relevant Board Lot, the Issuer will pay to the relevant Securityholder which has exercised the Exchange Right a cash payment in the Specified Currency (the **Fractional Share Amount**) determined by the Calculation Agent in accordance with the following formula:

$$(A - B) \times C$$

Where:

"A" means the Number of Shares per Security;

"B" means the Number of Shares per Security as rounded down to the nearest integral multiple of the relevant Board Lot; and

"C" means the Final Price.

19.3 The Physical Delivery N&C Securities Conditions will apply on the following basis:

(a) the Maturity Delivery Date will be the relevant Exchange Settlement Date;

(b) the 16th paragraph of Physical Delivery N&C Securities Condition 2 (beginning "If an Asset Transfer Notice is delivered …") will not apply;

(c) for the purposes of Physical Delivery N&C Securities Condition 5 (*Option to Vary Settlement*) only, the Final Redemption Amount as referred to therein will equal the Exchange Optional Redemption Amount and the Maturity Date as referred to therein will be the second Business Day following the day on which the relevant Optional Redemption Amount is determined.

19.4 Coupon Amounts

Securityholders exercising the Exchange Right will not be entitled to receive payment of any Coupon Amount due on any Coupon Payment Date which falls on or after the Exchange Settlement Date, but will be entitled to receive any Coupon Amount falling due on any Coupon Payment Date which falls prior to the Exchange Settlement Date.

## ANNEX 3

## ADDITIONAL TERMS AND CONDITIONS FOR FX LINKED SECURITIES

### Contents

**Clause** **Page**

1. Disruption Events ..... 462
2. General Definitions ..... 463
3. Consequences of a Disruption Event ..... 465

***This Annex applies to Exempt Securities and the following Non-Exempt Securities:***

- ***Fixed FX Interest N&C Securities***
- ***FX Redemption N&C Securities***
- ***Fixed Denomination FX Redemption N&C Securities***
- ***FX Basket Knock-Out W&C Securities***
- ***FX Basket Knock-In W&C Securities***

*If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to N&C Securities specified in the applicable Final Terms as FX Linked N&C Securities shall comprise the terms and conditions of the N&C Securities (the* ***N&C Securities Conditions****) and the additional Terms and Conditions for FX Linked Securities set out below (the* ***FX Linked Conditions****) and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as FX Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the* ***W&C Securities Conditions****) and the FX Linked Conditions, in each case together with the Additional Terms and Conditions contained in any of the other Annexes to the Terms and Conditions that are specified in the applicable Final Terms as applying to the Securities and subject, in each case, to completion in the applicable Final Terms or Pricing Supplement (as applicable) and, in the case of Exempt Securities only, supplement or amendment in the applicable Pricing Supplement. In the case of FX Linked N&C Securities which are Exempt N&C Securities or FX Linked W&C Securities which are Exempt W&C Securities, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the FX Linked Conditions, the FX Linked Conditions shall prevail. In the case of FX Linked W&C Securities which are not Exempt N&C Securities or FX Linked W&C Securities which are not Exempt W&C Warrants, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the FX Linked Conditions, the N&C Securities Conditions or the W&C Securities Conditions, as applicable, shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions, the W&C Securities Conditions and/or the FX Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the FX Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "W&C Security" and "W&C Securities" as the context admits.*

**1. Disruption Events**

**Disruption Event** means the occurrence or existence, as determined by the Calculation Agent, of any of the following: Change in Law, Dual Exchange Rate, General Inconvertibility, General Non-Transferability, a Hedging Disruption Event, Illiquidity, a Material Change in Circumstance, Nationalisation, Price Materiality or a Price Source Disruption, in each case if specified as applicable in the applicable Final Terms.

For the purposes of the definition of Disruption Event:

**Change in Law** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal to hold, acquire or dispose of relevant hedge positions relating to the FX Linked Securities or (ii) it will incur a materially increased cost in performing its obligations in relation to the FX Linked Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, the Guarantor (if applicable) and/or any of their Affiliates).

**Dual Exchange Rate** means, with respect to any Settlement Rate Option applicable to a Series of Securities, the occurrence of an event that splits any currency exchange rate specified in such Settlement Rate Option into dual or multiple currency exchange rates.

**General Inconvertibility** means the occurrence of any event that generally makes it impossible to convert (a) a Relevant Currency into another Relevant Currency through customary legal channels or (b) a Relevant Currency into another Relevant Currency at a rate that is at least as favourable as the rate for domestic institutions located in a Relevant Currency Jurisdiction.

**General Non-Transferability** means the occurrence of any event that generally makes it impossible to deliver a Relevant Currency from accounts inside any Relevant Currency Jurisdiction to accounts either inside or outside such Relevant Currency Jurisdiction irrespective of whether the holder of such account is a resident or non resident of such Relevant Currency Jurisdiction.

**Hedging Disruption Event** means an event that renders a Hedging Party unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the foreign exchange risk incurred by the Issuer as a result of the issuance of the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**Illiquidity** means it becomes impossible to obtain a firm quote of any Settlement Rate for the Minimum Amount (either in one transaction or a commercially reasonable number of transactions that, when taken together, total the Minimum Amount) on any relevant Valuation Date or Averaging Date (or, if different, the day on which rates for that Valuation Date or Averaging Date would, in the ordinary course, be published or announced by the relevant FX Price Source).

**Material Change in Circumstance** means the occurrence of any event (other than those events specified as Disruption Events in this paragraph) in a Relevant Currency Jurisdiction beyond the control of any Hedging Party which makes it impossible (A) for a the Issuer to fulfil its obligations under the relevant series of Securities and (B) generally to fulfil obligations relating to the Issuer's obligations under such Securities (including any related obligations of any Hedging Party).

**Nationalisation** means any expropriation, confiscation, requisition, nationalisation or other action taken by a Governmental Authority which deprives any Hedging Party of all or substantially all of its assets in any relevant jurisdiction.

**Price Materiality** means any Primary Rate differs from the related Secondary Rate by at least the Price Materiality Percentage.

**Price Source Disruption** means it becomes impossible to obtain any Settlement Rate on any Valuation Date or Averaging Date (or, if different, the day on which rates for that Valuation Date or Averaging Date would, in the ordinary course, be published or announced by the relevant FX Price Source).

## 2. General Definitions

**Averaging Date** means each date specified as an Averaging Date in the applicable Final Terms or if that is not an FX Business Day the first FX Business Day thereafter unless, in the opinion of the Calculation Agent such day is an FX Disrupted Day. If such day is an FX Disrupted Day the provisions of FX Linked Condition 3 shall apply.

**FX Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of a Disruption Event would have settled payments and been open for general business in each of the Specified Financial Centres.

**FX Disrupted Day** means any FX Business Day on which a Disruption Event occurs.

**FX Price Source** means, in respect of a Reference Exchange Rate, the price source(s) specified in the applicable Final Terms for such Settlement Rate or if the relevant rate is not published or announced by such FX Price Source at the relevant time, any successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent.

**Governmental Authority** means (i) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank), in each case in any relevant jurisdiction.

**Hedging Party** means the Issuer and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations in respect of the Securities from time to time.

**Minimum Amount** means, in the case of N&C Securities, the aggregate nominal amount of the Securities at the relevant time or, in the case of W&C Securities, the product of the Notional Amount specified in the applicable Final Terms and the number of W&C Securities remaining outstanding (as defined in the Agency Agreement) at the relevant time.

**Price Materiality Percentage** means the percentage specified as such in the applicable Final Terms.

**Primary Rate** means each rate specified as such and determined using the Settlement Rate Option specified for such purpose in the applicable Final Terms.

**Reference Exchange Rate** means each exchange rate of one Relevant Currency for another Relevant Currency specified in the applicable Final Terms expressed as a number of units of one Relevant Currency per unit of the other Relevant Currency which appears on the FX Price Source or such other rate specified or otherwise determined as provided in the applicable Final Terms.

**Relevant Currency** means each currency referenced or referred to under the Securities for the purposes of these FX Linked Conditions.

**Relevant Currency Jurisdiction** means each jurisdiction in which a Relevant Currency is the lawful currency selected by the Calculation Agent.

**Secondary Rate** means each rate specified as such determined using the Settlement Rate Option specified for such purpose in the applicable Final Terms.

**Settlement Rate** means, subject to FX Linked Condition 3, the level of the relevant Reference Exchange Rate for a Relevant Currency at the relevant Valuation Time, all as specified in the applicable Final Terms, as determined by the Calculation Agent in good faith and in a commercially reasonable manner (including but not limited to making such adjustments as are necessary to published quoting conventions and/or implying the Reference Exchange Rate from one or more Settlement Rate Options in relation to a Relevant Currency).

**Settlement Rate Option** means, with respect to a Settlement Rate, the settlement rate option specified as such in the applicable Final Terms.

**Specified Financial Centre(s)** means the financial centre(s) specified as such in the applicable Final Terms.

**Valuation Date** means each Valuation Date specified in the applicable Final Terms or if any such date is not an FX Business Day the first FX Business Day thereafter unless, in the opinion of the Calculation

Agent, such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then the provisions of FX Linked Condition 3 shall apply.

**Valuation Time** means the time specified as such in the applicable Final Terms.

**3. Consequences of a Disruption Event**

In the event that the Calculation Agent determines that a Disruption Event has occurred or exists on or in relation to any relevant Valuation Date or Averaging Date, which Disruption Event is material in the context of making any determinations under the Securities, 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):

**Calculation Agent Determination of Settlement Rate** means that the Calculation Agent will determine the Settlement Rate (or an alternative method for determining the Settlement Rate), taking into consideration all available information that in good faith it deems relevant.

**Fallback Reference Price** means that the Calculation Agent will determine the Settlement Rate on or in relation to the relevant Valuation Date or Averaging Date (or, if different, the day on which rates for that Valuation Date or Averaging Date would, in the ordinary course, be published or announced) pursuant to the first of the alternate Settlement Rate Options, if any, specified as a Fallback Reference Price for such purpose in the applicable Final Terms that is not subject to or affected by a Disruption Event.

**Settlement Postponement** means that the relevant Valuation Date or Averaging Date, as applicable, will be deemed to be the first succeeding FX Business Day on which no Disruption Event exists, unless a Disruption Event continues to exist (measured from the original date that, but for the occurrence of a Disruption Event, would have been the Valuation Date or Averaging Date, as applicable) for a number of consecutive FX Business Days equal in number to the Maximum Days of Disruption. In that case, the Calculation Agent shall determine the relevant Settlement Price or Settlement Rate (as applicable) in the manner set out in the Conditions (including, where applicable, the applicable Final Terms) or, if not set out or if not practicable, determine the relevant Settlement Price or Settlement Rate (as applicable) in accordance with its good faith estimate of the relevant Settlement Price or Settlement Rate as of the Valuation Time on such final day which it determines would have prevailed but for the relevant Disruption Event.

**Termination** means that the Issuer may give notice to Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable and redeem or cancel all (but not some only) of the Securities, each N&C Security being redeemed at the Early Redemption Amount and each W&C Security being cancelled at the Early Cancellation Amount. Payment in respect of such Termination shall be made as specified in such notice to Securityholders.

For the purposes of this FX Linked Condition 3:

**Maximum Days of Disruption** means (a) the number of calendar day specified as such in the applicable Final Terms (or if not so specified, ten calendar days) or (b) such shorter period as the Calculation Agent may determine ending on the second FX Business Day prior to any day on which the Issuer is scheduled to make any payment or perform any delivery obligation in respect of the Securities determined in whole or in part by reference to the relevant Settlement Rate.

## ANNEX 4

## ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED SECURITIES

### Contents

**Clause** **Page**

PART A – ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED SECURITIES..467

1. Determination of Relevant Commodity Price for Commodity Linked Securities .....467
2. Commodity Market Disruption Events and Disruption Fallbacks .....467
3. Additional Disruption Events.....468
4. Commodity Index Adjustment Events and Successor Index Sponsor .....468
5. Common Pricing.....470
6. Corrections to Published Prices.....470
7. Adjustments to Payment Dates, Exercise Dates and Settlement Dates.....471
8. Commodity Business Day and Index Business Day Convention.....471

PART B – DEFINITIONS APPLICABLE TO COMMODITY LINKED SECURITIES .....472

1. Certain General Definitions Relating to Commodity Linked Securities.....472
2. Definitions Relating to Commodity Market Disruption Events and Disruption Fallbacks.....474
3. Definitions Relating to Commodity Market Disruption Events and Disruption Fallbacks for a Commodity Index.....477
4. Definitions Relating to Additional Disruption Events .....479
5. Definitions Relating to Commodity Index Adjustment Events.....480
6. Certain General Definitions Relating to Commodity Reference Prices .....480

PART C – CERTAIN COMMODITY REFERENCE PRICES AND INDEX REFERENCE PRICES .....484

1. Agricultural .....484
2. Energy .....486
3. Metals.....488
4. Platts.....490
5. Indices .....492

## PART A – ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED SECURITIES

***This Annex applies to Exempt Securities only.***

*If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Commodity Linked N&C Securities shall comprise the terms and conditions of the N&C Securities (the* ***N&C Securities Conditions****) and the additional Terms and Conditions for Commodity Linked Securities set out below (the* ***Commodity Linked Conditions****) and (b) the terms and conditions applicable to Commodity Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the* ***W&C Securities Conditions****) and the Commodity Linked Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Commodity Linked Conditions, the Commodity Linked Conditions shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions, the W&C Securities Conditions and/or the Commodity Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Commodity Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "W&C Security" and "W&C Securities" as the context admits.*

These Commodity Conditions apply to Commodity Linked Securities linked to (i) a single Relevant Commodity, (ii) a Commodity Index, (iii) a Basket of Commodities or (iv) a basket of various assets or reference bases which includes a Relevant Commodity or Commodity Index.

### 1. Determination of Relevant Commodity Price for Commodity Linked Securities

The Relevant Commodity Price for a Relevant Commodity or a Commodity Index for any Pricing Date shall be the price, expressed as a price per unit of the Relevant Commodity or the settlement price (or other reference price or level) of the Commodity Index, determined by the Calculation Agent with respect to that Pricing Date in respect of which:

(i) the Commodity Reference Price or Index Reference Price, is as specified in the applicable Final Terms;

(ii) the Specified Price (if any) is as specified in the applicable Final Terms;

(iii) the Delivery Date (if any) is as specified in the applicable Final Terms; and

(iv) the Pricing Date(s) is/are the date(s) as specified in the applicable Final Terms.

### 2. Commodity Market Disruption Events and Disruption Fallbacks

If, in the opinion of the Calculation Agent, a Commodity Market Disruption Event which has occurred with respect to a Relevant Commodity is continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source), the Relevant Commodity Price for such Relevant Commodity for that Pricing Date will be determined by the Calculation Agent in accordance with the applicable Disruption Fallbacks.

If, in the opinion of the Calculation Agent, a Commodity Market Disruption Event has occurred in relation to the Index Components of a Commodity Index and is continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source), the Index Reference Price will be determined by the Calculation Agent pursuant to the applicable Disruption Fallbacks regardless of whether or not a settlement price (or other reference price or level) of the Commodity Index has been published by the Index Sponsor

in respect of such Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source).

If, in relation to a Commodity Index, an event would constitute both (i) a Commodity Market Disruption Event, and (ii) a Commodity Index Adjustment Event, such event will be deemed a Commodity Index Adjustment Event.

In respect of proprietary indices linked to commodities (or other commodity-linked reference assets), the actual market disruption events and disruption fallbacks and index adjustment events (and related definitions and terms) applicable thereto may differ in certain respects from those set forth in these Commodity Conditions. In such cases, the relevant definitions and terms and conditions of any such bespoke market disruption events and disruption fallbacks and index adjustments events shall apply in accordance with the terms of each such proprietary index, all subject to such other provisions as may be specified in the Final Terms relating to any Commodity Linked Security linked to such proprietary indices.

**3. Additional Disruption Events**

In the event that an Additional Disruption Event occurs as determined by the Calculation Agent, then the Calculation Agent may either (a)(i) make such adjustment to the exercise, settlement, payment or any other terms of the 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 the Securities as of such date as the Calculation Agent shall determine by notice given to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, each N&C Security being redeemed at the Early Redemption Amount and each W&C Security being cancelled at the Early Cancellation Amount. Payment in respect of such early redemption or cancellation shall be made as specified in such notice to Securityholders.

**4. Commodity Index Adjustment Events and Successor Index Sponsor**

*(a) Successor Index Sponsor calculates and reports a Commodity Index*

If a relevant Commodity Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a suitable successor sponsor (the **Successor Index Sponsor**) or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that index (the **Successor Index**) will be deemed to be the Commodity Index and the Relevant Commodity Price will be deemed to be the price so calculated and announced by that Successor Index Sponsor or published in respect of that Successor Index, as the case may be. The Calculation Agent shall determine in its reasonable discretion whether a successor sponsor is suitable and/or whether the formula for and method of calculation used by a successor index is the same or substantially similar and the Calculation Agent may make such adjustment(s) that it determines appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Securities to account for that Successor Index.

*(b) Commodity Index Adjustment Events*

If, with respect to a Commodity Index, at any time on or after the Trade Date the Calculation Agent in its reasonable discretion determines that a Commodity Index Adjustment Event has occurred, then the Issuer may at its option:

(i) require the Calculation Agent to determine if such Commodity Index Adjustment Event has a material effect on the Securities and, if so, require the Calculation Agent to determine any relevant adjustment to the Conditions which may include, without limitation, delaying any Pricing Date or other date for valuation or observation of the relevant Commodity Index until the relevant Commodity Index Adjustment Event no longer exists;

(ii) require the Calculation Agent to replace any Commodity Index that is affected by a Commodity Index Adjustment Event with one or more successor indices (in each case any such replacement being a **Replacement Index**) (and as appropriate replace the Index Sponsor with the index sponsor in respect of the Replacement Index and make such adjustments to any other Conditions as the Calculation Agent considers relevant to account for such replacement in accordance with Commodity Linked Condition 4(c) below), whereupon the Replacement Index(ices) will be deemed to be the successor(s) to the relevant Commodity Index and will take effect from the date of such replacement, provided however that the selection of a Replacement Index will be made by the Calculation Agent in accordance with the Index Replacement Criteria. Thereafter, all references to the relevant Commodity Index or Index Sponsor (as applicable) shall be deemed to be references to such relevant replacements;

(iii) other than following the occurrence of an Index Restriction Event, require the Calculation Agent to calculate the Relevant Commodity Price using, in lieu of a published level for the Commodity Index, the level for the Commodity Index in respect of the applicable Pricing Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Commodity Index last in effect prior to the relevant Index Adjustment Event, but using only those Index Components that comprised the 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)); or

(iv) give notice to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, and redeem or cancel all, but not some only, of the Securities, each N&C Security being redeemed at the Early Redemption Amount and each W&C Security being cancelled at the Early Cancellation Amount. Payment in respect of such early redemption or cancellation shall be made as specified in such notice to Securityholders.

Notwithstanding the foregoing, the Calculation Agent shall not be required to determine the Relevant Commodity Price for a Commodity Index in accordance with paragraph (iii) above on more than one consecutive Pricing Date. If, following the occurrence of a Commodity Index Adjustment Event, the Calculation Agent has already calculated the Relevant Commodity Price for a Commodity Index in accordance with paragraph (iii) on any Pricing Date, on or prior to the next following Pricing Date thereafter, if the relevant Commodity Index Adjustment Event is continuing the Issuer may at its option (a) require the Calculation Agent to adjust the terms of the Securities in accordance with paragraph (i) above, (b) require the Calculation Agent to replace the affected Commodity Index in accordance with paragraph (ii) above or (c) redeem or cancel the Securities in accordance with paragraph (iv) above.

*(c) Valuation of Replacement Indices*

For the purposes of any adjustments to account for a replacement as referred to in Commodity Linked Condition 4(b)(ii), the Calculation Agent shall adjust such values, levels, variables or terms for the valuation or observation of the Replacement Index in the terms of the Securities in order to account for the price or value of the affected Commodity Index at the time of its replacement as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements. This may mean that the economic benefit, if any, of the replacement for the Holder is reduced or that the replacement has a material adverse effect on the Securities. For example, and without limitation, the relevant level or value of the Replacement Index may be adjusted by the same proportion as any fall

in value of the affected Commodity Index at the time of the replacement relative to the Trade Date and may be further reduced to account for the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements.

**5. Common Pricing**

With respect to Securities relating to a Basket of Commodities, if "Common Pricing" has been selected in the applicable Final Terms as:

(i) "Applicable" then, no date will be a Pricing Date unless such date is a day in relation to which the Commodity Reference Prices for all Relevant Commodities are (or but for the occurrence of a Commodity Market Disruption Event would have been) scheduled to be published or announced.

(ii) "Inapplicable" then, a date will be a Pricing Date regardless of whether such date is a day in relation to which the Commodity Reference Prices for all Relevant Commodities are (or but for the occurrence of a Commodity Market Disruption Event would have been) scheduled to be published or announced.

For the avoidance of doubt, in the case of both (i) and (ii) above if the Calculation Agent determines that a Commodity Market Disruption Event has occurred or exists in relation to a Pricing Date (subject to the applicability of Common Pricing) in respect of any Relevant Commodity and/or Commodity Index in a Basket of Commodities (the **Affected Commodity**), the Relevant Commodity Price of each Relevant Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Commodity Market Disruption Event shall be determined in relation to its scheduled Pricing Date and the Relevant Commodity Price for each Affected Commodity shall be determined in accordance with the applicable Disruption Fallbacks.

**6. Corrections to Published Prices**

For purposes of determining or calculating the Relevant Commodity Price for any Pricing Date, if the price published or announced on a given day and used or to be used by the Calculation Agent to determine a Relevant Commodity Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within 30 calendar days after the original publication or announcement, the Calculation Agent may recalculate the Relevant Commodity Price for that day, using such corrected price. The Calculation Agent shall notify the Issuer of any such correction, the revised Relevant Commodity Price and, if any amount (the **Actual Amount**) has been paid or delivered to Securityholders on the basis of the original Relevant Commodity Price, the amount that should have been paid or delivered to the Securityholders on the basis of the corrected Relevant Commodity Price (the **Adjusted Amount**). Upon being notified of the Adjusted Amount, the Issuer may (but shall not be obliged to) take such action as it considers necessary or appropriate to either pay or deliver additional amounts (if the Adjusted Amount is greater than the Actual Amount) or recover (solely by set-off against future payments) such amounts (if the Adjusted Amount is less than the Actual Amount). The Calculation Agent shall not be obliged to make any determination under this Commodity Condition and shall have no liability to any person for any determination made or not made under this Commodity Condition.

In determining whether or not to exercise the above discretion the Calculation Agent shall take into account such factor(s) as it determines appropriate, including, without limitation, hedging arrangements of any Hedging Party in respect of the Securities.

Notwithstanding the foregoing, where the Calculation Agent determines that the price published or announced on a given day and used or to be used by it to determine a Relevant Commodity Price in respect of a Pricing Date is expected to be subsequently corrected, then the Calculation Agent may delay the determination or calculation of the Relevant Commodity Price in respect of such day and

instead notify the Issuer of the expected correction. If the Calculation Agent notifies the Issuer of an expected correction to a Relevant Commodity Price, the Issuer shall not make any related payments or deliveries, until the Calculation Agent determines or calculates the correct Relevant Commodity Price and the day on which such payments or delivered are due shall be delayed to the same extent as was the determination or calculation of the correct Relevant Commodity Price. No additional amounts shall be payable or deliverable as a result of any such delay or postponement.

**7. Adjustments to Payment Dates, Exercise Dates and Settlement Dates**

Notwithstanding anything to the contrary in these Commodities Conditions, if, as a result of a delay or postponement pursuant to the occurrence of a Commodity Market Disruption Event or Index Adjustment Event, a Relevant Commodity Price used to determine (i) whether any right of exercise (of the Issuer or any Securityholder) may be exercised or (ii) any amount payable or deliverable (plus related adjustments) on any Coupon Payment Date, Redemption Date or on any other relevant date in relation to the Commodity Linked Securities, is unavailable such determination and/or date will, subject to the applicable Final Terms, be delayed or postponed to fall on the second Business Day following the determination of the Relevant Commodity Price under the Disruption Fallback provision or Commodity Index Adjustment Event provision as determined by the Calculation Agent. No additional amounts shall be payable or deliverable by the Issuer or the Guarantor (if applicable) to any Securityholder as a result of any such delay or postponement.

**8. Commodity Business Day and Index Business Day Convention**

If any date applicable to a Commodity Linked Security that is specified to be subject to adjustment in accordance with a Commodity Business Day Convention or an Index Business Day Convention, as applicable, would otherwise fall on a day that is not a Commodity Business Day or Index Business Day as applicable, such date will be adjusted according to the Commodity Business Day Convention or Index Business Day Convention, as applicable, specified in the applicable Final Terms.

If the Commodity Business Day Convention or Index Business Day Convention is:

(i) "Following", such date shall be postponed to the next day that is a Commodity Business Day or Index Business Day, as applicable;

(ii) "Modified Following", such date shall be postponed to the next day that is a Commodity Business Day or Index Business Day, as applicable, unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Commodity Business Day or Index Business Day, as applicable; or

(iii) "Preceding", such date shall be brought forward to the immediately preceding Commodity Business Day or Index Business Day, as applicable.

## PART B – DEFINITIONS APPLICABLE TO COMMODITY LINKED SECURITIES

### 1. Certain General Definitions Relating to Commodity Linked Securities

**Basket of Commodities** means, in relation to a particular Security, a basket composed of Relevant Commodities and/or Commodity Indices in the relative proportions specified in the applicable Final Terms.

**Bullion** means, Gold, Silver, Platinum or Palladium.

**Bullion Business Day** means, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York.

**Commodity Business Day** means, in respect of a Relevant Commodity and a Commodity Reference Price (i) for each Commodity Reference Price which is a price announced or published by an Exchange (other than in respect of Bullion), a day that is (or would have been, but for the occurrence of a Commodity Market Disruption Event) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time, (ii) for each Commodity Reference Price which is not a price announced or published by an Exchange (other than in respect of Bullion), a day in respect of which the relevant Price Source publishes (or would have published, but for the occurrence of a Commodity Market Disruption Event) the relevant price, (iii) for each Commodity Reference Price in respect of Bullion, a Bullion Business Day, or (iv) as otherwise specified in the applicable Final Terms.

**Commodity Index** means, in relation to a Commodity Linked Security, each commodity index, as specified in the applicable Final Terms.

**Commodity Reference Price** means, in respect of a Relevant Commodity, the reference price as specified in the applicable Final Terms and determined by the Calculation Agent. The specified Commodity Reference Price may be defined in the applicable Final Terms or be interpreted by reference to these Commodities Conditions.

**Delivery Date** means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the Relevant Commodity as specified in the applicable Final Terms and determined by the Calculation Agent as follows:

(i) if a date is, or a month and year are, specified, that date or that month and year;

(ii) if a Nearby Month is specified, the month of expiration of the relevant Futures Contract; and

(iii) if a method is specified for the purpose of determining the Delivery Date, the date or month and year determined pursuant to that method.

**Exchange** means, in respect of (i) a Relevant Commodity, each exchange or principal trading market specified for such Relevant Commodity in the applicable Final Terms or the relevant Commodity Reference Price, or (ii) an Index Component, each exchange or trading market if any, on which such Index Component is principally traded or quoted as determined by the Calculation Agent.

**Futures Contract** means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Relevant Commodity referred to in that Commodity Reference Price.

**Index Business Day** means, in respect of a Commodity Index and an Index Reference Price, the following (unless otherwise specified in the applicable Final Terms) a day:

(i) when the Calculation Agent is open for business in London and New York; and

(ii) with respect to Index Components which are Exchange-traded, on which all such Exchanges are (or, but for the occurrence of a Commodity Market Disruption Event, would have been) open for trading during their respective regular trading sessions, notwithstanding any such Exchange closing prior to its scheduled closing time; and

(iii) with respect to Index Components which are not Exchange-traded, on which the relevant Price Source publishes (or would have published, but for the occurrence of a Commodity Market Disruption Event) a settlement price (or other relevant reference price) for such Index Component.

**Index Component** means, in relation to a Commodity Index and any relevant date:

(i) each of the futures contracts and/or over-the-counter contracts (whether swaps, forwards or otherwise) in relation to each commodity which, as at that date, comprise that Commodity Index or to which that Commodity Index directly or indirectly relates; and

(ii) each commodities index or other asset or reference basis comprising that Commodity Index or to which that Commodity Index relates.

**Index Reference Price** means, in respect of a Commodity Index, the settlement price of the index (or other reference price or level) as specified in the applicable Final Terms and determined by the Calculation Agent.

**Index Sponsor** means, in relation to a Commodity Index, the corporation or entity that is responsible for setting and reviewing the rules and procedures, and the methods of calculation and adjustments, if any, related to the Commodity Index (or any Successor Sponsor, with respect to a Successor Index) as specified in the applicable Final Terms.

**Nearby Month** means, in respect of a Delivery Date and a Pricing Date, when preceded by a numerical adjective, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (i) "First Nearby Month" means the month of expiration of the first Futures Contract to expire following that Pricing Date; (ii) "Second Nearby Month" means the month of expiration of the second Futures Contract to expire following that Pricing Date; and (iii) "Sixth Nearby Month" means the month of expiration of the sixth Futures Contract to expire following that Pricing Date.

**Price Source** means, (i) in respect of a Commodity Reference Price, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated), as specified in the relevant Commodity Reference Price or the applicable Final Terms, or (ii) in respect of an Index Component, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the settlement price for such Index Component (or other relevant price or prices, including any price from which such price is calculated), as specified in the applicable Final Terms.

**Pricing Date** means, in respect of a Commodity Reference Price or Index Reference Price, as the case may be, each date specified as such in the applicable Final Terms, which date is a day in respect of which a Relevant Commodity Price is to be determined (such date may be a "Strike Date", a "Valuation Date", an "Observation Date" or any other descriptive term identified as such, as set forth in the applicable Final Terms).

**Relevant Commodity** means, in respect of a Commodity Linked Security, the commodity specified in the applicable Final Terms (and, if more than one commodity is specified, then each such commodity), whether such commodity is traded on an Exchange, traded on over-the-counter markets or otherwise.

**Relevant Commodity Price** means, in respect of a Relevant Commodity or Commodity Index, for any Pricing Date, the price, expressed as a price per unit of the Relevant Commodity or the settlement price (or other reference price or level) of the Commodity Index, determined by the Calculation Agent with respect to that Pricing Date for the specified Commodity Reference Price or Index Reference Price, as the case may be.

**Specified Price** means, in respect of a Commodity Reference Price, the price as specified in the applicable Final Terms. The Specified Price can be any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source): (i) the high price; (ii) the low price; (iii) the average of the high price and the low price; (iv) the closing price; (v) the opening price; (vi) the bid price; (vii) the asked price; (viii) the average of the bid price and the asked price; (ix) the settlement price; (x) the official settlement price; (xi) the official price; (xii) the morning fixing; (xiii) the afternoon fixing; (xiv) the spot price; or (xv) any other price.

**Successor Index** means, in respect of a Commodity Index, (i) the Commodity Index as calculated and announced by a successor or replacement sponsor (a **Successor Sponsor**) acceptable to the Calculation Agent, or (ii) a successor or replacement index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Commodity Index.

**Trade Date** means, the date specified as such in the relevant Final Terms.

**2. Definitions Relating to Commodity Market Disruption Events and Disruption Fallbacks**

**Calculation Agent Determination** means, in respect of a Disruption Fallback, the Calculation Agent will determine the Relevant Commodity Price (or a method for determining the foregoing), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that it deems relevant.

**Commodity Market Disruption Event** means, with respect to a Relevant Commodity, an event that would give rise, in accordance with an applicable Disruption Fallback, to an alternative basis for determining the Relevant Commodity Price in respect of a specified Commodity Reference Price were the event to occur or exist on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). In relation to any Relevant Commodity, each of the following is a "Commodity Market Disruption Event":

(i) Price Source Disruption;

(ii) Trading Disruption;

(iii) Disappearance of Commodity Reference Price;

(iv) Material Change in Formula;

(v) Material Change in Content; or

(vi) any Additional Commodity Market Disruption Events specified as applicable in the relevant Final Terms.

Notwithstanding the foregoing, with respect to Bullion the Commodity Market Disruption Events set forth in (iv) and (v) above shall not apply.

**Delayed Publication or Announcement** means, in respect of a Disruption Fallback in relation to any Relevant Commodity, that the Relevant Commodity Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Commodity Market Disruption Event ceases to exist, unless that Commodity Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date), or the Relevant Commodity Price continues to be unavailable, for five (5) consecutive Commodity Business Days, in which case the next Disruption Fallback will apply.

**Disruption Fallback** means, in relation to a Relevant Commodity, a source or method that may give rise to an alternative basis for determining the Relevant Commodity Price in respect of a specified Commodity Reference Price when a Commodity Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable (in the order specified, if any) if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified in the applicable Final Terms, the following Disruption Fallbacks shall be deemed to have been specified (in the following order):

(i) first, Fallback Reference Price (if applicable);

(ii) second, Delayed Publication or Announcement and Postponement (each to operate concurrently with the other); provided, however, that the price determined by Postponement shall be the Relevant Commodity Price only if Delayed Publication or Announcement does not first yield a Relevant Commodity Price within the relevant five (5) consecutive Commodity Business Day period); and then

(iii) third, Calculation Agent Determination.

The Issuer may also specify in the applicable Final Terms any other "Disruption Fallbacks" that will apply to a particular series of Commodity Linked Securities and the relevant order in which they are to be applied.

Subject to so specifying in the applicable Final Terms, the Issuer may elect to treat certain Pricing Dates such that the Disruption Fallback in (ii) above shall be replaced in its entirety with Preceding.

**Disappearance of Commodity Reference Price** means, (i) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange; (ii) the disappearance of, or of trading in, the Relevant Commodity; or (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Relevant Commodity.

**Fallback Reference Price** means, in respect of a Disruption Fallback, that the Calculation Agent will determine the Relevant Commodity Price based on the price in relation to 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. If no Fallback Reference Price is specified in the relevant Final Terms, the next Disruption Fallback will apply.

**Material Change in Content** means, the occurrence since the Trade Date of the Commodity Linked Security of a material change in the content, composition or constitution of the Relevant Commodity or relevant Futures Contract.

**Material Change in Formula** means, the occurrence since the Trade Date of the Commodity Linked Security of a material change in the formula for or method of calculating the relevant Commodity Reference Price.

**Postponement** means, in respect of a Disruption Fallback, that the Pricing Date will, for purposes of the application of this Disruption Fallback only, in relation to any Relevant Commodity, be deemed to be the first succeeding Commodity Business Day on which the Commodity Market Disruption Event ceases to exist, unless that Commodity Market Disruption Event continues to exist for five (5) consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date) in which case the next Disruption Fallback will apply.

**Preceding** means, in respect of a Disruption Fallback, that the Pricing Date will, for purposes of the application of this Disruption Fallback only, in relation to any Relevant Commodity, be deemed to be the immediately preceding Commodity Business Day prior to the original day that would otherwise have been the Pricing Date, provided that where a Commodity Market Disruption Event has been in existence for five (5) consecutive preceding Commodity Business Days (measured from and including the original Pricing Date), the next Disruption Fallback will apply.

**Price Source Disruption** means, (i) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price; or (ii) the temporary or permanent discontinuance or unavailability of the Price Source.

**Trading Disruption** means, the material suspension of, or a material limitation imposed on, trading in the Futures Contract or the Relevant Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

(i) a suspension of the trading in the Futures Contract or the Relevant Commodity on any Commodity Business Day shall be deemed to be material only if:

(1) all trading in the Futures Contract or the Relevant Commodity is suspended for the entire Pricing Date; or

(2) all trading in the Futures Contract or the Relevant Commodity is suspended subsequent to the opening of trading on the Pricing Date, and trading does not recommence at least ten (10) minutes prior to, and continue until, the regularly scheduled close of trading in such Futures Contract or such Relevant Commodity on such Pricing Date; and

(ii) a limitation of trading in the Futures Contract or the Relevant Commodity on any Commodity Business Day shall be deemed to be material only if:

(1) the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Relevant Commodity may fluctuate and the closing or settlement price of the Futures Contract or the Relevant Commodity on such Pricing Date is at the upper or lower limit of that range; or

(2) if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Relevant Commodity may fluctuate, and the price of that Futures Contract or Relevant Commodity on a Pricing Date has, at any time during the last ten (10) minutes prior to the regularly scheduled close of trading in such Futures Contract or Relevant Commodity on such Pricing Date, traded at the upper or lower limit of such range.

## 3. Definitions Relating to Commodity Market Disruption Events and Disruption Fallbacks for a Commodity Index

**Calculation Agent Determination** means, in respect of a Disruption Fallback, the Calculation Agent will determine the Relevant Commodity Price or the price for an Index Component, as applicable (or a method for determining the foregoing), taking into consideration the latest available quotation for the relevant Index Reference Price or Index Component, as applicable, and any other information that it deems relevant.

**Commodity Market Disruption Event** means, with respect to a Commodity Index and its Index Components, as applicable, an event that would give rise, in accordance with an applicable Disruption Fallback, to an alternative basis for determining the Relevant Commodity Price in respect of a Commodity Index (and/or its Index Components) were the event to occur or exist on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). In relation to a Commodity Index, each of the following is a "Commodity Market Disruption Event":

(i) Price Source Disruption;

(ii) Trading Disruption; or

(iii) any Additional Commodity Market Disruption Events specified as applicable in the relevant Final Terms.

**Delayed Publication or Announcement** means, in respect of a Disruption Fallback in relation to any Commodity Index, that the relevant price for an Index Component for a Pricing Date will be determined based on the settlement price (or other reference price if specified in the applicable Final Terms) in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Index Business Day on which the Commodity Market Disruption Event ceases to exist, if applicable with respect to such Index Component, unless that Commodity Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date), or the relevant price for the Index Component continues to be unavailable, for five (5) consecutive Index Business Days, in which case the next Disruption Fallback will apply.

**Disruption Fallback** means, in relation to a Commodity Index, a source or method that may give rise to an alternative basis for determining the Relevant Commodity Price in respect of a Commodity Index (and/or its Index Components) when a Commodity Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable (in the order specified, if any) if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified in the applicable Final Terms, the following Disruption Fallbacks shall be deemed to have been specified (in the following order):

(i) with respect to each Index Component which is not affected by the Commodity Market Disruption Event, the Relevant Commodity Price of the Commodity Index will be based on the settlement price (or other reference price if specified in the applicable Final Terms) of each such Index Component in relation to the Pricing Date; and

(ii) with respect to each Index Component which is affected by the Commodity Market Disruption Event, the Relevant Commodity Price of the Commodity Index will be based on the settlement price (or other reference price if specified in the applicable Final Terms) for such Index Component determined by application of the following fallback provisions (in the following order):

(1) first, Delayed Publication or Announcement (in relation to Price Source Disruption only) and Postponement (in relation to Trading Disruption only); and then

(2) second, Calculation Agent Determination.

The Issuer may also specify in the applicable Final Terms any other "Disruption Fallbacks" that will apply to a particular series of Commodity Linked Securities and the relevant order in which they are to be applied.

Subject to so specifying in the applicable Final Terms, the Issuer may elect to treat certain Pricing Dates such that the Disruption Fallback in (ii)(1) above shall be replaced in its entirety with Preceding.

For the avoidance of doubt, with respect to a Pricing Date which is during an official roll period of a Commodity Index (as a result of which the Index Components include futures contracts with two different delivery dates for the same commodity), where the event or occurrence of a Commodity Market Disruption Event affects one, but not both, such Index Components for a commodity, the relevant price of the futures contracts not affected by the Commodity Market Disruption Event shall be determined pursuant to (i) above, and the affected futures contracts shall be determined pursuant to (ii) above.

**Postponement** means, in respect of a Disruption Fallback, that the Pricing Date will, for purposes of the application of this Disruption Fallback only, in relation to any Index Component of a Commodity Index, be deemed to be the first succeeding Index Business Day on which the Commodity Market Disruption Event ceases to exist, if applicable with respect to such Index Component, unless that Commodity Market Disruption Event continues to exist for five (5) consecutive Index Business Days (measured from and including the original day that would otherwise have been the Pricing Date) in which case the next Disruption Fallback will apply.

**Preceding** means, in respect of a Disruption Fallback, that the Pricing Date will, for purposes of the application of this Disruption Fallback only, in relation to any Index Component of a Commodity Index, be deemed to be the immediately preceding Index Business Day prior to the original day that would otherwise have been the Pricing Date, provided that where a Commodity Market Disruption Event, if applicable with respect to such Index Component has been in existence for five (5) consecutive preceding Index Business Days (measured from and including the original Pricing Date), the next applicable Disruption Fallback will apply.

**Price Source Disruption** means, the failure of the Price Source to announce or publish the settlement price for any Index Component (or other relevant price, or prices from which such price is calculated, if specified in the applicable Final Terms).

**Trading Disruption** means (as determined by the Calculation Agent) a material suspension of, or a material limitation imposed on, trading in any Index Component. Without limiting the exercise of judgment by the Calculation Agent, the following events will generally be deemed to constitute a Trading Disruption:

(i) all trading in an Index Component is suspended for the entire Pricing Date;

(ii) if the relevant Exchange establishes limits on the range within which the price of an Index Component may fluctuate, and the closing or settlement price of that Index Component on a Pricing Date is at the upper or lower limit of such range;

(iii) all trading in the Index Component is suspended subsequent to the opening of trading on the Pricing Date, and trading does not recommence at least ten (10) minutes prior to, and continue

until, the regularly scheduled close of trading in such Index Component on such Pricing Date; or

(iv) if the relevant Exchange establishes limits on the range within which the price of an Index Component may fluctuate, and the price of that Index Component on a Pricing Date has, at any time during the last ten (10) minutes prior to the regularly scheduled close of trading in such Index Component on such Pricing Date, traded at the upper or lower limit of such range.

**4. Definitions Relating to Additional Disruption Events**

**Additional Disruption Event** means, with respect to a Commodity Linked Security each of (i) Change in Law, (ii) Hedging Disruption Event, (iii) Increased Costs of Hedging, and (iv) any other event specified as such in the applicable Final Terms.

**Change in Law** means that, on or after the Trade Date (i) due to any action, adoption or any change in (or the announcement of the intention to take any action or make an adoption that could result in any change in) any applicable law or regulation (including, without limitation, any tax law), or any order, ruling, rule or procedure of any regulatory or tax authority or exchange (each, an **Applicable Regulation**) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal, other judicial, legislative or regulatory authority with competent jurisdiction in relation to any Applicable Regulation (including, without limitation, any action taken by a taxing authority, the United States Commodity Futures Trading Commission (**CFTC**), or exchange or trading facility acting under authority granted by the CFTC pursuant to the United States Commodity Exchange Act of 1936, as amended):

(i) the Issuer determines (in its sole and absolute discretion) that it has or may become illegal for the Issuer and/or any of its Affiliates to hold, acquire, deal in or dispose of the Hedge Positions relating to the Commodity Linked Securities, or

(ii) the Issuer determines (in its sole and absolute discretion) that the Issuer or any of its Affiliates will incur a materially increased cost in performing their obligations under the Commodity Linked Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on their tax position).

**Hedging Disruption Event**: means that the Issuer and/or any of its Affiliates has or will become unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Positions (whether in whole or in part) relating to the Commodity Linked Securities, or (ii) realise, recover or remit the proceeds of any such Hedge Positions.

**Hedge Positions** means, any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives, foreign exchange or other assets, or (ii) other instruments, arrangements or transactions (howsoever described) by the Issuer or any of its Affiliates in order to hedge, in a manner acceptable to the hedging party, individually or on a portfolio basis or otherwise, the Issuer's obligations in respect of the Commodity Linked Securities.

**Increased Costs of Hedging** means that the Issuer and/or any of its Affiliates has or will incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, cost, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Positions (whether in whole or in part) with respect to the Commodity Linked Securities, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Costs of Hedging.

## 5. Definitions Relating to Commodity Index Adjustment Events

**Commodity Index Adjustment Event** means an Index Cancellation, Index Disruption, Index Modification or Index Restriction Event.

**Index Cancellation** means that the Commodity Index is permanently cancelled or the Index Sponsor announces its intention to permanently cancel the Index or that it will no longer calculate and announce the relevant Index Reference Price utilised in relation to the Commodity Linked Securities and no Successor Index exists.

**Index Disruption** means that the Index Sponsor fails to calculate and/or announce the relevant Index Reference Price in relation to the Commodity Linked Securities (a) at any time following the Trade Date for a continuous period of ten (10) Index Business Day and/or (b) in respect of any Pricing Date or any other day on which the Calculation Agent would otherwise be required to determine the Index Reference Price.

**Index Modification** means that the Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating the Commodity Index or in any other way materially modifies the Commodity Index.

**Index Replacement Criteria** means either (i) in the case of Exempt Securities only, the Index Replacement Criteria specified in the applicable Pricing Supplement or (ii) in the case of Non-Exempt Securities or any Exempt Securities for which no Index Replacement Criteria are specified in the applicable Pricing Supplement, the requirement that when selecting a replacement Commodity Index the Calculation Agent shall ensure that such replacement index uses, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the level of the Commodity Index that is being replaced.

**Index Restriction Event** means the occurrence of circumstances in which (i) the Issuer, the Calculation Agent or any other person using a Commodity Index or a combination of Commodity Indices in connection with the Securities is prevented from using or (ii) it is not commercially reasonable for any such entity to continue the use of such Commodity Index or combination of Commodity Indices, in each case as a result of:

(i) any applicable legal restrictions; or

(ii) any applicable licensing restrictions or changes in the cost of obtaining or maintaining any relevant licence (including, without limitation, where the Issuer, the Calculation Agent, or any such other person is required to hold a valid licence in order to issue or perform its obligations in respect of the Securities and for any reason such licence is either not obtained, not renewed or is revoked or there is a material change in the cost of obtaining or renewing such licence).

## 6. Certain General Definitions Relating to Commodity Reference Prices

(a) *Rolling and Commodity Reference Prices*

Commodity futures contracts normally have stated expirations and, at a specified point in time prior to such expiration, trading in a specific commodity futures contract for the current delivery month will cease. In addition, commodities futures contracts will usually specify a date certain for, or a period during which, delivery of the underlying physical commodity can be made; these "notice" days (or "notice period") relating to delivery can be on or begin before, after or even on the date of expiration of the futures contract. As a result, a market participant wishing to maintain its exposure to a futures contract on a particular commodity with the nearest expiration must close out its position in the expiring contract and establish a new position in the contract for the next delivery month – taking into account the relevant notice days so that physical delivery of the commodity is not triggered – in a

process referred to as "rolling". Market participants will routinely roll their futures positions in commodities, whether for outright investment purposes or in relation to hedging.

For example, a market participant has a long position in Cocoa-NYBOT May 2010 futures, the last trading day for these futures is 15 May 2010 and the first notice day relating to delivery is several weeks before on 20 April 2010. If the market participant wishes to maintain a position in the nearest delivery month then it will, as the May contract nears the first notice day, sell May futures, which serves to close out the existing long position, and buy July 2010 futures (July is the next Cocoa-NYBOT contract). This will "roll" the May position into a July position, and, when the May contract expires, the market participant will still have a long position in the nearest delivery month without having incurred any delivery obligations in relation to the May contract.

In cases where the first notice day for physical delivery relating to a commodity is on the same day as the last trading day, a market participant will take into account any liquidity issues in the relevant futures contract when deciding when it will roll its position. In some cases, there will be significant liquidity up until the last trading day and in others the opposite effect will take place, all of which will depend on the specific commodity in question and market conditions.

As a result of the foregoing, and with consideration to the Issuer's (or its Affiliates') hedging policy in relation to any Commodity Linked Security, the Commodity Reference Prices for certain commodities will provide for "rolling" provisions where a Pricing Date is within a notice period or on the last trading day of the relevant futures contract. These provisions will be specified in the applicable Final Terms (as demonstrated in the examples set forth below) in conjunction with the use of the following defined terms:

**First Notice Day** means, in respect of the relevant Futures Contract, the first day on which notice may be given for delivery of the commodity under such Futures Contract, as published by the relevant Exchange.

**Last Trading Day** means, in respect of the relevant Futures Contract, the final day during which trading may take place in such Futures Contract, as published by the relevant Exchange.

**Last Trading Day Provisions (1st)** means, that if a Pricing Date falls on the Last Trading Day of the expiring Futures Contract for the relevant Delivery Date, then the Specified Price of such Futures Contract (and not that of the immediately following Futures Contract) shall be used.

**Last Trading Day Provisions (2nd)** means, that if a Pricing Date falls on the Last Trading Day of the expiring Futures Contract for the relevant Delivery Date, then the Specified Price of the immediately following Futures Contract to expire after such Pricing Date shall be used.

**Roll Provisions** means, that if a Pricing Date:

(i) falls in the period from, and including, the First Notice Day to, but excluding, the Last Trading Day of a Futures Contract for the relevant Delivery Date then the Specified Price of the second Futures Contract to expire immediately following such Pricing Date shall be used; or

(ii) is on the Last Trading Day of the expiring Futures Contract for a relevant Delivery Date then the Specified Price of the immediately following Futures Contract to expire after such Pricing Date shall be used.

**Example Commodity Reference Prices; Rolling**

| Relevant Commodity | Commodity Reference Price | Specified Price | Delivery Date |
|---|---|---|---|

| | | | |
|---|---|---|---|
| **GOLD** | GOLD-P.M. FIX | n/a | n/a |
| **WTI** | OIL-WTI-NYMEX | Settlement Price | First Nearby Month (subject to Last Trading Day Provisions (1st)) |
| **CORN** | CORN-CBOT | Settlement Price | First Nearby Month (subject to Roll Provisions) |

(b) *Price Sources*

(i) **APPI** which means the Asian Petroleum Price Index, or any successor report, prepared by KPMG Corporate Services Limited, Hong Kong or its successor and reported on the Energy Market Information Service or its successor;

(ii) **Argus** means Argus European Natural Gas, or any successor publication, published by Argus Media Limited or its successor;

(iii) **Argus/McCloskey's** and **Argus/McCloskey's Coal Price Index Report** each means the Argus/McCloskey's Coal Price Index Report, or any successor publication, published by Argus Media Limited, or its successor, and The McCloskey Group Limited, or its successor;

(iv) **Dow Jones Power** and **Dow Jones Energy Service – Dow Jones Electricity Price Indexes** each means the Dow Jones Energy Service - Dow Jones Electricity Price Indexes, or any successor indexes, published by Dow Jones Newswires, a division of Dow Jones & Company, Inc., or its successor;

(v) **globalCOAL** means globalCOAL, or its successor, which reports market prices on its website at http://www.globalcoal.com, or its successor;

(vi) **Heren** means European Spot Gas Markets, or any successor publication, published by Heren Energy Ltd., or its successor;

(vii) **OMEL** means the Operador del Mercado Iberico de Energia - Polo Espanol, S.A., or its successor, which reports market prices on its website-at www.omel.es, or its successor;

(viii) **Platts Marketwire** means Platts Crude Oil Marketwire, or any successor publication, published by The McGraw-Hill Companies Inc., or its successor;

(ix) **Powernext** means Powernext S.A., or its successor, which reports market prices on its website at www.powernext.fr, or its successor.

(c) *Exchanges and Principal Trading Markets*

(i) **APX** means the Amsterdam Power Exchange N.V., or its successor, which reports market prices on its website at www.apx.nl, or its successor;

(ii) **CBOT** means the Chicago Board of Trade, or its successor;

(iii) **CME** means the Chicago Mercantile Exchange, or its successor;

(iv) **COMEX** means the COMEX Division, or its successor, of the New York Mercantile Exchange, Inc., or its successor;

(v) **EEX** means the European Energy Exchange AG, or its successor, which reports market prices on its website at www.eex.de, or its successor;

(vi) **EURONEXT LIFFE** means Euronext B.V. London International Financial Futures and Options Exchange, or its successor;

(vii) **ICE Futures** or **IPE** means ICE Futures, a wholly owned subsidiary of Intercontinental Exchange, or its successor;

(viii) **KCBOT** means the Kansas City Board of Trade, or its successor;

(ix) **LEBA** means The London Energy Brokers' Association, or its successor;

(x) **LME** means The London Metal Exchange Limited, or its successor;

(xi) **London Gold Market** means the market in London on which members of The London Bullion Market Association (**LBMA**), amongst other things, quote prices for the buying and selling of Gold;

(xii) **London Silver Market** means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Silver;

(xiii) **LPPM** means The London Platinum and Palladium Market in London on which members quote prices for the buying and selling of Platinum and Palladium;

(xiv) **MDEX** means the Malaysian Derivatives Exchange, or its successor;

(xv) **NYBOT** means the New York Board of Trade, or its successor;

(xvi) **NYMEX** means the NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor;

(xvii) **SICOM** means the Singapore Commodity Exchange Limited, or its successor;

(xviii) **TOCOM** means The Tokyo Commodity Exchange, or its successor.

## PART C – CERTAIN COMMODITY REFERENCE PRICES AND INDEX REFERENCE PRICES

*Subject to Parts A and B of this Annex, for purposes of determining the Relevant Commodity Price for a Relevant Commodity or Commodity Index, certain Commodity Reference Prices and Index Reference Prices are set forth below.*

*In addition, where a Commodity Reference Price is not set forth below in respect of a commodity, then such Commodity Reference Price shall be as set forth in the relevant Final Terms, specifying: (1) the Relevant Commodity (including, if relevant, the type or grade of that commodity, the location of delivery and any other details); (2) the relevant unit of measure; (3) the relevant Price Source; (4) the relevant currency in which the Specified Price is expressed; (5) the Specified Price; and if applicable (6) the Delivery Date, in which case the price for any relevant date will be that day's Specified Price per unit of measure of that commodity as announced, published or otherwise shown by the relevant Price Source on that date (or in respect of prices effective on that date).*

*And, where an Index Reference Price is not set forth below in respect of a Commodity Index, then such Commodity Index shall be as set forth in the relevant Final Terms, specifying: (1) the Commodity Index; (2) the relevant Price Source; (3) the relevant currency in which the Index Reference Price is expressed; and (4) the relevant reference price (or level) of the Commodity Index, in which case the price for any relevant date will be that day's specified reference price (or level) for that Commodity Index as announced, published or otherwise shown by the relevant Price Source on that date (or in respect of prices effective on that date).*

### 1. Agricultural

(a) **Cocoa**

**COCOA-NYBOT** means that the price for a Pricing Date will be that day's Specified Price per metric ton of deliverable grade cocoa beans on the NYBOT of the Futures Contract, stated in U.S. Dollars, as made public by the NYBOT and displayed on Bloomberg Screen page "CC1 Comdty <GO>" on that Pricing Date.

(b) **Coffee**

(i) **COFFEE ARABICA-NYBOT** means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade washed Arabica coffee on the NYBOT of the Futures Contract, stated in U.S. cents, as made public by the NYBOT and displayed on Bloomberg Screen page "KC1 Comdty <GO>" on that Pricing Date.

(ii) **COFFEE ROBUSTA-EURONEXT LIFFE** means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade robusta coffee on EURONEXT LIFFE of the Futures Contract, stated in U.S. Dollars, as made public by the EURONEXT LIFFE and displayed on Bloomberg Screen page "DF2 Comdty <GO>" on that Pricing Date.

(c) **Corn**

**CORN-CBOT** means that the price for a Pricing Date will be that day's Specified Price per bushel of deliverable grade corn on the CBOT of the Futures Contract, stated in U.S. cents, as made public by the CBOT and displayed on "C 1 Comdty <GO>" on that Pricing Date.

(d) **Cotton**

**COTTON NO. 2-NYBOT** means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade cotton No. 2 on the NYBOT of the Futures Contract, stated in U.S. cents, as made public by the NYBOT and displayed on Bloomberg Screen page "CT1 Comdty <GO>" on that Pricing Date.

(e) **Livestock**

(i) **FEEDER CATTLE-CME** means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade medium and large frame #1 feeder steers on the CME of the Futures Contract, stated in U.S. cents, as made public by the CME and displayed on Bloomberg Screen page "FC1 Comdty <GO>" on that Pricing Date.

(ii) **LIVE CATTLE-CME** means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade live steers on the CME of the Futures Contract, stated in U.S. cents, as made public by the CME and displayed on Bloomberg Screen page "LC1 Comdty <GO>" on that Pricing Date.

(iii) **LEAN HOGS-CME** means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade lean value hog carcasses on the CME of the Futures Contract, stated in U.S. cents, as made public by the CME and displayed on Bloomberg Screen page "LH1 Comdty <GO>" on that Pricing Date.

(f) **Milk**

**MILK-CLASS III-CME** means that the price for a Pricing Date will be that day's Specified Price per 100 pounds of deliverable grade Class III milk on the CME of the Futures Contract, stated in U.S. Dollars, as made public by the CME and displayed on Bloomberg Screen page "DA1 Comdty <GO>" on that Pricing Date.

(g) **Orange Juice**

**FROZEN CONCENTRATED ORANGE JUICE NO. 1-NYBOT** means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade orange solids on the NYBOT of the Futures Contract, stated in U.S. cents, as made public by the NYBOT and displayed on Bloomberg Screen page "JO1 Comdty <GO>" on that Pricing Date.

(h) **Palm Oil**

**CPO-MDEX** means that the price for a Pricing Date will be that day's Specified Price per metric ton of deliverable grade crude palm oil on the MDEX of the Futures Contract, stated in Malaysian Ringgit, as made public by the MDEX and displayed on Bloomberg Screen page "KO3 Comdty <GO>" on that Pricing Date.

(i) **Rice**

**RICE-CBOT** means that the price for a Pricing Date will be that day's Specified Price per hundredweight of deliverable grade rough rice on the CBOT of the Futures Contract, stated in U.S. Dollars, as made public by the CBOT and displayed on Bloomberg Screen page "RR1 Comdty <GO>" on that Pricing Date.

(j) **Soybeans**

(i) **SOYBEAN MEAL-CBOT** means that the price for a Pricing Date will be that day's Specified Price per ton of deliverable grade soybean meal on the CBOT of the Futures Contract, stated in U.S. Dollars, as made public by the CBOT and displayed on Bloomberg Screen page "SM1 Comdty <GO>" on that Pricing Date.

(ii) **SOYBEAN OIL-CBOT** means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade crude soybean oil on the CBOT of the Futures Contract, stated in U.S. cents, as made public by the CBOT and displayed on Bloomberg Screen page "BO1 Comdty <GO>" on that Pricing Date.

(iii) **SOYBEANS-CBOT** means that the price for a Pricing Date will be that day's Specified Price per bushel of deliverable grade soybeans on CBOT of the Futures Contract, stated in U.S. cents, as made public by the CBOT and displayed on Bloomberg Screen page "S 1 Comdty <GO>" on that Pricing Date.

(k) **Sugar**

**SUGAR #11 (WORLD)-NYBOT** means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade cane sugar on the NYBOT of the Futures Contract, stated in U.S. cents, as made public by the NYBOT and displayed on Bloomberg Screen page "SB1 Comdty <GO>" on that Pricing Date.

(l) **Wheat**

(i) **WHEAT-CBOT** means that the price for a Pricing Date will be that day's Specified Price per bushel of deliverable grade wheat on the CBOT of the Futures Contract, stated in U.S. cents, as made public by the CBOT and displayed on Bloomberg Screen page "W 1 Comdty <GO>" on that Pricing Date.

(ii) **WHEAT HRW-KCBOT** means that the price for a Pricing Date will be that day's Specified Price per bushel of deliverable grade hard red winter wheat on the KCBOT of the Futures Contract, stated in U.S. cents, as made public by the KCBOT and displayed on Bloomberg Screen page "KW1 Comdty <GO>" on that Pricing Date.

**2. Energy**

(a) **Gas Oil**

**GAS OIL-ICE** means that the price for a Pricing Date will be that day's Specified Price per metric ton of gas oil on the ICE of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the ICE and displayed on Bloomberg Screen page "QS1 Comdty <GO>" on that Pricing Date.

(b) **Gasoline**

**RBOB GASOLINE-NEW YORK-NYMEX** means that the price for a Pricing Date will be that day's Specified Price per gallon of New York Harbor RBOB unleaded gasoline on the NYMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX and displayed on Bloomberg Screen page "XB1 Comdty <GO>" on that Pricing Date.

(c) **Heating Oil**

**HEATING OIL-NEW YORK-NYMEX** means that the price for a Pricing Date will be that day's Specified Price per gallon of New York Harbor No. 2 heating oil on the NYMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX and displayed on Bloomberg Screen page "HO1 Comdty <GO>" on that Pricing Date.

(d) **Natural Gas**

(i) **NATURAL GAS-HENRY HUB-NYMEX** means that the price for a Pricing Date will be that day's Specified Price per MMBTU of natural gas on the NYMEX of the Henry Hub Natural Gas Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX and displayed on Bloomberg Screen page "NG1 Comdty <GO>" on that Pricing Date.

(ii) **UK NATURAL GAS-ICE** means that the price for a Pricing Date will be that day's Specified Price per therm of natural gas on the ICE of the UK Natural Gas Futures Contract for the Delivery Date, stated in pence, as made public by the ICE and displayed on Bloomberg Screen page "FN1 Comdty <GO>" on that Pricing Date.

(e) **Oil**

(i) **OIL-WTI-NYMEX** means that the price for a Pricing Date will be that day's Specified Price per barrel of West Texas Intermediate light sweet crude oil on the NYMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX and displayed on Bloomberg Screen page "CL1 Comdty <GO>" on that Pricing Date.

(ii) **OIL-BRENT-ICE** means that the price for a Pricing Date will be that day's Specified Price per barrel of Brent blend crude oil on the ICE of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the ICE and displayed on Bloomberg Screen page "CO1 Comdty <GO>" on that Pricing Date.

(f) **Coal**

(i) **COAL-API 2** means that the price for a relevant date, will be that day's price per tonne of steam coal, 6,000 kcal/kg, up to 1 per cent. sulphur NAR basis, cif ARA, stated in U.S. Dollars, for swaps on the calendar month of the month following such date as determined by Argus/McCloskey and displayed on Bloomberg Screen page "API22MON MCCL Index" on that relevant date.

(ii) **COAL-TFS API 2-ARGUS/MCCLOSKEY'S** means that the price for a relevant date will be the previous week's official price (currently published each Friday) or, if determined on a Friday, the weekly official price published on such day per tonne of steam coal 6,000 kcal/kg, up to 1 per cent. sulphur NAR basis, cif ARA, stated in U.S. Dollars, published under the heading "International Coal Indexes incorporating the TFS APITM Indices: Monthly Coal Price Indexes: TFS API2 (cif ARA)" in the issue of Argus/McCloskey's Coal Price Index Report that reports prices effective on that relevant date.

(iii) **COAL-API 4** means that the price for a relevant date, will be that day's price per tonne of steam coal, 6,000 kcal/kg, up to 1 per cent. sulphur NAR basis, fob Richards Bay, stated in U.S. Dollars, for swaps on the calendar month of the month following such date as determined by Argus/McCloskey and displayed on Bloomberg Screen page "API42MON MCCL Index" on that relevant date.

(iv) **COAL-TFS API 4-ARGUS/MCCLOSKEY'S** means that the price for a relevant date will be the previous week's official price (currently published each Friday) or, if determined on a Friday, the weekly official price published on such day per tonne of steam coal 6,000 kcal/kg, up to 1 per cent. sulphur NAR basis, fob Richards Bay, stated in U.S. Dollars, published under the heading "International Coal Indexes incorporating the TFS APITM Indices: Monthly Coal Price Indexes: TFS API4 (fob Richards Bay)" in the issue of Argus/McCloskey's Coal Price Index Report that reports prices effective on that relevant date.

(v) **COAL-NYMEX** means that the price for a Pricing Date will be that day's Specified Price per tonne of steam coal on the NYMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX and displayed on Bloomberg Screen page "QZ1 Comdty <GO>" on that Pricing Date.

(g) **Emissions**

**EUA-ICE** means that the price for a Pricing Date will be that day's Specified Price per tonne of EU Allowance on the ICE of the Futures Contract for the Delivery Date, stated in Euros, as made public by the ICE and displayed on Bloomberg Screen page contract table "MOA Comdty CT <GO>" on that Pricing Date.

(h) **Electricity**

**ELECTRICITY-GERMAN-BASE-YEAR-EEX** means that the price for a Pricing Date will be that day's Specified Price per MWh of base electricity on the EEX of the Futures Contract, stated in Euros, as made public by the EEX and displayed on Bloomberg Screen page "HP1 Comdty <GO>" on that Pricing Date.

(i) **Uranium**

**URANIUM OXIDE-NYMEX** means that the price for a Pricing Date will be that day's Specified Price per pound of Uranium on the NYMEX of the Futures Contract, stated in Euros, as made public by the NYMEX and displayed on Bloomberg Screen page "UXA1 Comdty <GO>" on that Pricing Date.

**3. Metals**

(a) **Aluminium**

**ALUMINIUM-LME CASH** means that the price for a Pricing Date will be that day's Specified Price per tonne of high grade Primary Aluminium on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Bloomberg Screen page "LOAHDY Comdty <GO>" that displays prices effective on that Pricing Date.

(b) **Copper**

**COPPER-LME CASH** means that the price for a Pricing Date will be that day's Specified Price per tonne of Copper Grade A on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Bloomberg Screen page "LOCADY Comdty <GO>" that displays prices effective on that Pricing Date.

(c) **Gold**

(i) **GOLD-A.M. FIX** means that the price for a Pricing Date will be that day's morning Gold fixing price per troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in U.S. Dollars, as determined by the London Gold

Market Fixing Limited and displayed on Bloomberg Screen page "GOLDLNAM Comdty <GO>" that displays prices effective on that Pricing Date.

(ii) **GOLD-P.M. FIX** means that the price for a Pricing Date will be that day's afternoon Gold fixing price per troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in U.S. Dollars, as calculated by the London Gold Market Fixing Limited and displayed on Bloomberg Screen page "GOLDLNPM Comdty <GO>" that displays prices effective on that Pricing Date.

(iii) **GOLD-COMEX** means that the price for a Pricing Date will be that day's Specified Price per troy ounce of Gold on the COMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the COMEX and displayed on Bloomberg Screen page "GC1 Comdty <GO>" on that Pricing Date.

(d) **Lead**

**LEAD-LME CASH** means that the price for a Pricing Date will be that day's Specified Price per tonne of Standard Lead on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Bloomberg Screen page "LOPBDY Comdty <GO>" that displays prices effective on that Pricing Date.

(e) **Nickel**

**NICKEL-LME CASH** means that the price for a Pricing Date will be that day's Specified Price per tonne of Primary Nickel on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Bloomberg Screen page "LONIDY Comdty <GO>" that displays prices effective on that Pricing Date.

(f) **Palladium**

(i) **PALLADIUM-A.M. FIX** means that the price for a Pricing Date will be that day's morning Palladium fixing price per troy ounce gross of Palladium for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in U.S. Dollars, as calculated by the LPPM and displayed on Bloomberg Screen page "PLDMLNAM Comdty <GO>" that displays prices effective on that Pricing Date.

(ii) **PALLADIUM-P.M. FIX** means that the price for a Pricing Date will be that day's afternoon Palladium fixing price per troy ounce gross of Palladium for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in U.S. Dollars, as calculated by the LPPM and displayed on Bloomberg Screen page "PLDMLNPM Comdty <GO>" that displays prices effective on that Pricing Date.

(iii) **PALLADIUM-NYMEX** means that the price for a Pricing Date will be that day's Specified Price per troy ounce gross of Palladium on the NYMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX and displayed on Bloomberg Screen page "PA1 Comdty <GO>" on that Pricing Date.

(g) **Platinum**

(i) **PLATINUM-A.M. FIX** means that the price for a Pricing Date will be that day's morning Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in U.S. Dollars, as calculated by the LPPM and displayed on Bloomberg Screen page "PLTMLNAM Comdty <GO>" that displays prices effective on that Pricing Date.

(ii) **PLATINUM-P.M. FIX** means that the price for a Pricing Date will be that day's afternoon Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in U.S. Dollars, as calculated by the LPPM and displayed on Bloomberg Screen page "PLTMLNPM Comdty <GO>" that displays prices effective on that Pricing Date.

(iii) **PLATINUM-NYMEX** means that the price for a Pricing Date will be that day's Specified Price per troy ounce of Platinum on the NYMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX and displayed on Bloomberg Screen page "PL1 Comdty <GO>" on that Pricing Date.

(h) **Silver**

(i) **SILVER-COMEX** means that the price for a Pricing Date will be that day's Specified Price per troy ounce of Silver on the COMEX of the Futures Contract for the Delivery Date, stated in U.S. cents, as made public by the COMEX and displayed on Bloomberg Screen page "SI1 Comdty <GO>" on that Pricing Date.

(ii) **SILVER-FIX** means that the price for a Pricing Date will be that day's Silver fixing price per troy ounce of Silver for delivery in London through a member of the LBMA authorised to effect such delivery, stated in U.S. cents, as calculated by the London Silver Market Fixing Limited and displayed on Bloomberg Screen page "SLVRLN Comdty <GO>" that displays prices effective on that Pricing Date.

(i) **Tin**

**TIN-LME CASH** means that the price for a Pricing Date will be that day's Specified Price per tonne of Tin on the LME for the Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Bloomberg Screen page "LOSNDY Comdty <GO>" that displays prices effective on that Pricing Date.

(j) **Zinc**

**ZINC-LME CASH** means that the price for a Pricing Date will be that day's Specified Price per tonne of Special High Grade Zinc on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Bloomberg Screen page "LOZSDY Comdty <GO>" that displays prices effective on that Pricing Date.

**4. Platts**

(a) **OIL-DUBAI–PLATTS MARKETWIRE** means that the price for a relevant date will be that day's average of the high and low price per barrel of Dubai crude oil for the first Nearby Contract to expire following such date, stated in U.S. Dollars, published under the heading "Key benchmarks" in the issue of Platts Crude Oil Marketwire that reports prices effective on that relevant date.

(b) **JET FUEL-ASIA-PACIFIC (KERO)–PLATTS ASIA-PACIFIC** means that the price for a relevant date will be that day's average of the high and low price per barrel of Jet Fuel, stated in U.S. Dollars, published under the heading "FOB Singapore: Kerosene" in the issue of Platts Asia-Pacific/Arab Gulf Marketscan that reports prices effective on that relevant date.

(c) **JET FUEL-BARGES FOB ROTTERDAM–PLATTS EUROPEAN** means that the price for a relevant date will be that day's average of the high and low price per metric tonne of Jet Fuel, stated in U.S. Dollars, published under the heading "FOB Rotterdam: Jet" in the issue of Platts European Marketscan that reports prices effective on that relevant date.

(d) **JET FUEL-CARGOES CIF NWE/BASIS ARA- PLATTS EUROPEAN** means that the price for a relevant date will be that day's average of the high and low price per metric tonne of Jet Fuel, stated in U.S. Dollars, published under the heading "CIF NWE/Basis ARA: Jet" in the issue of Platts European Marketscan that reports prices effective on that relevant date.

(e) **GAS OIL-0.5 SINGAPORE–PLATTS ASIA-PACIFIC** means that the price for a relevant date will be that day's average of the high and low price per barrel of gas oil with a sulphur content of up to 0.5 per cent., stated in U.S. Dollars, published under the heading "FOB Singapore: Gasoil Reg 0.5 per cent. Sulfur" in the issue of Platts Asia-Pacific/Arab Gulf Marketscan that reports prices effective on that relevant date.

(f) **GAS OIL–0.2 PER CENT.–FOB MED (ITALY)–PLATTS EUROPEAN** means that the price for a relevant date will be that day's average of the high and low price per metric tonne of gas oil with a sulphur content of up to 0.2 per cent., stated in U.S. Dollars, published under the heading "FOB Med (Italy): Gasoil 0.2 per cent." in the issue of Platts European Marketscan that reports prices effective on that relevant date.

(g) **GAS OIL–0.1 PER CENT.–CARGOES CIF NWE/BASIS ARA–PLATTS EUROPEAN** means that the price for a relevant date will be that day's average of the high and low price per metric tonne of gas oil with a sulphur content of up to 0.1 per cent., stated in U.S. Dollars, published under the heading "CIF NWE/Basis ARA: Gasoil 0.1 per cent." in the issue of Platts European Marketscan that reports prices effective on that relevant date.

(h) **FUEL OIL-180 CST SINGAPORE–PLATTS ASIA-PACIFIC** means that the price for a relevant date will be that day's average of the high and low price per metric ton of fuel oil with a viscosity of up to 180 centistoke, stated in U.S. Dollars, published under the heading "FOB Singapore: HSFO 180 CST" in the issue of Platts Asia-Pacific/Arab Gulf Marketscan that reports prices effective on that relevant date.

(i) **FUEL OIL-380 CST SINGAPORE–PLATTS ASIA-PACIFIC** means that the price for a relevant date will be that day's average of the high and low price per metric ton of fuel oil with a viscosity of up to 380 centistoke, stated in U.S. Dollars, published under the heading "FOB Singapore: HSFO 380 CST" in the issue of Platts Asia-Pacific/Arab Gulf Marketscan that reports prices effective on that relevant date.

(j) **FUEL OIL–1 PER CENT.–CARGOES FOB NWE–PLATTS EUROPEAN** means that the price for a relevant date will be that day's average of the high and low price per metric tonne of fuel oil with a sulphur content of up to 1 per cent., stated in U.S. Dollars, published under the heading "FOB NWE: Fuel oil 1.0 per cent." in the issue of Platts European Marketscan that reports prices effective on that relevant date.

(k) **FUEL OIL–1 PER CENT.–BARGES FOB ROTTERDAM–PLATTS EUROPEAN** means that the price for a relevant date will be that day's average of the high and low price per metric tonne of fuel oil with a sulphur content of up to 1 per cent., stated in U.S. Dollars, published under the heading "FOB Rotterdam: Fuel oil 1.0 per cent." in the issue of Platts European Marketscan that reports prices effective on that relevant date.

(l) **FUEL OIL–3.5 PER CENT.–BARGES FOB ROTTERDAM–PLATTS EUROPEAN** means that the price for a relevant date will be that day's average of the high and low price per metric tonne of with a sulphur content of up to 3.5 per cent., stated in U.S. Dollars, published under the heading "FOB Rotterdam: Fuel oil 3.5 per cent." in the issue of Platts European Marketscan that reports prices effective on that relevant date.

**5. Indices**

(a) **S&P GSCI™ EXCESS RETURN** means that the price for a relevant date will be that day's settlement price for the S&P GSCI™ Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Bloomberg Screen page "SPGCCIP Index <GO>" that displays prices effective on that date.

(b) **DJ UBSCI™ EXCESS RETURN** means that the price for a relevant date will be that day's settlement price for the DJ UBSCI™ Excess Return Index, stated in U.S. Dollars, published by Dow Jones & Company Inc., UBS AG, and CME Group Index Services, LLC, or their respective successors, and displayed on Bloomberg Screen page "DJUBS Index <GO>" that displays prices effective on that date.

(c) **RICI™-INDEX EXCESS RETURN** means that the price for a relevant date will be that day's settlement price for the RICI™-Index Excess Return, stated in U.S. Dollars, calculated by CQG, Inc. or its successor, and displayed on Bloomberg Screen page "RICIGLER Index <GO>" that displays prices effective on that date.

## ANNEX 5

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

**Clause** **Page**


1. Provisions relating to Funds other than Exchange Traded Funds ..... 494
2. Definitions ..... 494
3. Fund Events ..... 497
4. Consequences of a Fund Event ..... 503
5. Maturity/ Coupon Payment Date/Settlement Date Extension ..... 505
6. Provisions relating to Exchange Traded Funds ..... 506
7. Definitions ..... 506
8. Disrupted Days ..... 510
9. Potential Adjustment Events ..... 511
10. De-listing, Insolvency, Material Underlying Event, Merger Event, Nationalisation and Tender Offer ..... 512
11. Correction of Fund Share Prices ..... 516
12. Consequences of Additional Disruption Events ..... 516
13. Knock-In, Knock-Out Provisions ..... 516
14. Trigger Event Provisions ..... 518
15. Definitions ..... 519
16. Mandatory Early Termination ..... 520
17. FX Disruption ..... 521
18. Type A Fund Linked W&C Securities ..... 522
19. Definitions ..... 522
20. Amendments to Fund Linked Conditions ..... 523
21. Interpretation ..... 525

***This Annex applies to Exempt Securities only.***

*If specified as applicable in the applicable Final Terms (a) the terms and conditions applicable to Fund Linked N&C Securities shall comprise the terms and conditions of the N&C Securities (the **N&C Securities Conditions**) and the additional Terms and Conditions for Fund Linked Securities set out below (the **Fund Linked Conditions**) and (b) the terms and conditions applicable to Fund Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the **W&C Securities Conditions**) and the Fund Linked Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Fund Linked Conditions, the Fund Linked Conditions shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions and/or the Fund Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Fund Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "W&C Security" and "W&C Securities" as the context admits.*

**1. Provisions relating to Funds other than Exchange Traded Funds**

Fund Linked Conditions 1 to 5 inclusive apply in respect of Securities relating to Funds other than Exchange Traded Funds (as specified in the applicable Final Terms). For Exchange Traded Fund provisions see Fund Linked Conditions 6 to 12 inclusive. Fund Linked Condition 17 applies in respect of Securities relating to Exchange Traded Funds and/or Funds other than Exchange Traded Funds.

The Calculation Agent shall determine the Final Redemption Amount and/or any Coupon Amounts or other values or amounts (in the case of Fund Linked N&C Securities) or the Cash Settlement Amount or other values or amounts (in the case of Fund Linked W&C Securities) as specified in, or determined in the manner specified in, the Conditions and/or the applicable Final Terms and this may be by reference to certain reported values of a Fund and/or a Final Price for a Fund as specified in Fund Linked Condition 2 or the applicable Final Terms. In all cases the terms applicable to Fund Linked Securities are subject to adjustment in accordance with Fund Linked Conditions 4 and 5 to take account of any Fund Event. All determinations of the Calculation Agent under these Fund Linked Conditions shall be made acting in good faith and a commercially reasonable manner in accordance with the provisions of N&C Securities Condition 14 (in the case of N&C Securities) or W&C Securities Condition 8.2 (in the case of W&C Securities). **For the avoidance of doubt nothing in these Fund Linked Conditions shall require the Calculation Agent, the Issuer or the Guarantor (if any) to monitor any Fund or Fund Interest on an on-going basis and no representation (express or implied) is made that there will be any such monitoring.**

Specific provisions in respect of Fund Linked Securities linked to the performance of a Fund Basket or a Mixed Basket shall be as set out in the applicable Final Terms.

**2. Definitions**

**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.

**Fund Business Day** means, in respect of a Fund Interest, a day, in respect of which the related Fund (or its Fund Service Provider, as applicable), according to the relevant Fund Documents or as otherwise communicated to the Calculation Agent (and without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests or delay the determination of Fund values), determines (i) the value of the related Fund Interest or (ii) if the Fund only determines or reports its aggregate net asset value, such aggregate net asset value.

**Final Fund Valuation Date** means, in respect of a Fund Interest, the Scheduled Fund Settlement Valuation Date specified in the applicable Final Terms for calculating the redemption proceeds to be paid to the Hypothetical Investor for the redemption of the Final Relevant Holding.

**Final Price** means, in respect of the Final Relevant Holding, an amount equal to the redemption proceeds per Fund Interest that the Calculation Agent determines would be received by the Hypothetical Investor in a situation where (a) the Hypothetical Investor requests redemption of the relevant Final Relevant Holding in full for valuation as of the Final Fund Valuation Date, (b) such request is made in a timely manner and (c) such redemption proceeds are net of all taxes, costs and expenses (determined on a per Fund Interest basis) which the Calculation Agent determines would be suffered or incurred by the Hypothetical Investor in connection with such redemption. For the avoidance of doubt, such redemption proceeds may differ from the amounts which would be due under the terms of the Fund Documents and may be less than the net asset value per Fund Interest published by the Fund in respect of the Final Fund Valuation Date.

**Final Relevant Holding** means the Relevant Holding as of the Final Valuation Date.

**Fund** means, subject to adjustment in accordance with these Fund Linked Conditions, each entity, collective investment scheme, fund, trust, partnership or similar arrangement or undertaking specified as such in the applicable Final Terms (and related expressions shall be construed accordingly).

**Fund Administrator** means in respect of a Fund each entity specified as such in relation to that Fund in the applicable Final Terms or, if not so specified, each entity appointed in the role of the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for a Fund according to the relevant Fund Documents.

**Fund Adviser** means, in respect of a Fund, each entity specified as such in relation to that Fund in the applicable Final Terms or, if not so specified, each entity appointed in the role of discretionary investment manager or non-discretionary investment adviser to that Fund (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser to that Fund).

**Fund Basket** means a basket of Fund Interests if specified and as described in the applicable Final Terms or any Replacement Fund Interest(s) selected by the Calculation Agent in accordance with the terms hereof.

**Fund Documents** means the constitutive and governing documents, subscription agreements, prospectuses, offering documents (howsoever described) and other agreements of a Fund specifying the terms and conditions relating to the related Fund Interest.

**Fund Interest** means, in respect of a Fund, subject to adjustment in accordance with these Fund Linked Conditions, each unit, share, partnership interest or other similar fund interest issued by or relating to a Fund as specified in the applicable Final Terms (and related expressions shall be construed accordingly).

**Fund Publication Date** means, with respect to a Fund Valuation Date, the earlier of (i) the date on which the Fund (or its Fund Service Provider, as applicable) actually publishes the value for the relevant Fund Interest or its aggregate net asset value, as applicable, in respect of such Fund Valuation Date or otherwise communicates to the Calculation Agent such value and (ii) the Scheduled Fund Publication Date.

**Fund Settlement Valuation Date** means, in respect of a Fund Interest and any Scheduled Fund Settlement Valuation Date, each date as of which a Fund (or its Fund Service Provider, as applicable) determines (after giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests) the net asset value of such Fund Interest for

purposes of calculating (i) the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests in relation to the relevant Scheduled Fund Settlement Valuation Date or (ii) the subscription price per Fund Interest to be paid by an investor that has submitted a valid and timely notice for subscription of Fund Interests in relation to the relevant Scheduled Fund Settlement Valuation Date, as applicable.

**Fund Service Provider** means any person who is appointed to provide services, directly or indirectly, to a Fund, whether or not specified in the relevant Fund Documents, including without limitation any Fund Administrator, Fund Adviser, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

**Fund Valuation Date** means, in respect of a Fund Interest, the date(s), which as at the Trade Date is/are as specified in the applicable Final Terms, as of which the related Fund (or its Fund Service Provider, as applicable), according to the relevant Fund Documents or as otherwise communicated to the Calculation Agent (and without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests or delay the determination of Fund values), determines (i) the value of the related Fund Interest or (ii) if the Fund only determines or reports its aggregate net asset value, such aggregate net asset value.

**Hypothetical Investor** means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor shall be deemed by the Calculation Agent to be resident or organised in any jurisdiction that the Calculation Agent may deem fit, and may be, without limitation, the Issuer, the Calculation Agent or any of their Affiliates or agents (as determined by the Calculation Agent in the context of the relevant situation). However, no such party shall be under any obligation to invest in or hold any Fund Interests and nothing in this definition shall be construed as imposing any such requirement.

**Initial Fixing Date** means the date as specified in the applicable Final Terms.

**Initial Fund Valuation Date** means, in respect of a Fund Interest, the Scheduled Fund Settlement Valuation Date specified in the applicable Final Terms for calculation of the subscription price per Fund Interest to be paid by the Hypothetical Investor for the purchase of the Relevant Holding.

**Initial Price** means, unless otherwise specified in the applicable Final Terms, an amount determined by the Calculation Agent to be equal to the subscription price per Fund Interest (including all costs or fees (if any)) effectively paid by the Hypothetical Investor pursuant to a valid and timely subscription order of Fund Interests with respect to the Initial Fund Valuation Date and the purchase of the Relevant Holding.

**Key Personnel** means, in relation to a Fund, any entity or person as specified in the applicable Final Terms or, if not specified in the Final Terms, any key personnel of the relevant Fund or of its Fund Adviser as determined by the Calculation Agent.

**Mixed Basket** means a basket of one or more Fund Interests and any other assets if specified and as described in the applicable Final Terms.

**Relevant Holding** means, in respect of a Fund, in relation to the Initial Fixing Date, a holding of such number or amount of Fund Interests per nominal amount or unit of N&C Securities equal to the Calculation Amount or per unit of W&C Security, as applicable, as is specified in the applicable Final Terms which shall be deemed to be acquired by a Hypothetical Investor on the Initial Fixing Date. On any day thereafter, the Relevant Holding may be decreased or increased (a) if provided in the applicable Final Terms, due to, but without limitation, (i) interest payments, if any, (ii) Fund equalisations or (iii) the redemption of Fund Shares attributed to fee payments or (b) due to the

occurrence of a Fund Event pursuant to Fund Linked Conditions 4 or 5 if applicable. Where amounts are to be determined by reference to a Relevant Holding which is less than any minimum holding a Hypothetical Investor may hold, or is a fraction of a Fund Interest or if the Calculation Agent determines it appropriate to reflect hedging arrangements of the Issuer and/or its Affiliates, such determination may be made on an aggregated basis by reference to all Securities then outstanding.

**Removal Date** means, in respect of an Affected Fund Interest (as defined in Fund Condition 3 below), the date on which the Calculation Agent determines that a Hypothetical Investor would receive the Removal Value in respect of a redemption or realisation of such Affected Fund Interest effected as soon as reasonably practicable following the time at which the Calculation Agent determines the applicable consequence of the relevant Fund Event pursuant to Fund Linked Condition 4.

**Removal Value** means, in respect of an Affected Fund Interest, the amount that the Calculation Agent determines a Hypothetical Investor would receive on the redemption or realisation of the Relevant Holding of the Affected Fund Interest at the relevant time, Provided That if any such redemption proceeds would comprise non-monetary assets the Removal Value shall include the amount (if any and which may be zero) that the Calculation Agent determines would be received by the Hypothetical Investor in respect of a realisation (in whatsoever manner the Calculation Agent determines appropriate) of such non-monetary assets within a commercially reasonable timeframe after their receipt.

**Scheduled Fund Publication Date** means, in respect of a Fund Valuation Date, each date (which as at the Trade Date is specified as such in the applicable Final Terms) on which the related Fund (or its Fund Service Provider, as applicable) is scheduled, according to the relevant Fund Documents or as otherwise communicated to the Calculation Agent, to publish the value for the related Fund Interest or its aggregate net asset value, as applicable as of such Fund Valuation Date or otherwise communicates to the Calculation Agent such value.

**Scheduled Fund Settlement Valuation Date** means, in respect of a Fund Interest, the Fund Valuation Date as of which a Fund (or its Fund Service Provider, as applicable) is scheduled (according to the relevant Fund Documents or as otherwise communicated to the Calculation Agent and without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests or delay the determination of Fund values), to determine the net asset value of the related Fund Interest for purposes of calculating (i) the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests in respect of such date or (ii) the subscription price per Fund Interest to be paid by an investor that has submitted a valid and timely notice for subscription of Fund Interests in respect of such date, as applicable.

## 3. Fund Events

If a Fund Event exists or occurs the Calculation Agent may make certain adjustments or take certain actions in relation to the Securities as set out below.

For the avoidance of doubt nothing in these Fund Linked Conditions shall require the Calculation Agent, the Issuer or the Guarantor (if applicable) to monitor any Fund on an on-going basis and no representation (express or implied) is made that there will be any such monitoring.

For these purposes:

**Fund Event** means any of an Additional Fund Disruption Event, a Fund Disruption Event, a Fund Extraordinary Event and/or a Fund Potential Adjustment Event, in each case as determined by the Calculation Agent.

Where:

(a) **Additional Fund Disruption Event** means any of Change in Law, Fund Hedging Disruption or Increased Cost of Hedging:

(i) **Change in Law** means that, on or after the Trade Date (as specified in the applicable Final Terms) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer or any of its Affiliates or agents acting on its behalf determines in good faith that (x) it has become illegal to hold, acquire or dispose of any Fund Interests, or (y) the Issuer will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

(ii) **Fund Hedging Disruption** means that the Issuer or any of its Affiliates or agents is unable, or it is impractical for the Issuer or any of its Affiliates or agents, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or appropriate to hedge the price risk with respect to the Securities, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), including, without limitation, where such inability or impracticability has arisen by reason of (x) any restriction on making new or additional investments in such Fund Interest, or (y) any mandatory redemption, in whole or in part, of a Fund Interest imposed by the related Fund.

(iii) **Increased Cost of Hedging** means that the Issuer or any of its Affiliates or agents would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or appropriate to hedge the price risk with respect to the Securities, or (ii) realise, recover or remit the proceeds of any transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

(b) **Fund Disruption Event** means any of a Fund Settlement Valuation Disruption, a Fund Settlement Disruption or a Fund Publication Disruption:

(i) **Fund Settlement Valuation Disruption** occurs if a Fund Settlement Valuation Date in respect of a Fund Interest falls after the related Scheduled Fund Settlement Valuation Date in respect of such Fund Interest.

(ii) **Fund Settlement Disruption** means a failure by a Fund on any day (i) to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest scheduled to have been paid on or by such day or (ii) to record the relevant holding of Fund Interests subscribed for by the Hypothetical Investor that is scheduled to have been recorded on or by such day (according to the relevant Fund Documents or as otherwise communicated to the Calculation Agent), determined without regard to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests.

(iii) **Fund Publication Disruption** occurs if a Fund Publication Date in respect of a Fund Interest falls after the relevant Scheduled Fund Publication Date in respect of a Fund Interest.

(c) **Fund Extraordinary Event** means any of a Nationalisation, a Fund Adviser Event, a Fund Consolidation Event, a Fund Insolvency Event, a Holding Ratio Event, a Holding Trigger Event, a NAV Trigger Event, an Adviser/Key Personnel Removal Event, a Fund Modification, a Fees or Charges Event, a Strategy Breach, a Regulatory Action, a Tax Change, a Reporting Disruption, a New Information Event, a Limitation Event, a Non Currency Redemption, a Fund Service Provider Cessation, a Fund Service Provider Disruption or a Related Agreement Termination:

(i) **Nationalisation** means that all the Fund Interests or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

(ii) **Fund Adviser Event** means that the Calculation Agent determines that over a period of twelve (12) months, the total value of assets managed by the Fund Adviser (including the Fund) has decreased by fifty per cent (50%) (either due to redemptions or decrease in value of such assets).

(iii) **Fund Consolidation Event** means that the Issuer is required, pursuant to any accounting or other applicable regulations in accordance with which it prepares financial statements, to consolidate the Fund.

(iv) **Fund Insolvency Event** means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or voluntary or involuntary liquidation or any analogous proceeding (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (x) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (y) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (x) above and either (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (A) to (E) (inclusive) above.

(v) **Holding Ratio Event** means the reduction of the Fund's aggregate net asset value to an amount that, in the reasonable opinion of the Calculation Agent, has, or is likely to have, a significant effect on the management conditions of the Fund and/or its operating expenses or would increase the proportion of Fund Interests held, or likely to be held, by a Hypothetical Investor and/or its Affiliates, to such an extent that the full redemption in one single order of the Fund Interests held by a Hypothetical Investor and/or its Affiliates, is likely to be impaired.

(vi) **Holdings Trigger Event** means that on any relevant day, the aggregate holdings of Nomura Holdings, Inc., either on its own or together with any of its Affiliates (together the **Nomura Group**), in the Fund is greater than or equal to 25% of the total net asset value of such Fund, as determined by the Issuer in its sole discretion.

(vii) **NAV Trigger Event** means, unless otherwise provided in the applicable Final Terms, that in respect of any Fund Interest (i) the reported value of the Fund Interest has decreased by any amount equal to, or greater than the NAV Trigger Percentage(s) during the related NAV Trigger Period, each as specified in the applicable Final Terms; or (ii) a Fund has violated any leverage restriction that is applicable to, or affecting, it or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets.

(viii) **Adviser/Key Personnel Removal Event** means (a) the resignation, termination of appointment, or replacement of a Fund's Fund Adviser or (b) any Key Personnel of a Fund or Fund Adviser ceases to act in its relevant capacity for any reason.

(ix) **Fund Modification** means any actual or proposed change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (which may include, but is not limited to, any modification of the terms and conditions under which subscription and/or redemption orders can be submitted or are settled by the Fund as provided in the Fund Documents or implementation of a modification of the conditions under which subscription and/or redemption orders can be submitted or are settled by the Fund regardless as to whether the principle or basis of such modification was already envisaged in the Fund Documents as of the Trade Date) (in each case, as determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date.

(x) **Fees or Charges Event** means the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests other than any such fee or charge in existence on the Trade Date.

(xi) **Strategy Breach** means any breach or violation of or any change or material diversion from any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change in the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the Calculation Agent, results in a material increase of the risk profile of that Fund.

(xii) **Regulatory Action** means (v) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental,

legal or regulatory entity with authority over such Fund Interest or Fund, or (w) any change or proposed change in the legal, tax, accounting, or regulatory treatment of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest or on any investor therein (as determined by the Calculation Agent) or (x) a Fund or any of its Fund Administrator or Fund Adviser or any of their Affiliates becomes subject to investigation, proceedings or litigation (or any such investigation, proceedings or litigation is threatened or proposed) by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities (whether or not relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser) or (y) any necessary or desirable action, condition or requirement (including without limitation the obtaining, effecting or maintenance of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) for any Fund, Fund Advisor, Fund Administrator or any Fund Service Provider lawfully to enter into any obligation, exercise any rights or perform and comply with any obligation has not been taken, fulfilled or satisfied or (z) any relevant activities of a Fund, Fund Administrator or Fund Advisor (or activities related to any such entity) are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof.

(xiii) **Tax Change** means the imposition of, change in, or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on a Fund, or measured by reference to, a Fund Interest (other than any tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date.

(xiv) **Reporting Disruption** means (x) any failure of a Fund to deliver, or cause to be delivered, (A) information that such Fund has agreed to deliver, or caused to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Fund's, or its authorised representative's or any Service Provider's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests (y) in the determination of the Calculation Agent (A) any information as referred to in (x)(B) above is or may be unreliable or inaccurate or unrepresentative of the Fund's assets or (B) any published or communicated net asset value of a Fund Interest or calculation of the redemption proceeds of a Fund Interest is or may be unreliable or inaccurate or unrepresentative of the Fund's assets.

(xv) **New Information Event** means (x) any information provided to the Calculation Agent by or in connection with any Fund, Fund Adviser, Fund Administrator or other Fund Service Provider is misleading or inaccurate in any respect or (y) the publication or dissemination (through any medium) of information is or becomes available which, if considered by itself or with information previously provided to the Calculation Agent, would be likely to cause a Hypothetical Investor to refrain from investing in or to seek to realise any investment in any Fund Interests, as determined by the Calculation Agent.

(xvi) **Limitation Event** means a material limitation is imposed on dealings in any Fund Interests, a Fund's dealing schedule is changed (including, but not limited to, a change in notice periods for redemptions or imposition of gating provisions), subscription and/or redemption liquidity in any Fund Interests is reduced, there is a material reduction in the assets under management of a Fund since the Trade Date, or any other event occurs, which restricts, in whole or in part (on a permanent or temporary basis) dealings of any nature with respect to a Fund Interest (whether or not the relevant event occurs pursuant to any provisions permitting the Fund to restrict in any way dealings with respect to the relevant Fund Interest).

(xvii) **Non Currency Redemption** means any Fund Interests are redeemed otherwise than in cash or are redeemed in a currency(ies) other than the currency(ies) in which as of the Trade Date (and according to the Fund Documents or as otherwise communicated to the Calculation Agent) it is intended Fund redemptions shall occur.

(xviii) **Fund Service Provider Cessation** means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents (or as otherwise communicated to the Calculation Agent) on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent.

(xix) **Fund Service Provider Disruption** means any event or circumstances compromising the independence of a Fund Service Provider performing services for a Fund from the relevant Fund Adviser.

(xx) **Related Agreement Termination** means a Fund or any of its Fund Administrator or Fund Adviser or other relevant party as specified in the applicable Final Terms is in breach of or has terminated any existing agreement with the Issuer or any of its Affiliates or agents in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

(d) **Fund Potential Adjustment Event** means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Fund Interests or a free distribution or dividend of any such Fund Interests to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of relevant Fund Interests of (A) additional Fund Interests or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the related Fund equally or proportionately with such payments to holders of such Fund Interests or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the related Fund as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend in respect of the Fund as determined by the Calculation Agent;

(iv) a repurchase by a Fund of relevant Fund Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than where such repurchase is a redemption of Fund Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or

(v) any other event that may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of relevant Fund Interests.

A Fund Potential Adjustment Event may be due to, for example but without limitation, the replacement of a portion of any Fund Interest with shares or units of or in relation to a side pocket or a special purpose vehicle to which the relevant Fund has linked or transferred any interest in its portfolio of assets (**Spin-off Fund Interests**).

**4. Consequences of a Fund Event**

Following the existence or occurrence of a Fund Event (whether or not such Fund Event is continuing), the Issuer may take the action described in any of paragraphs (i) to (iv) below as it determines appropriate to account for the relevant Fund Event. **For the avoidance of doubt, action may be taken any number of times under this provision, whether or not in relation to the same event and whether or not the consequence of such action is the same or different:**

(i) The Issuer may 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, which may include, without limitation:

(A) delaying any determination until it determines that no Fund Event exists;

(B) using an estimated or modified value of a Fund Interest taking into account the occurrence or existence of the relevant Fund Event, prevailing market conditions, and 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);

(C) making corresponding adjustments, if any, to any one or more of any of the terms of the Conditions and/or the applicable Final Terms (which may include, without limitation, delaying any date for payment or delivery under the Securities) as the Calculation Agent determines appropriate to account for the relevant Fund Event and determine the effective date of that adjustment; and/or

(D) in case of a Fund Potential Adjustment Event replace all or part of the Fund Interest by the kind and number of units or other securities and property received upon such subdivision, consolidation, reclassification, distribution, issue or repurchase or conveyance by a holder of Fund Interests (and, without limitation, this may include electing to treat Spin-off Fund Interests as additional Fund Interests) for the purposes of determining the value of the Fund Interest (and as appropriate make corresponding replacements of the fund issuer) and make any adjustment (if necessary) to the value of such Fund Interest and corresponding appropriate adjustments to any other terms of the Conditions and/or the applicable Final Terms that the Calculation Agent considers relevant; and/or

(E) if "Fund Replacement following Fund Event" is specified as applicable in the applicable Final Terms, replacing a Fund Interest (the **Affected Fund Interest**) with a replacement fund interest (the **Replacement Fund Interest**) in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund to which the Affected Fund Interest relates immediately prior to the occurrence of the Fund Event. Such replacement shall be made on terms that the Relevant Holding of the Replacement Fund at or about the time of the replacement shall have a reported value as determined by the Calculation Agent as near as reasonably practical equal to the Removal Value for the Affected Fund Interest less any costs incurred by the Issuer and/or any of its

Affiliates in relation to such Fund replacement (including costs incurred in relation to any hedging arrangements entered into by the Issuer and/or any of its Affiliates or agents in connection therewith).

If the Calculation Agent replaces an Affected Fund Interest with a Replacement Fund Interest, such replacement shall take effect on the first reasonably practicable date following the Removal Date for such Affected Fund Interest on which the Calculation Agent determines that a Hypothetical Investor could acquire the Replacement Fund Interest.

(ii) The Issuer may, on giving notice to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, redeem or cancel, as applicable, all (but not some only) of the Securities, each Security being redeemed (in the case of N&C Securities) at the Early Redemption Amount or cancelled (in the case of W&C Securities) at the Early Cancellation Amount.

The Issuer may, on giving notice to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, redeem or cancel, as applicable, all (but not some only) of the Securities in accordance with paragraph (ii) above but, in respect of all or a part only of each Early Redemption Amount or Early Cancellation Amount, as the case may be, 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. Notification of such election will be given to Securityholders as soon as reasonably practicable after such election being made together with details of the procedures to be followed for such delivery and which may, without limitation, require Securityholders to give an asset transfer notice to the Issuer or its agent or give certain representations (which may include a representation that the Securityholder has taken independent advice to determine that, from a legal, regulatory and tax perspective, it is able to hold the relevant Fund Interests) or information to the Fund or observe similar procedures as a precondition to receiving such delivery (such requirements shall be set out in the above notice to Securityholders).

(iii) The Issuer may, on giving notice to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, elect to redeem or cancel, as applicable, such portion of all but not some only of the Securities, if any, as corresponds to the Fund Interests to which the Securities relate (or portion thereof) which the Calculation Agent determines could be realised by a Hypothetical Investor for immediately available cash proceeds following such election and in accordance with the timing of such proceeds payable to such Hypothetical Investor, in each case at a pro rata share of such cash proceeds (or such other amount as reflects the contribution of such Fund Interest(s) to the Securities) less all unwind costs, taxes and expenses incurred by the Issuer or any Affiliate or agent in such realisation. In respect of the remaining portion (which may be all) of the Securities the Issuer may at its option require the Calculation Agent to make further adjustments to account for the Fund Event and the partial redemption or cancellation. Payment of any amounts in respect of such partial redemption or cancellation, as applicable, will be made in such manner as shall be notified to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

(iv) The Issuer may elect that the provisions of Fund Linked Condition 5 shall apply to the Securities.

Upon taking any action described in sub-paragraphs (i) to (iv) above following the occurrence of a Fund Event, the Issuer shall give notice as soon as reasonably practicable to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, giving

details of the action proposed to be taken in relation thereto, Provided That any failure to give, or non-receipt of, such notice will not affect the validity of such action.

**5. Maturity/ Coupon Payment Date/Settlement Date Extension**

(i) Where the Calculation Agent determines that a Hypothetical Investor which submits one or more redemption requests for one or more Fund Interests in a timely manner to receive such redemption proceeds (**Redemption Proceeds**) as the Issuer may require to meet its scheduled periodic or final payment or delivery obligations (each a **Scheduled Obligation**) under the Securities would not receive such Redemption Proceeds in respect of one or more of the Fund Interests in full on or prior to the time such Scheduled Obligations would be scheduled to fall due, the Calculation Agent may notify the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9 that the Maturity Date, relevant Coupon Payment Date or Settlement Date or any other relevant date for payment or delivery, as the case may be (the **Scheduled Obligation Date**), shall be postponed until the earlier of (i) such time (if any) as the Calculation Agent determines that the Redemption Proceeds in respect of all Affected Fund Interests would be received in full by a Hypothetical Investor (the **Delayed Receipt Date**) or (ii) the last day of the Delay Period (as defined below).

**Delay Period** means, unless otherwise specified in the applicable Final Terms, the date falling two years immediately following the relevant Scheduled Obligation Date.

(ii) As soon as practicable following the Delayed Receipt Date the Calculation Agent shall give notice to Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9 and pay to each Securityholder the corresponding Scheduled Obligation provided that, if the Calculation Agent determines that a Hypothetical Investor would not have received any Redemption Proceeds in respect of the Affected Fund Interests on or prior to the last day of the Delay Period, the Issuer's obligation to pay the relevant Scheduled Obligation shall be cancelled and the Issuer shall have no further obligations in respect of such obligation and, if no other Scheduled Obligation remains outstanding, the Securities shall be cancelled and the Issuer have no further obligations in respect thereof. The Issuer shall not be obliged to pay any additional amount or interest payment as a result of any such delay or (in the case of interest bearing Fund Linked N&C Securities) any additional interest amount.

(iii) Where the Calculation Agent determines that some but not all Redemption Proceeds (and/or Redemption Proceeds in respect of some but not all Affected Fund Interests) would be received by a Hypothetical Investor on or prior to the last day of the Delay Period (any such day of receipt, a **Receipt Date**) the Issuer will either:

(x) elect to pay a *pro rata* share of such partial Redemption Proceeds or such other amount as reflects the contribution of the Affected Fund Interest(s) to the Scheduled Obligation (the **Relevant Amount**), to Securityholders as soon as reasonably practicable following each such Receipt Date which occurs up to and including the Delayed Receipt Date, as provided above, or the last day of the Delay Period (as defined above), as the case may be; or (at its option)

(y) elect to pay, in respect of each Security, the sum of all Relevant Amounts determined for that Security at the earlier of (A) the Delayed Receipt Date, as provided above, and (B) the last day of the Delay Period (as defined above), as the case may be, together with an amount representing such interest at a LIBOR, SONIA, SOFR, €STR or other relevant funding rate as the Calculation Agent determines would have accrued (on a compound basis) on the Securityholder's *pro rata* share of such partial Redemption Proceeds had such partial Redemption Proceeds been placed on deposit with the Issuer in London, in each case in the period from and including the relevant

Receipt Date to but excluding the second Business Day immediately prior to the due date for payment to Securityholders.

Following payment pursuant to (x) or (y) above the Issuer's obligation to pay the relevant Scheduled Obligation shall be cancelled and the Issuer shall have no further obligations in respect of such obligation and, if no other Scheduled Obligation remains outstanding, the Securities shall be cancelled and the Issuer have no further obligations in respect thereof.

## 6. Provisions relating to Exchange Traded Funds

Fund Linked Conditions 6 to 12 (inclusive) apply in respect of Securities relating to Exchange Traded Funds (as specified in the applicable Final Terms).

The Calculation Agent shall determine the Final Redemption Amount and/or any Coupon Amounts or other values or amounts (in the case of Fund Linked N&C Securities) or the Cash Settlement Amount or other values or amounts (in the case of Fund Linked W&C Securities) as specified in, or determined in the manner specified in, the Conditions and/or the applicable Final Terms and this may be by reference to certain reported values of an ETF as specified in the applicable Final Terms. In all cases the terms applicable to Fund Linked Securities are subject to adjustment in accordance with Fund Linked Conditions 8, 9 and 10 below to take account of any Market Disruption Event, Disrupted Day, Potential Adjustment Event, De-listing, Insolvency, Material Underlying Event, Merger Event, Nationalisation or Tender Offer. All determinations of the Calculation Agent under these Fund Linked Conditions shall be made acting in good faith and a commercially reasonable manner in accordance with the provisions of N&C Securities Condition 14 (in the case of N&C Securities) or W&C Securities Condition 8.2 (in the case of W&C Securities). **For the avoidance of doubt nothing in these Fund Linked Conditions shall require the Calculation Agent, the Issuer or the Guarantor (if any) to monitor any ETF or Fund Share on an on-going basis and no representation (express or implied) is made that there will be any such monitoring.**

## 7. Definitions

**Additional Disruption Event** means any of Change in Law, Fund Hedging Disruption and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

**Averaging Date** means each date specified as an Averaging Date in the applicable Final Terms, subject to adjustment as provided herein or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day then the provisions of Fund Linked Condition 8.2 (*Consequences of Disrupted Days*) shall apply.

**Change in Law** means that, on or after the Trade Date (as specified in the applicable Final Terms) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer or any of its Affiliates or agents acting on its behalf determines in good faith that (x) it has become illegal to hold, acquire or dispose of any Fund Shares, or (y) the Issuer will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

**Closing Price** means, in relation to any ETF and any Scheduled Trading Day, the price per Fund Share in respect of such ETF as quoted on the applicable Exchange at the Valuation Time on such day, as determined by the Calculation Agent.

**Disrupted Day** means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**Disruption Cut-off Date** will be specified in the applicable Final Terms as either (i) the date falling a number of Scheduled Trading Days, as specified in the Final Terms, after the relevant originally scheduled Valuation Date or Averaging Date or other similar date on which any observation or valuation is required to be made in respect of the Securities or (ii) the date falling a number of Scheduled Trading Days, as specified in the Final Terms, prior to the next succeeding day on which any payment or delivery is to be made under the Securities which is determined in whole or in part by reference to the valuation or observation of the relevant Fund Share(s) which is affected by occurrence of the relevant Disrupted Day(s).

**ETF** means any fund which is an exchange traded fund as specified in the applicable Final Terms, or if not so specified, any fund which the Calculation Agent determines to be an Exchange Traded Fund.

**Exchange** means, in relation to a Fund Share, the exchange or principal trading market for the relevant ETF as specified in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such ETF has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Fund Share on such temporary substitute exchange or quotation system as on the original Exchange) and **Exchanges** means, as the context requires, such exchanges or quotation systems in respect of the Fund Shares of all relevant ETFs.

**Exchange Business Day** means either (i) in the case of a single ETF, Exchange Business Day (Single ETF Basis) or (ii) in the case of a Fund Basket or a Mixed Basket, (a) Exchange Business Day (All ETFs Basis) or (b) Exchange Business Day (Per ETF Basis), in each case as specified in the applicable Final Terms, provided that, in the case of a Fund Basket or a Mixed Basket, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETF Basis) shall apply.

**Exchange Business Day (All ETFs Basis)** means, in respect of a Fund Basket or a Mixed Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETFs comprised in the Fund Basket or Mixed Basket, as applicable, during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time.

**Exchange Business Day (Per ETF Basis)** means, in respect of a Fund Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of the relevant ETF are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time.

**Exchange Business Day (Single ETF Basis)** means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time.

**Final Price** means, in relation to the Fund Shares of an ETF on any relevant date, unless otherwise specified in the applicable Final Terms, and subject to Fund Linked Condition 8.2 (*Consequences of Disrupted Days*):

(a) in the case of Fund Linked Securities relating to a single ETF, (A) if Averaging is not specified in the applicable Final Terms, an amount equal to the Closing Price of the Fund Shares on the Final Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an amount equal to the arithmetic mean of the Closing Price of the Fund Shares on each Averaging Date

which if so specified in the applicable Final Terms will be the Averaging Dates in relation to a specific level or value; and

(b) in the case of Fund Linked Securities relating to a Fund Basket or a Mixed Basket and in respect of each Fund Share comprising such Fund Basket or Mixed Basket, (A) if Averaging is not specified in the applicable Final Terms, an amount equal to the Closing Price of such Fund Share on the Final Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an amount equal to the arithmetic mean of the Closing Prices of such Fund Shares on each Averaging Date which if so specified in the applicable Final Terms will be the Averaging Dates in relation to a specific level or value in relation to the Final Valuation Date and, in the case of (A) or (B), multiplied by the relevant Weighting;

**Final Valuation Date** means the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day, unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then the provisions of Fund Linked Condition 8.2 (*Consequences of Disrupted Days*) shall apply.

**Fund Basket** means a basket of Fund Shares of two or more ETFs as described in the applicable Final Terms.

**Fund Hedging Disruption** means that the Issuer or any of its Affiliates or agents is unable, or it is impractical for the Issuer or any of its Affiliates or agents, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or appropriate to hedge the price risk relating to any Fund Share of the Issuer issuing and performing its obligations with respect to the Securities, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), including, without limitation, where such inability or impracticability has arisen by reason of (x) any restriction on making new or additional investments in such Fund Shares, or (y) any mandatory redemption of a Fund Share imposed by the related ETF.

**Fund Share** means a share of an ETF, and references to "holder of Fund Shares" and "Fund Shareholder" shall be construed accordingly.

**Fund Share Price** means, at any time on any Scheduled Trading Date, the price per Fund Share of the relevant ETF on the applicable Exchange, as determined by the Calculation Agent.

**Increased Cost of Hedging** means that the Issuer or any of its Affiliates or agents would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or appropriate to hedge the price risk relating to any Fund Share of the Issuer issuing and performing its obligations with respect to the Securities, or (ii) realise, recover or remit the proceeds of any transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

**Initial Price** means, in relation to any Fund Shares, the Closing Price of such Fund Shares on the Initial Valuation Date.

**Initial Valuation Date** means the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day, unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then the provisions of Fund Linked Condition 8.2 (*Consequences of Disrupted Days*) shall apply.

**Mixed Basket** means a basket of the Fund Shares of one or more ETFs and any other assets described in the Final Terms.

**Related Exchange** means, in relation to a Fund Share, each exchange or principal trading market specified as such for such Fund Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts in respect of such Fund Share has temporarily relocated (provided the Calculation Agent has determined that there is comparable liquidity relative to such Fund Shares on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however, that (i) where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "Related Exchange" shall mean each exchange or principal trading market where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Fund Shares or (ii) where "Hedging Exchanges" is specified as the Related Exchange in the applicable Final Terms, "Related Exchange" shall mean each exchange or principal trading market which (in the determination of the Calculation Agent) is material in the context of any hedging arrangements entered into by the Issuer and/or any Hedging Party in relation to the Securities.

**Scheduled Closing Time** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**Scheduled Trading Day** means either (i) in the case of a single ETF, Scheduled Trading Day (Single ETF Basis) or (ii) in the case of a Fund Basket or a Mixed Basket, (a) Scheduled Trading Day (All ETFs Basis) or (b) Scheduled Trading Day (Per ETF Basis), in each case as specified in the applicable Final Terms, provided that, in the case of a Fund Basket or a Mixed Basket, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per ETF Basis) shall apply, and, where Scheduled Trading Day (Per ETF Basis) applies, each of such Fund Shares shall be valued independently of each other, and the provisions in relation to Disrupted Day, Averaging Date, Valuation Date and Exchange Business Day shall be applied and construed by the Calculation Agent accordingly.

**Scheduled Trading Day (All ETFs Basis)** means, in respect of a Fund Basket or a Mixed Basket, any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading in respect of all ETFs comprised in the Fund Basket or Mixed Basket, as applicable, during their respective regular trading session(s).

**Scheduled Trading Day (Per ETF Basis)** means, in respect of a Fund Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of the relevant ETF are scheduled to be open for trading during their respective regular trading session(s).

**Scheduled Trading Day (Single ETF Basis)** means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

**Underlying Index** means, in relation to a Fund Share, the underlying index specified in the applicable Final Terms.

**Valuation Date** means each Valuation Date specified in the applicable Final Terms (including, if applicable, the Initial Valuation Date and the Final Valuation Date), or if such day is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If such day is a Disrupted Day then the provisions of Fund Linked Condition 8.2 (*Consequences of Disrupted Days*) shall apply.

**Valuation Time** means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date in relation to each Fund Share to be valued. If the relevant Exchange closes

prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

**Weighting** means in the case of Fund Linked Securities relating to a Fund Basket or a Mixed Basket the weighting of each Fund Share in the relevant Fund Basket or Mixed Basket as specified in the applicable Final Terms.

## 8. Disrupted Days

### 8.1 Disrupted Day

**Market Disruption Event** means, in respect of a Fund Share:

(a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:

(x) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

(A) relating to the relevant Fund Share on such Exchange; or

(B) relating to securities that comprise 20 per cent. or more of the level of the relevant Underlying Index or any relevant successor index; or

(C) in futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange (**Trading Disruption**); or

(y) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to (i) effect transactions in, or obtain market values for, the Fund Shares on the Exchange, (ii) effect transactions in, or obtain market values for securities that comprise 20 per cent. or more of the level of the relevant Underlying Index, or (iii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange (**Exchange Disruption**); or

(b) the closure on any Exchange Business Day of any relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day (**Early Closure**),

which in any such case the Calculation Agent determines is material.

For the purpose of determining whether a Market Disruption Event exists in respect of a Fund Share at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the relevant Underlying Index at that time, then the relevant percentage contribution of that security, to the level of the relevant Underlying Index shall be based on a comparison of (i) the portion of the level of the relevant Underlying Index attributable to that security, and (ii) the overall level of the relevant Underlying Index immediately before the occurrence of such Market Disruption Event.

The Issuer shall give notice as soon as practicable to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date or an Averaging Date provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Disrupted Day.

**8.2 Consequences of Disrupted Days**

Single Valuation/Averaging Dates

Where the Securities relate to the Fund Shares of a single ETF and the Calculation Agent determines that any Valuation Date or Averaging Date is a Disrupted Day in respect to the Fund Shares of that ETF, then the relevant Valuation Date or Averaging Date, as applicable, shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day provided that:

(a) such day shall be no later than the Disruption Cut-off Date, notwithstanding that such day is a Disrupted Day in respect of the relevant Fund Shares; and

(b) the Calculation Agent shall determine its good faith estimate of the value for such Fund Shares that would have prevailed but for that Disrupted Day as of the Valuation Time on that Disruption Cut-off Date.

**8.3 Fund Basket and Mixed Basket Valuation/Averaging Dates**

Where the Securities relate to a Fund Basket or a Mixed Basket and the Calculation Agent determines that any Valuation Date or Averaging Date is a Disrupted Day in respect of any Fund Shares comprising the relevant Fund Basket or Mixed Basket, then:

(i) the Valuation Date or Averaging Date, as applicable, for each Fund Share which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the scheduled Valuation Date or Averaging Date, as applicable; and

(ii) the Valuation Date or Averaging Date, as applicable, for each Fund Share which the Calculation Agent determines is affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day relating to that Fund Share, provided that (A) such day shall be no later than the Disruption Cut-off Date, notwithstanding that such day is a Disrupted Day in respect of the Fund Share and (B) the Calculation Agent shall determine its good faith estimate of the value for such Fund Shares that would have prevailed but for that Disrupted Day as of the Valuation Time on that Disruption Cut-off Date.

**9. Potential Adjustment Events**

**Potential Adjustment Event** means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Fund Shares (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Fund Shares of (a) such Fund Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such Fund Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets in any case

for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend as determined by the Calculation Agent;

(iv) a call by the ETF in respect of relevant Fund Shares that are not fully paid;

(v) a repurchase by the ETF or any of its subsidiaries of relevant Fund Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of an ETF, an event that results in any shareholder rights being distributed or becoming separated from Fund Shares of common stock or other shares of the capital stock of the ETF pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent;

(vii) any redemption of such rights as are referred to in (vi) above; or

(viii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

Following a Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Shares or on the composition of the Fund Basket or Mixed Basket, as applicable, and, if so, the Calculation Agent will determine and make the appropriate adjustment(s), if any, to be made to one or more of any variable(s) relevant to the exercise, settlement, payment or other terms of the Securities as the Calculation Agent determines appropriate to account for the Potential Adjustment Event and determine the effective date(s) of that adjustment(s) (which may include but shall not be limited to adjustment(s) to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Fund Share). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Fund Shares traded on such options exchange.

Upon the making of any such adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, stating the adjustment made and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

## 10. De-listing, Insolvency, Material Underlying Event, Merger Event, Nationalisation and Tender Offer

### 10.1 De-listing, Insolvency, Material Underlying Event, Merger Event, Nationalisation and Tender Offer

If a De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event (in each case as defined below) occurs in relation to any Fund Share, the Issuer may take the action described in (i), (ii), (iii), (iv) or (v) below:

(i) require the Calculation Agent to determine the appropriate adjustment(s), if any, to be made to any terms of the Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the

case may be, and determine the effective date(s) of such adjustment(s) and for these purposes (a) the Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the relevant event made by any options exchange to options on the relevant Fund Share traded on that options exchange and the relevant adjustments may in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, stock loan rate or liquidity relevant to the Fund Shares and/or (b) in the case of a Fund Basket or Mixed Basket, the Calculation Agent may remove the affected Fund Share from the Fund Basket or Mixed Basket and make such adjustments to the Securities as it determines appropriate (which may, without limitation, include any value or weighting of the remaining Fund Shares) in order to account for the price or value of the affected Fund Share at the time of its removal as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements (and this may mean that the economic benefit of the Securities for the Securityholder is reduced or that the removal of the Fund Share has a material adverse effect on the Securities);

(ii) where the Fund Linked Securities relate to a Fund Basket or a Mixed Basket, on giving notice to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, redeem each N&C Security or cancel each W&C Security, as applicable, in part. If a Security is so redeemed or cancelled in part the portion (the **Partial Amount**) of each such Security representing the affected Fund Share(s) shall be redeemed or cancelled, as applicable, and the Issuer will (x) pay to each Securityholder in respect of each Security held by them an amount equal to the fair market value of the Partial Amount, taking into account the Merger Event, De-listing, Nationalisation, Insolvency, Tender Offer or Material Underlying Event, as the case may be, less the cost to the Issuer and/or any Hedging Party of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent; and (y) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any of the Conditions and/or the applicable Final Terms to account for such redemption or cancellation in part. For the avoidance of doubt the remaining part of each such Security after such redemption or cancellation and adjustment shall remain outstanding with full force and effect (subject to adjustment as provided above). Payments will be made in such manner as shall be notified to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable;

(iii) give notice to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, and redeem or cancel, as applicable, all, but not some only, of the Securities, each N&C Security being redeemed at the Early Redemption Amount and each W&C Security being cancelled at the Early Cancellation Amount;

(iv) if "Options Exchange Adjustment" is specified as applicable in the applicable Final Terms, following such adjustment to the settlement terms of options on the Fund Shares traded on such exchange(s) or quotation system(s) as the Issuer shall select (the **Options Exchange**), require the Calculation Agent to make a corresponding adjustment to any one or more of the Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Fund Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the Conditions and/or the applicable Final Terms as the Calculation Agent determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or

(v) if "Fund Share Substitution" is specified as applicable in the applicable Final Terms, then on or after the relevant Merger Date, De-listing, Nationalisation, Insolvency, Tender Offer Date or Material Underlying Event, as the case may be, require the Calculation Agent to adjust the Conditions and/or the applicable Final Terms to include fund shares (the **Substitute Fund Shares**) selected by the Calculation Agent in accordance with the criteria for fund share selection (**Fund Share Substitution Criteria**), if any, set out in the applicable Final Terms, or otherwise as provided below, in place of the Fund Share(s) (for the purposes of this Fund Linked Condition 10, the **Affected Fund Share(s)**) which are affected by such Merger Event, De-listing, Nationalisation, Insolvency, Tender Offer or Material Underlying Event and the Substitute Fund Shares will, from the date so determined by the Calculation Agent (the **Fund Share Substitution Date**) be deemed to be "Fund Shares" and the relevant ETF (the **Substitute ETF**), an "ETF" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any of the Conditions and/or the applicable Final Terms as the Calculation Agent determines appropriate and the provisions of Fund Linked Condition 10.2 below shall apply. If "Fund Share Substitution" is specified as applicable in the applicable Final Terms but no Fund Share Substitution Criteria are set out in the Final Terms, the Calculation Agent will use reasonable endeavours to ensure that, to the extent practicable, any Substitute ETF will (i) have fund shares quoted in the same currency and (ii) be traded on the same exchange as the ETF in respect of the Affected Fund Shares, in each case at the time of substitution.

Upon the occurrence of a De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, the Issuer shall give notice as soon as practicable to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be.

**For the avoidance of doubt nothing in these Fund Linked Conditions shall require the Calculation Agent, the Issuer or the Guarantor (if any) to monitor any ETF or Fund Share on an on-going basis and no representation (express or implied) is made that there will be any such monitoring.**

Where:

**De-listing** means, in respect of a Fund Share, that the relevant Exchange announces that pursuant to the rules of such Exchange, such Fund Share ceases (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

**Insolvency** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an ETF, (A) all the Fund Shares of that ETF are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Shares of that ETF become legally prohibited from transferring them.

**Material Underlying Event** means any of the following:

(i) the investment objectives and/or policies in respect of the ETF are materially changed;

(ii) an illegality occurs or a relevant authorisation or licence is revoked in each case in respect of the ETF and/or the ETF is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares;

(iii) other than where the following constitutes an Additional Disruption Event, there is a change in any relevant jurisdiction in respect of any payments made by the ETF in respect of any Fund Share as a result of which the amounts paid or to be paid by the Issuer in connection with hedging arrangements relating to the Securities are materially reduced or otherwise adversely affected; and/or

(iv) other than where the following constitutes an Additional Disruption Event, any other event occurs in relation to the ETF and/or the Fund Shares which is materially prejudicial to the Issuer in connection with the issue of the Securities or any hedging arrangements relating to the Securities,

all as determined by the Calculation Agent.

**Merger Event** means, in respect of any relevant Fund Shares, any (i) reclassification or change of such Fund Shares that results in a transfer of or an irrevocable commitment to transfer all of such Fund Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETF is the continuing entity and which does not result in any such reclassification or change of all such Fund Shares outstanding) or (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Fund Shares of the relevant ETF that results in a transfer of or an irrevocable commitment to transfer all such Fund Shares (other than such Fund Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the ETF or its subsidiaries with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such Fund Shares outstanding but results in the outstanding Fund Shares (other than Fund Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Fund Shares immediately following such event (a **Reverse Merger**).

**Nationalisation** means that all the Fund Shares or all or substantially all the assets of an ETF are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**Tender Offer** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant ETF, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

**Tender Offer Date** means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

**10.2 Valuation of Fund Shares of Substitute ETFs**

For the purposes of any adjustments to account for a Fund Share substitution as referred to in Fund Linked Condition 10.1(v) above, the Calculation Agent shall adjust the relevant values, levels, variables or terms for the valuation or observation of the Substitute Fund Shares in the terms of the Securities in order to account for the price or value of the Affected Fund Shares at the time of their

removal as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements. This may mean that the economic benefit, if any, of the Fund Share substitution for the Securityholder is reduced or that the Fund Share substitution has a material adverse effect on the Securities. For example, and without limitation, the value of the Substitute Fund Shares may be adjusted by the same proportion as any fall in value of the Affected Fund Share at the time of its removal relative to the Trade Date and may be further reduced to account for the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements.

**11. Correction of Fund Share Prices**

If the price of a Fund Share published on any Valuation Date, Averaging Date or any other date for Fund Share valuation or observation, as the case may be, by the relevant Exchange and which is utilised for any calculation or determination made for the purposes of the Securities (a **Relevant Calculation**) is subsequently corrected and the correction (the **Corrected Fund Share Price**) published by the relevant Exchange no later than two Business Days prior to the date of payment of any amount calculated by reference to the Relevant Calculation then the Calculation Agent may, but shall not be required to, treat such Corrected Fund Share Price as the relevant price for such Fund Share on such Valuation Date, Averaging Date or other relevant date, as the case may be, and the Calculation Agent shall use such Corrected Fund Share Price in determining the Relevant Calculation.

**12. Consequences of Additional Disruption Events**

In the event that an Additional Disruption Event occurs as determined by the Calculation Agent, then the Calculation Agent shall either (a)(i) make such adjustment to the exercise, settlement, payment or any other terms of the 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 the Securities as of such date as the Calculation Agent shall determine by notice given to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, each N&C Security being redeemed at the Early Redemption Amount and each W&C Security being cancelled at the Early Cancellation Amount. Payment in respect of such early redemption or cancellation shall be made as specified in such notice to Securityholders.

**13. Knock-In, Knock-Out Provisions**

13.1 Knock-In, Knock-Out

If a "Knock-In Event" is specified in the Final Terms, then the payment and/or delivery provisions under the Securities relating to the occurrence of a Knock-In Event shall be as set out in the applicable Final Terms.

If a "Knock-Out Event" is specified in the Final Terms, then the payment and/or delivery provisions under the Securities relating to the occurrence of a Knock-Out Event shall be as set out in the applicable Final Terms.

13.2 Disrupted Days

If the Knock-In Valuation Time or the Knock-Out Valuation Time specified in the applicable Final Terms is a single time on each relevant day and any Knock-In Determination Day or Knock-Out Determination Day is a Disrupted Day then, unless otherwise provided in the applicable Final Terms, (A) if "Knock-In/Knock-Out Determination Day consequences of a Disrupted Day" is specified as Omission in the applicable Final Terms, such day shall be ignored for purposes of determining whether a Knock-In Event or a Knock-Out Event has occurred; Provided That if the Knock-In Period Ending

Date or the Knock-Out Period Ending Date is a Disrupted Day and no Knock-In Event or Knock-Out Event has occurred in the Knock-In Determination Period or Knock-Out Determination Period, the Knock-In Period Ending Date or Knock-Out Period Ending Date, as applicable, shall be treated as a Valuation Date to which the provisions contained in Fund Linked Condition 8 (*Disrupted Days*) apply and the Calculation Agent shall determine a price of the relevant Fund Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur, or (B) if "Knock-In/Knock-Out Determination Day consequences of a Disrupted Day" is specified as Postponement in the applicable Final Terms, such day shall be treated as a Valuation Date to which the provisions contained in Fund Linked Condition 8 (*Disrupted Days*) apply and the Calculation Agent shall determine a price of the relevant Fund Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur.

If the Knock-In Valuation Time or the Knock-Out Valuation Time specified in the applicable Final Terms is other than a single time on each relevant day and if on any Knock-In Determination Day or Knock-Out Determination Day, as of any Knock-In Valuation Time or Knock-Out Valuation Time, a Knock-In Event or Knock-Out Event has or would have occurred but the conditions for a Disrupted Day have been satisfied at such time then, unless otherwise provided in the applicable Final Terms, (A) if "Knock-In/Knock-Out intraday valuation consequences of disruption" is specified as Omission in the applicable Final Terms, such Valuation Time shall be ignored for purposes of determining whether a Knock-In Event or a Knock-Out Event has occurred; Provided That if no Knock-In Event or Knock-Out Event has occurred in the Knock-In Determination Period or Knock-Out Determination Period and the conditions for a Disrupted Day are satisfied as of the last occurring Knock-In Valuation Time or Knock-Out Valuation Time on the Knock-In Period Ending Date or Knock-Out Period Ending Date, then such day shall be treated as a Valuation Date to which the provisions contained in Fund Linked Condition 8 (*Disrupted Days*) apply and the Calculation Agent shall determine a price of the relevant Fund Share(s) in respect of such day in accordance with such provisions for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur, or (B) if "Knock-In/Knock-Out intraday valuation consequences of disruption" is specified as Materiality in the applicable Final Terms, then (i) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is not material for the purposes of determining the price of the relevant Fund Share(s) as of such time, the Knock-In Event or Knock-Out Event, as applicable, shall occur notwithstanding such event or occurrence, or (ii) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is material for the purposes of determining the price of the relevant Fund Share(s) as of such time, then the Knock-In Event or the Knock-Out Event shall be deemed not to have occurred at such time; Provided That if no Knock-In Event or Knock-Out Event has occurred in the Knock-In Determination Period or Knock-Out Determination Period and the conditions for a Disrupted Day are satisfied as of the last occurring Knock-In Valuation Time or Knock-Out Valuation Time on the Knock-In Period Ending Date or Knock-Out Period Ending Date, as applicable, then such day shall be treated as a Valuation Date to which the provisions contained in Fund Linked Condition 8 (*Disrupted Days*) apply and the Calculation Agent shall determine a price of the relevant Share(s) in respect of such day in accordance with such provisions for purposes of determining whether a Knock-In Event or Knock-Out Event shall occur.

13.3 Definitions

Unless otherwise specified in the applicable Final Terms:

**Knock-In Determination Day** means the date(s) specified as such in the applicable Final Terms or, if not so specified, each Scheduled Trading Day during the Knock-In Determination Period.

**Knock-In Determination Period** means the period which commences on, and includes, the Knock-In Period Beginning Date and ends on, and includes, the Knock-In Period Ending Date.

**Knock-In Event** is as specified in the applicable Final Terms.

**Knock-In Price** means (i) in the case of a single Fund Share, the price of the Fund Share specified and (ii) in the case of a Fund Basket or a Mixed Basket, the price in each case specified as such or otherwise determined in the applicable Final Terms.

**Knock-In Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-In Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-In Valuation Time** means the time or period of time on any Knock-In Determination Day specified as such in the applicable Final Terms and for the purposes of Fund Linked Condition 8 (*Disrupted Days*) each such time shall be treated as a Valuation Time.

**Knock-Out Determination Day** means the date(s) specified as such in the applicable Final Terms or, if not so specified, each Scheduled Trading Day during the Knock-Out Determination Period.

**Knock-Out Determination Period** means the period which commences on, and includes, the Knock-Out Period Beginning Date and ends on, and includes, the Knock-Out Period Ending Date.

**Knock-Out Event** is as specified in the applicable Final Terms.

**Knock-Out Price** means (i) in the case of a single Fund Share the price of the Fund Share specified and (ii) in the case of a Fund Basket or a Mixed Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms.

**Knock-Out Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-Out Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-Out Valuation Time** means the time or period of time on any Knock-Out Determination Day specified as such in the applicable Final Terms and for the purposes of Fund Linked Condition 8 (*Disrupted Days*) each such time shall be treated as a Valuation Time.

## 14. Trigger Event Provisions

14.1 Trigger Event

If "Trigger Event" is specified as applicable in the Final Terms, then the payment and/or delivery provisions under the Securities relating to the occurrence of a Trigger Event shall be as set out in the applicable Final Terms.

14.2 Disrupted Days

If Trigger Event (Closing Observation) is specified in the applicable Final Terms and any Trigger Event Observation Date is a Disrupted Day then, unless otherwise provided in the applicable Final Terms, (A) if "Trigger Event Observation Date consequences of a Disrupted Day" is specified as Omission in the applicable Final Terms, such day shall be ignored for purposes of determining whether a Trigger Event has occurred; Provided That if the final day of any Trigger Event Observation Period is a Disrupted Day and no Trigger Event has occurred in such Trigger Event Observation Period, such final day of such Trigger Event Observation Period shall be treated as a Valuation Date to which the provisions contained in Fund Linked Condition 8 (*Disrupted Days*) apply and the Calculation Agent shall determine the price of the relevant Fund Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Trigger Event shall occur, or (B) if "Trigger Event Observation Date consequences of a Disrupted Day" is specified as Postponement in the applicable Final Terms, such day shall be treated as a Valuation Date to which the provisions contained in Fund Linked Condition 8 (*Disrupted Days*) apply and the Calculation Agent shall determine the price of the relevant Fund Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Trigger Event shall occur.

If Trigger Event (Intraday Observation) is specified as Applicable in the applicable Final Terms and if on any Trigger Event Observation Date as of any Trigger Event Valuation Time a Trigger Event has or would have occurred but the conditions for a Disrupted Day have been satisfied at such time then, unless otherwise specified in the applicable Final Terms, (A) if "Trigger Event intraday valuation consequences of disruption" is specified as Omission in the applicable Final Terms, such Valuation Time shall be ignored for purposes of determining whether a Trigger Event has occurred; Provided That if no Trigger Event has occurred in Trigger Event Observation Period and the conditions for a Disrupted Day are satisfied as of the last occurring Trigger Event Valuation Time on the final day of such Trigger Event Observation Period, then such day shall be treated as a Valuation Date to which the provisions contained in Fund Linked Condition 8 (*Disrupted Days*) apply and the Calculation Agent shall determine the price of the relevant Fund Share(s) in respect of such day in accordance with such provisions for purposes of determining whether a Trigger Event shall occur, or (B) if "Trigger Event intraday valuation consequences of disruption" is specified as Materiality in the applicable Final Terms, then (i) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is not material for purposes of determining the price of the relevant Fund Share(s) as of such time, the Trigger Event shall occur notwithstanding such event or occurrence, or (ii) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is material for the purposes of determining the price of the relevant Fund Share(s) as of such time, then the Trigger Event shall be deemed not to have occurred at such time; Provided That if no Trigger Event has occurred in a Trigger Event Observation Period and the conditions for a Disrupted Day are satisfied as of the last occurring Trigger Event Valuation Time on the final day of such Trigger Event Observation Period, then such day shall be treated as a Valuation Date to which the provisions contained in Fund Linked Condition 8 (*Disrupted Days*) apply and the Calculation Agent shall determine the price of the relevant Fund Share(s) in respect of such day in accordance with such provisions for purposes of determining whether a Trigger Event shall occur.

## 15. Definitions

**Trigger Event** means a Trigger Event (Closing Observation), a Trigger Event (Intraday Observation) or such other event as specified in the applicable Final Terms (in the case of Exempt Securities only);

**Trigger Event (Closing Observation)** means a determination by the Calculation Agent that on any Trigger Event Observation Date the Closing Price of any Fund Share is less than or equal to the relevant Trigger Price for such share, as determined by the Calculation Agent;

**Trigger Event Date** means a date on which a Trigger Event occurs as determined by the Calculation Agent;

**Trigger Event (Intraday Observation)** means a determination by the Calculation Agent that at any time during the regular trading session hours on the applicable Exchange on any Trigger Event Observation Date the price per Fund Share in respect of any Fund Share quoted on the applicable Exchange is less than or equal to the relevant Trigger Price for such Fund Share, as determined by the Calculation Agent;

**Trigger Event Observation Date** means each Scheduled Trading Day during the Trigger Event Observation Period;

**Trigger Event Observation Period** means the period from and including the Initial Valuation Date to and including the Final Valuation Date;

**Trigger Percentage** means, in relation to any Fund Share, the percentage specified as such in the applicable Final Terms;

**Trigger Price** means, in relation to any Fund Share, an amount equal to the product of (i) the relevant Trigger Percentage and (ii) the Initial Price of such Fund Share; and

**Trigger Event Valuation Time** means the time or period of time on any Trigger Event Observation Date specified as such in the applicable Final Terms and for the purposes of Fund Linked Condition 8 (*Disrupted Days*) each such time shall be treated as a Valuation Time.

## 16. Mandatory Early Termination

Unless the Securities have been previously redeemed, exercised, terminated or cancelled, if Mandatory Early Termination is specified as applying in the applicable Final Terms and if on any Mandatory Early Termination Valuation Date a Mandatory Early Termination Event occurs, then the Securities will be automatically redeemed or cancelled, as applicable, in whole, but not in part, on the Mandatory Early Termination Date immediately following such Mandatory Early Termination Valuation Date and the redemption or cancellation amount payable by the Issuer on such date upon redemption or cancellation of each Security shall be an amount in the Specified Currency equal to the relevant Mandatory Early Termination Amount.

As used herein:

**Mandatory Early Termination Amount** means, in respect of a Mandatory Early Termination Date, unless otherwise specified in the applicable Final Terms, an amount equal to the product of (i) the Mandatory Early Termination Calculation Amount and (ii) the relevant Mandatory Early Termination Rate relating to that Mandatory Early Termination Date.

**Mandatory Early Termination Calculation Amount** is as specified in the applicable Final Terms.

**Mandatory Early Termination Date** means each date specified as such in the applicable Final Terms, which may be subject in each case to adjustment in accordance with the business day convention, if any, specified in the applicable Final Terms.

**Mandatory Early Termination Event** means (each of) the event(s) specified as such in the applicable Final Terms.

**Mandatory Early Termination Rate** means, in respect of any Mandatory Early Termination Date, the rate specified as such in the applicable Final Terms.

**Mandatory Early Termination Valuation Date** means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then unless otherwise provided in the applicable Final Terms, the corresponding provisions in Fund Linked Condition 8 (*Disrupted Days*) shall apply on the basis such Mandatory Early Termination Valuation Date shall be deemed to be a Valuation Date.

**Mandatory Early Termination Valuation Time** means in respect of any Shares the time on any Mandatory Early Termination Valuation Date as specified in the applicable Final Terms and such time shall be deemed to be the Valuation Time for the purposes of Fund Linked Condition 8 (*Disrupted Days*).

## 17. FX Disruption

This Fund Linked Condition 17 applies in respect of Securities relating to Exchange Traded Funds and/or Funds other than Exchange Traded Funds.

17.1 In the event that the Fund Currency of a Fund Interest or a Fund Share (as applicable) or, in the case of a Fund Basket or a Mixed Basket, any of the Fund Interests or Fund Shares within the Basket (as specified in the applicable Final Terms) is not the same as the Specified Currency or the Settlement Currency, as applicable, of the Securities, then following:

(a) the occurrence of any event that:

(i) generally prevents or delays the Issuer or any of its Affiliates directly or indirectly from converting one or more Fund Currencies into the Specified Currency or the Settlement Currency, as applicable, (i) through customary legal channels or (ii) at a rate that is at least as favourable as the rate for domestic institutions located in the relevant Fund Currency Jurisdiction;

(ii) generally prevents or delays the Issuer or any of its Affiliates directly or indirectly from delivering the Specified Currency or the Settlement Currency, as applicable, and/or a Fund Currency from accounts inside the relevant Fund Currency Jurisdiction to accounts outside such Fund Currency Jurisdiction; or

(iii) renders the Issuer or any of its Affiliates unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the foreign exchange risk incurred by the Issuer or any of its Affiliates in respect of the relevant Fund Currency(ies) or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s); or

(b) the government or other relevant authority with jurisdiction in a relevant Fund Currency Jurisdiction giving public notice of its intention to impose any capital controls which the Calculation Agent determines are likely (i) to have a material affect on the ability of any of the Issuer or its Affiliates to hedge its foreign exchange risk in respect of the relevant Fund Currency(ies) or unwind any such hedging transaction or (ii) to reduce the value of any such hedging transaction,

the Issuer may take the action described in (A) or (B) below as it deems appropriate:

(A) require the Calculation Agent to determine an exchange rate (or alternative method for determining the exchange rate) for conversion of the relevant Fund Currency(ies) into the

Specified Currency or Settlement Currency, as applicable, taking into consideration all available information that in good faith it deems relevant; or

(B) postpone the date of any relevant valuation, observation and/or payment date in respect of the Securities for so long as, in the opinion of the Calculation Agent, any of the events described in (a) or (b) above have occurred or are continuing.

17.2 In the event that the Fund Currency in respect of a Fund Interest or a Fund Share (as applicable) ceases to be the currency in which such Fund Interest or Fund Share is traded or settled (in the determination of the Calculation Agent), the Issuer may determine the appropriate adjustment(s), if any, to be made to any one or more of the Conditions to account for such circumstance and determine the effective date of such adjustment(s). Details of any such adjustment(s) shall be notified to Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, provided that any failure by the Issuer to provide such notice shall not affect the validity of any such adjustment(s).

As used in this Fund Linked Condition 17, **Fund Currency Jurisdiction** means any jurisdiction in which the relevant Fund Currency is the lawful currency selected by the Calculation Agent.

## 18. Type A Fund Linked W&C Securities

Fund Linked Conditions 18 to 21 (inclusive) apply in respect of Securities specified as Type A Fund Linked W&C Securities in the applicable Final Terms.

Fund Linked Conditions 7 to 12 (inclusive) shall also apply (as amended by Fund Linked Condition 20 where applicable) in respect of Securities specified as Type A Fund Linked W&C Securities in the applicable Final Terms.

The Calculation Agent shall determine the Cash Settlement Amount or other values or amounts as specified in, or determined in the manner specified in, the Conditions and/or the applicable Final Terms and this may be by reference to certain reported values of an ETF as specified in the applicable Final Terms. In all cases the terms applicable to Fund Linked Securities are subject to adjustment in accordance with Fund Linked Conditions 8, 9 and 10 above, each as may be amended by Fund Linked Condition 20 below, to take account of any Market Disruption Event, Disrupted Day, Potential Adjustment Event, De-listing, Insolvency, Material Underlying Event, Merger Event, Nationalisation or Tender Offer. All determinations of the Calculation Agent under these Fund Linked Conditions shall be made acting in good faith and a commercially reasonable manner in accordance with the provisions of W&C Securities Condition 8.2. **For the avoidance of doubt nothing in these Fund Linked Conditions (whether in respect of Type A Fund Linked W&C Securities or otherwise shall require the Calculation Agent, the Issuer or, if applicable, the Guarantor (if any) to monitor any ETF or Fund Share on an on-going basis and no representation (express or implied) is made that there will be any such monitoring.**

## 19. Definitions

The following definitions shall apply to Type A Fund Linked W&C Securities (notwithstanding any definition to the contrary in these Conditions):

**ETFs** means the Initial Reference ETF or the Final Reference ETF, as applicable;

**Fund Share** means an Initial Reference Fund Security or a Final Reference Fund Security, as applicable, and reference to "holder of the Fund Shares" and "Fund Shareholder" shall be construed accordingly;

**Final Price** means, subject to adjustment in accordance with Fund Linked Condition 8 above, as amended, the Closing Price of the Final Reference Fund Security in respect of the Final Valuation Date;

**Final Reference Fund Security** means a unit of the Final Reference ETF;

**Initial Reference Fund Security** means a unit of the Initial Reference ETF; and

**Settlement Price** means such amount as specified in the applicable Final Terms or, if no such amount is specified, the sum of (a) the Final Price and (b) the Fixed Spread.

**20. Amendments to Fund Linked Conditions**

20.1 The definition of Settlement Date in W&C Securities Condition 3.6 shall be deemed to be:

"**Settlement Date** means the third Business Day following the Final Valuation Date, subject to adjustment in accordance with Fund Linked Condition 8 above;"

20.2 The definition of Disruption Cut-off Date in Fund Linked Condition 7 above shall be deemed to be:

"**Disruption Cut-off Date** means the date falling a number of Scheduled Trading Days after the originally scheduled Valuation Date, as specified in the applicable Final Terms or, if no such date if specified, the eighth Scheduled Trading Day after the originally scheduled Valuation Date;"

20.3 The definition of Exchange in Fund Linked Condition 7 above shall be deemed to be:

"**Exchange** means:

(a) in relation to the Initial Reference Fund Security, the Initial Reference Fund Exchange as specified in the applicable Final Terms; or

(b) in relation to the Final Reference Fund Security, the Final Reference Fund Exchange as specified in the applicable Final Terms,

or, in each case, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Initial Reference Fund Securities or the Final Reference Fund Securities, as applicable, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Initial Reference Fund Securities or the Final Reference Fund Securities, as applicable, on such temporary substitute exchange or quotation system as on the original Exchange);"

20.4 The definition of Related Exchange in Fund Linked Condition 7 above shall be deemed to be:

"**Related Exchange** means:

(a) in relation to the Initial Reference Fund Security, the Initial Reference Fund Related Exchange as specified in the applicable Final Terms; or

(b) in relation to the Final Reference Fund Security, the Final Reference Fund Related Exchange as specified in the applicable Final Terms,

or, in each case, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Initial Reference Fund Securities or the Final Reference Fund Securities, as applicable, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Initial Reference Fund Securities or the

Final Reference Fund Securities, as applicable, on such temporary substitute exchange or quotation system as on the original Related Exchange);"

20.5 Where Scheduled Trading Day is specified as being "Applicable" in the applicable Final Terms, the following definition of Scheduled Trading Day will apply instead of that in Fund Linked Condition 7 above:

"**Scheduled Trading Day** means any day on which the relevant Exchange in respect of the relevant Fund Share and the relevant Related Exchange in respect of the relevant Fund Share are scheduled to be open for trading during their respective regular trading session(s);"

20.6 The definition of Material Underlying Event pursuant to Fund Linked Condition 10 above shall be deemed amended by the insertion of a subparagraph (v) immediately following subparagraph (iv) as follows:

"and/or

(v) during the period from (and including) the Trade Date to (and including) the Final Valuation Date:

(a) the fees relating to the Final Reference Fund Securities charged by the Final Reference ETF decrease; and/or

(b) the fees relating to the Initial Reference Fund Securities charged by the Initial Reference ETF increase;

which, in either case, has a material effect on the Closing Price or the 'per security entitlement to gold' (as published by the Initial Reference ETF or Final Reference ETF, as applicable) of the Initial Reference ETF or the Final Reference ETF, as applicable,"

20.7 The consequences of a De-Listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event occurring as set out in sub-paragraphs (i)-(v) immediately following the definition of "Tender Offer Date" in Fund Linked Condition 10 above shall be deemed amended by the insertion of and additional subparagraph (vi) immediately following the word "substitution" at the end of subparagraph (v) as follows:

"; or

(vi) in respect of an event as described in paragraph (v) of the definition of Material Underlying Event only, as of the Final Valuation Date increase the Final Price by a percentage equal to:

(a) (i) in the case of a Final Reference ETF fees change, the absolute value of the amount of the relevant decrease in fees as referred to in "Material Underlying Event – (v)" in respect of the Final Reference ETF; plus

(ii) in the case of an Initial Reference ETF fees change, the amount of the relevant increase in fees as referred to in "Material Underlying Event – (v)" in respect of the Initial Reference ETF;

multiplied by

(b) the number of calendar days in the period from (and including) the relevant day on which the fees change to and including the Final Valuation Date;

divided by

(c) 365."

**21. Interpretation**

The Type A Fund Linked W&C Securities shall be treated as relating to the Fund Shares of a single ETF and references to "ETF" or "Fund Share" in the singular tense shall be treated as references to each ETF or Fund Share on its own for the purposes of:

(a) the definition of Exchange Business Day pursuant to Fund Linked Condition 7 (i.e. Single ETF Basis shall apply);

(b) the definition of Valuation Time pursuant to Fund Linked Condition 7;

(c) Fund Linked Conditions 8.1 and 8.2 above and, in the case of 8.2 above, each Fund Share shall be treated separately such that if the Calculation Agent determines that any Valuation Date is a Disrupted Day in respect to a Fund Share, the Valuation Date in respect of each Fund Share not affected by the occurrence of a Disrupted Day shall be the Valuation Date and only the Valuation Date in respect of the Fund Share affected by the occurrence of the Disrupted Day shall be amended in accordance with Fund Linked Condition 8.2 above; and

(d) Fund Linked Conditions 9 to 10 above.

## ANNEX 6

## ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES

**Clause** **Page**

1. Index Delay and Disruption Event Provisions .....527
2. Definitions .....532
3. Index Descriptions .....533

***This Annex applies to Exempt Securities and the following Non-Exempt Securities:***

- ***Leveraged Inflation Interest N&C Securities***

*If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to N&C Securities specified in the applicable Final Terms as Inflation Linked N&C Securities shall comprise the terms and conditions of the N&C Securities (the **N&C Securities Conditions**) and the additional Terms and Conditions for Inflation Linked Securities set out below (the **Inflation Linked Conditions**) and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Inflation Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the **W&C Securities Conditions**) and the Inflation Linked Conditions, in each case together with the Additional Terms and Conditions contained in any of the other Annexes to the Terms and Conditions that are specified in the applicable Final Terms as applying to the Securities and subject, in each case, to completion in the applicable Final Terms or Pricing Supplement (as applicable) and, in the case of Exempt Securities only, supplement or amendment in the applicable Pricing Supplement. In the case of Inflation Linked N&C Securities which are Exempt N&C Securities or Inflation Linked W&C Securities which are Exempt W&C Securities, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Inflation Linked Conditions, the Inflation Linked Conditions shall prevail. In the case of Inflation Linked N&C Securities which are not Exempt N&C Securities or Inflation Linked W&C Securities which are not Exempt W&C Securities, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Inflation Linked Conditions, the N&C Securities Conditions or the W&C Securities Conditions, as applicable, shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions, the W&C Securities Conditions and/or the Inflation Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. In the event of any inconsistency in the provisions of Inflation Linked Condition 3 and the other provisions of these Inflation Linked Conditions, the provisions of Inflation linked Condition 3 shall prevail. References in the Inflation Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "W&C Security" and "W&C Securities" as the context admits.*

## 1. INDEX DELAY AND DISRUPTION EVENT PROVISIONS

### 1.1 Delay of Publication

If the Calculation Agent determines that any Index Level for a Reference Month which is relevant to the calculation of any payment or delivery under the Securities and/or any other determination in respect of the Securities (a **Relevant Level**) has not been published or announced by the related Cut-off Date, the Calculation Agent shall determine an alternative level in place of such Relevant Level (a **Substitute Index Level**) by using the following methodology:

(i) if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall take the same action to determine the Substitute Index Level for the applicable Payment/Delivery Date or date for determination, as applicable, as that taken pursuant to the terms and conditions of the relevant Related Bond;

(ii) if (I) Related Bond is not specified as applicable in the applicable Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level pursuant to paragraph (i) above for any reason, then the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level}/\text{Reference Level}); \text{ or}$$

(iii) otherwise in accordance with any formula or method specified in the applicable Final Terms,

where:

**Base Level** means the Index Level (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

**Latest Level** means the latest Index Level (excluding any "flash" estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Index Level is being determined.

**Reference Level** means, in respect of an Index, the Index Level (excluding any "flash" estimates) published or announced by the relevant Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above.

If a Relevant Level is published or announced at any time on or after the Cut-off Date then, subject as provided in Inflation Linked Condition 1.3.3(c), such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Inflation Linked Condition 1.1 will be the definitive level for that Reference Month.

The Issuer shall give notice to Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, of any Substitute Index Level calculated pursuant to this Inflation Linked Condition 1.1.

**1.2 Cessation of Publication**

If the Calculation Agent determines that the Index Level has not been published or announced by the relevant Index Sponsor for two consecutive months or the Index Sponsor announces that it will no longer continue to publish or announce such Index and/or the Index Sponsor cancels the Index, then the Calculation Agent shall determine a successor index in lieu of any previously applicable Index (a **Successor Index**) for the purposes of the Securities by using the following methodology:

(i) if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall determine a Successor Index by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;

(ii) if (x) Related Bond is not specified as applicable in the applicable Final Terms, or (y) a Related Bond Redemption Event has occurred, is specified as applying in the applicable Final Terms and "Fallback Bond" is not specified as applicable in the applicable Final Terms, the Index Sponsor announces that it will no longer publish or announce the Index but that it will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be deemed the Successor Index for the purposes of the Securities from the date that such replacement Index comes into effect;

(iii) if no Successor Index has been determined under paragraphs (i) or (ii) above, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If at least four responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the Successor Index. If three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the Successor Index. If fewer than three responses are received by the Cut-off Date or no Successor Index is determined pursuant to this provision, the Calculation Agent will apply the provisions of paragraph (iv) below;

(iv) if no Successor Index has been determined pursuant to paragraphs (i), (ii) or (iii) above, by the next occurring Cut-off Date, subject as provided below, the Calculation Agent will determine an appropriate alternative index as of such Cut-off Date, and such index will be deemed the Successor Index for the purposes of the Securities;

(v) if the Calculation Agent determines that there is no appropriate alternative index, in relation to:

(a) N&C Securities, then the Issuer shall give notice to the Securityholders in accordance with N&C Securities Condition 16 and redeem all (but not some only) of the N&C Securities, each N&C Security being redeemed at the Early Redemption Amount; or

(b) W&C Securities, then the Issuer shall give notice to the Securityholders in accordance with W&C Securities Condition 9 and cancel all (but not some only) of the W&C Securities, each W&C Security being cancelled at the Early Cancellation Amount.

In each case, payments will be made on the Cessation of Publication Termination Date in such manner as shall be notified to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable. For these purposes, the **Cessation of Publication Termination Date** shall be the fifth Business Day immediately following the date of the notice of termination to Securityholders or such other date as may be specified in such notice.

In relation to the determination of any Successor Index in accordance with this Inflation Linked Condition 1.2, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the relevant Index for the purposes of the Securities. Notice of the determination of a Successor Index and the effective date of the Successor Index shall be given to Securityholders by the Issuer in accordance with N&C Securities Condition 16 or W&C Securities Condition 9 as applicable.

**1.3 Adjustments**

**1.3.1** Successor Index

If a Successor Index is determined in accordance with Inflation Linked Condition 1.2 above, the Calculation Agent may make any adjustment or adjustments (without limitation) to any amount payable under the Securities and/or any other relevant term of the Securities as the Calculation Agent deems necessary to account for this. The Issuer shall give notice to the Securityholders of any such adjustment in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

**1.3.2** Substitute Index Level

If the Calculation Agent determines a Substitute Index Level in accordance with Inflation Linked Condition 1.1, the Issuer may make any adjustment or adjustments (without limitation) to (x) the Substitute Index Level determined in accordance with Inflation Linked Condition 1.1 and/or (y) any amount payable under the Securities and/or any other relevant term of the Conditions as the Calculation Agent deems necessary in connection therewith. The Issuer shall give notice to the Securityholders of any such adjustment in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

**1.3.3** Index Level Adjustment Correction

(a) The first publication or announcement of the Relevant Level (excluding any "flash" or other estimates) by the Index Sponsor for any Reference Month shall be final and

conclusive and, subject to Inflation Linked Condition 1.3.5(b) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Payment/Delivery Date or date of such other applicable determination under the Securities, as applicable, will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Securityholders of any valid revision in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

(b) If, within 30 days of publication or at any time prior to a Payment/Delivery Date or date of such other applicable determination under the Securities, as applicable, in respect of which a Relevant Level will be used in any calculation or determination in respect of the Securities, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any amount payable under the Securities and/or any other relevant term of the Securities as the Calculation Agent deems appropriate as a result of that correction. The Issuer shall give notice to the Securityholders of any such adjustment and/or amount in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

(c) If a Relevant Level is published or announced at any time after any Cut-off Date in respect of a Payment/Delivery Date in respect of which a Substitute Index Level was determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Securities and that the Substitute Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (B) request the Issuer to make any adjustment to any amount payable under the Securities and/or any other relevant term of the Securities as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Securityholders of any determination in respect of (A) or (B), together with any adjustment and/or amount in respect thereof, in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

**1.3.4** Rebasing

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the **Rebased Index**) will be used for purposes of determining the Index Level from the date of such rebasing (the **Rebased Index Level**). Notwithstanding the foregoing, the Calculation Agent may (A) if Related Bond is specified as applicable in the applicable Final Terms, make any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the Rebased Index Levels so that the Rebased Index Levels reflect the same rate of inflation as the Index before the rebasing and/or (B) if Related Bond is not specified as applicable in the applicable Final Terms or a Related Bond Redemption Event is specified as applying in the applicable Final Terms and has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index Levels reflect the same rate of inflation as the Index before it was rebased and in each case the Issuer may make any adjustments to any amount payable under the Securities and/or any other term of the Securities as the Calculation Agent may deem necessary. Notice

of any such adjustment and the effective date thereof shall be given to Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

If "Acceleration upon Rebasing of Index" is specified as applicable in the applicable Final Terms and the Calculation Agent determines that neither (A) nor (B) above would produce a commercially reasonable result, the Issuer may:

(a) in the case of N&C Securities, give notice to the Securityholders in accordance with N&C Securities Condition 16 and redeem all (but not some only) of the N&C Securities, each N&C Security being redeemed at the Early Redemption Amount; or

(b) in the case of W&C Securities, give notice to the Securityholders in accordance with W&C Securities Condition 9 and cancel all (but not some only) of the W&C Securities, each W&C Security being cancelled at the Early Cancellation Amount.

In each case, payments will be made on the Rebasing Acceleration Date in such manner as shall be notified to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable. For these purposes, the **Rebasing Acceleration Date** shall be the fifth Business Day immediately following the date of the notice of termination to Securityholders or such other date as may be specified in such notice.

**1.3.5** Index Modification

(a) If on or prior to the Cut-off Date in respect of any Payment/Delivery Date, the Calculation Agent determines that an Index Modification has occurred the Calculation Agent may (A) if Related Bond is specified as applicable in the applicable Final Terms, make any adjustments to the Index, any Relevant Level and/or any other relevant term of the Securities (including, without limitation, any amount payable under the Securities), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (B) if Related Bond is not specified as applicable in the applicable Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the Index, any Relevant Level and/or any other term of the Securities (including, without limitation, any amount payable under the Securities), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.

(b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-off Date in respect of any Payment/Delivery Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Payment/Delivery Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Payment/Delivery Date such that the provisions of sub-paragraph (a) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-off Date, to make any adjustments as the Calculation Agent deems fit in accordance with sub-paragraph (a) above.

(c) Notice of any adjustment made in accordance with this Inflation Linked Condition 1.3.5 and the effective date thereof shall be given to Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

**1.3.6** Rounding

For purposes of any calculations by the Calculation Agent in connection with the Index, all percentages resulting from such calculations will be rounded, if necessary, either:

(a) if Related Bond is specified as applicable in the applicable Final Terms, in accordance with the rounding conventions of the documentation governing the Related Bond; or

(b) if Related Bond is not specified as applicable in the applicable Final Terms, (x) in respect of percentages determined through the use of interpolation by reference to two Index Levels, in accordance with the method set forth in subsection (y) below, but to the same degree of accuracy as the two rates used to make the calculation (except that such percentages will not be rounded to a lower degree of accuracy than the nearest one thousandth of a percentage point (0.001 per cent.)), (y) in all other cases, to the nearest one hundred-thousandth of a percentage point (e.g., 9.876541 per cent. (or.09876541) being rounded down to 9.87654 per cent. (or.0987654) and 9.876545 per cent. (or.09876545) being rounded up to 9.87655 per cent. (or.0987655)),

and if subsection (b) of this Rounding provision is applicable, all currency amounts used in or resulting from any calculations by the Calculation Agent in connection with the Index will be rounded in the manner indicated for each of the currencies set forth below, and to the nearest two decimal places in the relevant currency (with.005 being rounded upwards (e.g.,.674 being rounded down to.67 and 675 being rounded up to 68)) if the currency is other than those currencies set forth below. Notwithstanding the above, the following currencies shall be subject to rounding as follows:

(i) Chilean Peso: round to the nearest whole Chilean Peso (with one half Chilean Peso being rounded up);

(ii) Hungarian Forint: round to the nearest whole Hungarian Forint (with one half Hungarian Forint being rounded up);

(iii) Japanese Yen: round down to the next lower whole Japanese Yen; and

(iv) Korean Won: round down to the next lower whole Korean Won.

## 2. DEFINITIONS

**Cut-off Date** means, (i) in respect of a Payment/Delivery Date, the fifth Business Day prior to such Payment/Delivery Date, or (ii) in respect of any other determination under the Securities, as referred to in the first paragraph of Inflation Linked Condition 1.1, the relevant day by which, in the determination of the Calculation Agent, such determination is required to be made, unless otherwise stated in the applicable Final Terms.

**End Date** means the Maturity Date (in the case of N&C Securities) or the relevant date specified as such in the applicable Final Terms (in the case of W&C Securities).

**Fallback Bond** means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same day as the End Date, (b) a day that is the closest day to but following the End Date if there is no such bond maturing on the End Date, or (c) a day that is the closest to but preceding the End Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy,

Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation linked bonds issued on or before the Issue Date and, if there is more than one inflation linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

**Index** means the inflation index specified in the applicable Final Terms or any Successor Index as determined by the Calculation Agent pursuant to Inflation Linked Condition 1.2.

**Index Level** means subject to the provisions of Inflation Linked Condition 1.3 and unless otherwise provided in Inflation Linked Condition 3 in relation to the relevant Index, the first publication or announcement of a level of the Index for the relevant Reference Month.

**Index Modification** means the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index.

**Index Sponsor** means the entity that publishes or announces (directly or through an agent) the Index Level, which as of the Issue Date is the Index Sponsor specified in the applicable Final Terms.

**Payment/Delivery Date** means a day on which a payment or delivery is scheduled to be made in respect of the Securities, the amount of which is to be determined by reference to an Index Level or any Substitute Index Level.

**Reference Month** means, as specified in the Final Terms, the relevant calendar month for which the Index Level is reported, regardless of when this information is published or announced. If the period for which the Index Level is reported is a period other than a month, the Reference Month is the period for which the Index Level is reported.

**Related Bond** means the bond (if any) specified as such in the applicable Final Terms, provided that:

(i) If Fallback Bond is specified under the Related Bond heading in the applicable Final Terms, then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond.

(ii) If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, there will be no Related Bond.

(iii) If a bond is specified as the Related Bond in the applicable Final Terms and that bond redeems or matures prior to the End Date unless "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination.

**Related Bond Redemption Event** means, if specified as applicable in the applicable Final Terms, at any time prior to the End Date, (i) the Related Bond is redeemed, repurchased or cancelled; (ii) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason; or (iii) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity.

## 3. INDEX DESCRIPTIONS

Where the following Index Descriptions have been specified in the applicable Final Terms as the applicable Index, the following terms and expressions shall have the following meanings:

### 3.1 Australia

AUD – Non-revised Consumer Price Index (CPI) means the "Non-revised Index of Consumer Prices for Weighted Average of Eight Capital Cities: All - Groups Index before Seasonal Adjustment", or relevant Successor Index, measuring the rate of inflation in Australia, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.2 Austria

AUS – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index (2005)", or relevant Successor Index, measuring the rate of inflation in Austria, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.3 Brazil

**3.3.1** BRL – Non-revised Consumer Price Index (IPCA) means the "Non-revised Extensive National Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Brazil, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.3.2** BRL – Non-revised Price Index (IGP-M) means the "IGP-M General Price Index", or relevant Successor Index, measuring the rate of inflation in Brazil, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.3.3** AUS – Non-revised Harmonised Indices of Consumer Prices (HICP) means the "Nonrevised Harmonised Index of Consumer Prices (2005)", or relevant Successor Index, measuring the rate of inflation in Austria, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.4 Belgium

**3.4.1** BLG – Non-revised Harmonised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Belgium, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.4.2** BLG – Non-revised Consumer Price Index - General Index (CPI) means the "Nonrevised Consumer Price Index - General Index", or relevant Successor Index, measuring the rate of inflation in Belgium, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.4.3** BLG – Non-revised Consumer Price Index - Health Index (CPI) means the "Nonrevised Consumer Price Index - Health Index", or relevant Successor Index, measuring the rate of inflation in Belgium, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.5 Canada

CAD – Non-revised Consumer Price Index (CPI) means the "Non-revised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Canada, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.6 Chile

CLP – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Chile, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.7 China

CNY – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in China, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.8 Czech Republic

CZK – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price index", or relevant Successor Index, measuring the rate of inflation in the Czech Republic, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.9 Denmark

**3.9.1** DKK – Non-revised Consumer Price Index (CPI) means the "Non-revised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Denmark, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.9.2** DKK – Harmonised-Non-revised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Denmark, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.10 European Union

**3.10.1** EUR – Excluding Tobacco-Non-revised Consumer Price Index means the "Non-revised Harmonized Index of Consumer Prices excluding Tobacco", or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.10.2** EUR – All Items-Non-revised Consumer Price Index means the "Non-revised Harmonised Index of Consumer Prices All Items", or relevant Successor Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.10.3** EUR – All Items-Revised Consumer Price Index means the "Revised Harmonised Index of Consumer Prices All Items", or relevant Successor Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the Index Sponsor. The first publication or announcement of a level of such index, or, if revised, any subsequent revisions of such level for a Reference Month shall be final and conclusive, provided that such revisions are published or announced up to and including the day that is two Business Days prior to any relevant Payment/Delivery Date.

3.10.4 EUR – Excluding Tobacco–Revised Consumer Price Index means the "Revised Harmonised Index of Consumer Prices excluding Tobacco", or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index, or, if revised, any subsequent revisions of such level for a Reference Month shall be final and conclusive, provided that such revisions are published or announced up to and including the day that is two Business Days prior to any relevant Payment/Delivery Date.

### 3.11 Finland

**3.11.1** FIN – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Finland, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.11.2** FIN – Harmonised-Non-revised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Finland, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.12 France

**3.12.1** FRC – Excluding Tobacco-Non-Revised Consumer Price Index means the "Nonrevised Index of Consumer Prices excluding Tobacco1", or relevant Successor Index, measuring the rate of inflation in France excluding tobacco expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.12.2** FRC – Harmonised-Non-revised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in France, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.13 Germany

**3.13.1** DEM – Non-revised Consumer Price Index (CPI) means the "Non-revised All Items Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Germany, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.13.2** DEM – Non-revised Consumer Price Index for North Rhine-Westphalia means the "Non-revised Index of Consumer Prices for North Rhine-Westphalia", or relevant Successor Index, measuring the rate of inflation in North Rhine-Westphalia, Germany, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.13.3** DEM – Non-revised Harmonised Consumer Price Index (HICPI means the "Nonrevised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Germany, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.14 Greece

**3.14.1** GRD – Harmonised-Non-revised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Greece expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.14.2** GRD – Non-revised Consumer Price Index (CPI) means the "Non-revised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Greece expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.15 Hong Kong

HKD – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Hong Kong, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.16 Hungary

HUF – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Hungary, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.17 Iceland

**3.17.1** ISK – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Iceland, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.17.2** ISK – Harmonised Consumer Price Index (HICP) means the "Non-revised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Iceland, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.18 Indonesia

IDR – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Indonesia, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.19 Ireland

**3.19.1** IRL – Non-revised Consumer Price Index (CPI) means the "Consumer Price Index-All Items", or relevant Successor Index, measuring the rate of inflation in Ireland, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.19.2** IRL – Harmonised-Non-revised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices - All Items", or relevant Successor Index, measuring the rate of inflation in Ireland, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.20 Israel

ILS – Non-revised Consumer Price Index (CPI) means the "Consumer Price Index-General", or relevant Successor Index, measuring the rate of inflation in Israel, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

## 3.21 Italy

**3.21.1** ITL – Whole Community-Excluding Tobacco Consumer Price Index means the "Indice nazionale dei prezzi al consumo per I'intera collettivita (NIC) senza tabacchi" or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.21.2** ITL – Whole Community -Including Tobacco Consumer Price Index means the "Indice nazionale dei prezzi al consumo per I'intera collettivita (NIC) con tabacchi", or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.21.3** ITL – Inflation for Blue Collar Workers and Employees-Excluding Tobacco Consumer Price Index means the "Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI) senza tabacchi", or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.21.4** ITL – Inflation for Blue Collar Workers and Employees-Including Tobacco Consumer Price Index means the "Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI) con tabacchi", or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.21.5** ITL – Non-revised Harmonised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Italy, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.21.6** MXN – Unidad de Inversion Index (UDI) means the "Unidad de Inversion Index", or relevant Successor Index, reporting the daily peso value of an Unidad de Inversion (an UDI), expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

## 3.22 Japan

JPY – Non-revised Consumer Price Index Nationwide General Excluding Fresh Food (CPI) means the "Non-revised Consumer Price Index Nationwide General Excluding Fresh Food", or relevant Successor Index, measuring the rate of inflation excluding fresh food in Japan, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.23 Luxembourg

**3.23.1** LUX – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Luxembourg, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.23.2** LUX – Harmonised-Non-revised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Luxembourg, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.24 Malaysia

MYR – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Malaysia, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.25 Mexico

MXN – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Mexico, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.26 Netherlands

**3.26.1** NLG – Harmonised-Non-revised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in the Netherlands, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.26.2** NLG – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in the Netherlands, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.27 New Zealand

NZD – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in New Zealand, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.28 Norway

NOK – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index – All Items", or relevant Successor Index, measuring the rate of inflation in Norway, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.29 Peru

PER – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Peru, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.30 Poland

PLN – Non-Revised Consumer Price Index (CPI) means the "Non-revised Price Indices of Consumer Goods and Services", or relevant Successor Index, measuring the rate of inflation in Poland, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.31 Portugal

**3.31.1** POR – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Portugal, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.31.2** POR – Harmonised-Non-revised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Portugal, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.32 Russia

RUB – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Russia, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.33 Singapore

SGD – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Singapore, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.34 South Africa

**3.34.1** ZAR – Non-revised Consumer Price Index Excluding Mortgages (CPIX) means the "Non-revised Index of Consumer Prices excluding Mortgage", or relevant Successor Index, measuring the rate of inflation excluding mortgages in South Africa, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.34.2** ZAR – Non-revised Consumer Price Index (CPI) means the "Non-revised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in South Africa, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.35 South Korea

KRW – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in South Korea, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.36 Spain

**3.36.1** ESP – National-Revised Consumer Price Index (CPI) means the "Year on Year Revised Index of Consumer Prices", or the relevant Successor Index, measuring the rate of inflation in Spain, expressed as an annual percentage and published by the Index Sponsor. The first publication or announcement of a level of such index, or, if revised, any subsequent revisions of such level for a Reference Month shall be final and conclusive, provided that such revisions are published or announced up to and including the day that is two Business Days prior to any relevant Payment/Delivery Date.

**3.36.2** ESP – National-Non-revised Consumer Price Index (CPI) means the "Non-revised Index of Consumer Prices including Tobacco", or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and 'conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.36.3** ESP – Harmonised-Revised Consumer Price Index (HICP) means the "Harmonised Index of Consumer Prices including Tobacco", or the relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the Index Sponsor. The first publication or announcement of a level of such index, or, if revised, any subsequent revisions of such level for a Reference Month shall be final and conclusive, provided that such revisions are published or announced up to and including the day that is two Business Days prior to any relevant Payment/Delivery Date.

**3.36.4** ESP – Harmonised-Non-revised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices including Tobacco", or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.37 Sweden**

SEK – Non-revised Consumer Price Index (CPI) means the "Non-revised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Sweden, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.38 Switzerland**

SWF – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Switzerland, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.39 Taiwan**

TWD – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in, Taiwan, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.40 Turkey**

TRY – Non-revised Consumer Price Index (CPI) means the "Non-revised Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Turkey, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.41 United Kingdom**

**3.41.1** GBP – Non-revised Retail Price Index (UKRPI) means the "Non-revised Retail Price Index All Items in the United Kingdom", or relevant Successor Index, measuring the all items rate of inflation in the United Kingdom expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.41.2** GBP – Harmonised-Non-revised Consumer Price Index (HICP) means the "Nonrevised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in the United Kingdom, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**3.41.3** GBP – Non-revised Retail Price Index Excluding Mortgage Interest Payments (UKRPIX) means the "Non-revised Retail Price Index Excluding Mortgage Interest Payments in the United Kingdom", or relevant Successor Index, measuring the all items rate of inflation in the United Kingdom expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

### 3.42 United States

USA – Non-revised Consumer Price Index – Urban (CPI-U) means the "Non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment", or relevant Successor Index, measuring the rate of inflation in the United States expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for such Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

## ANNEX 7

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES (2003 ISDA CREDIT DERIVATIVES DEFINITIONS VERSION)

**Clause** **Page**


1. Redemption or Exercise of Credit Linked Securities ..... 546
2. Auction Settlement ..... 546
3. Cash Settlement ..... 547
4. Physical Settlement ..... 548
5. Repudiation/Moratorium Extension ..... 549
6. Grace Period Extension ..... 550
7. Credit Derivatives Determinations Committee Extension ..... 551
8. Maturity Date Extension in the case of Credit Linked N&C Securities ..... 552
9. Exercise Date Extension in the case of Credit Linked W&C Securities ..... 553
10. Partial Cash Settlement ..... 554
11. Settlement Suspension ..... 556
12. Redemption/Cancellation following a Merger Event ..... 557
13. Definitions ..... 557
14. Credit Event Notice after Restructuring Credit Event ..... 597
15. Provisions relating to Multiple Holder Obligation ..... 598
16. Provisions taken from the ISDA supplement titled "Additional Provisions for Physically Settled Default Swaps– Monoline Insurer as Reference Entity (January 2005)" ..... 599
17. Calculation Agent Notices ..... 602
18. Provisions taken from the ISDA supplement titled "Additional Provisions for LPN Reference Entities" (published on 3 October 2006) ..... 602
19. Amendment of Credit Linked Conditions in accordance with Market Convention ..... 603
20. Specific Provisions for Credit Linked Warrants ..... 604

***This Annex applies to Exempt Securities and the following Non-Exempt Securities:***

- ***Zero Recovery Basket Credit Linked N&C Securities***

*If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to N&C Securities specified in the applicable Final Terms as Credit Linked N&C Securities shall comprise the terms and conditions of the N&C Securities (the* ***N&C Securities Conditions****) and the additional Terms and Conditions for Credit Linked Securities set out below (the* ***Credit Linked Conditions****) and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Credit Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the* ***W&C Securities Conditions****) and the Credit Linked Conditions, in each case together with the Additional Terms and Conditions contained in any of the other Annexes to the Terms and Conditions that are specified in the applicable Final Terms as applying to the Securities and subject, in each case, to completion in the applicable Final Terms or Pricing Supplement (as applicable) and, in the case of Exempt Securities only, supplement or amendment in the applicable Pricing Supplement. In the case of Credit Linked N&C Securities which are Exempt N&C Securities or Credit Linked W&C Securities which are Exempt W&C Securities, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Credit Linked Conditions, the Credit Linked Conditions shall prevail. In the case of Credit Linked N&C Securities which are not Exempt N&C Securities or Credit Linked W&C Securities which are not Exempt W&C Securities, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Credit Linked Conditions, the N&C Securities Conditions or the W&C Securities Conditions, as applicable, shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions, the W&C Securities Conditions and/or the Credit Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Credit Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "W&C Security" and "W&C Securities" as the context admits.*

Unless otherwise stated in these Credit Linked Conditions or, in the case of Exempt Securities only, in the applicable Final Terms, in the event that any day specified in the section "*Credit Linked N&C Securities*" or "*Credit Linked W&C Securities*", as applicable, in the applicable Final Terms or the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such day or last day shall be subject to adjustment in accordance with the applicable Business Day Convention.

**1. Redemption or Exercise of Credit Linked Securities**

Unless previously redeemed or purchased and cancelled and subject as provided in Credit Linked Condition 2, Credit Linked Condition 3 and Credit Linked Condition 4, as applicable:

(i) each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer at its relevant Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date; or

(ii) each Credit Linked W&C Security will be exercised automatically by the Principal Agent on behalf of Securityholders on the Exercise Date and entitles the holder to receive the relevant Cash Settlement Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Settlement Date.

**2. Auction Settlement**

If Conditions to Settlement are satisfied, then where Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Issuer shall give notice (such notice an **Auction Settlement Notice**) to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, and, subject to any adjustment in accordance with Credit

Linked Condition 14, redeem or cancel, as applicable, all but not some only of the Securities and pay in respect of each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount set out in the applicable Final Terms or each Credit Linked W&C Security, as applicable, the Credit Event Redemption Amount in the relevant Specified Currency on the Credit Event Redemption Date.

Unless settlement has occurred in accordance with the paragraph above, if:

(i) an Auction Cancellation Date occurs;

(ii) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraph (b) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option);

(iii) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date;

(iv) a Credit Event Determination Date was determined pursuant to paragraph (a) of the definition of Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date; or

(v) a Credit Event Determination Date was determined pursuant to paragraph (b)(B)(I) or (b)(B)(II) of the definition of Credit Event Determination Date,

then:

(A) if Fallback Settlement Method – Cash Settlement is specified as applicable in the applicable Final Terms, the Issuer shall redeem or cancel, as applicable, the Securities in accordance with Credit Linked Condition 3 below; or

(B) if Fallback Settlement Method – Physical Delivery is specified as applicable in the applicable Final Terms, the Issuer shall redeem or cancel, as applicable, the Securities in accordance with Credit Linked Condition 4 below.

***If Conditions to Settlement are satisfied and the Securities become redeemable or are cancelled in accordance with this Credit Linked Condition 2, upon payment of the Credit Event Redemption Amounts in respect of the Securities, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the Calculation Amount of a Credit Linked N&C Security or the Notional Amount of a Credit Linked W&C Security. Any shortfall shall be borne by the Holders and no liability shall attach to the Issuer or the Guarantor (if applicable).***

**3. Cash Settlement**

If Conditions to Settlement are satisfied, then where Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms or if Credit Linked Condition 2(A) above applies, the Issuer shall give notice (such notice a **Cash Settlement Notice**) to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable and redeem or cancel, as applicable, all but not some only of the Securities, and pay in respect of each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount set out in the applicable Final Terms or each Credit Linked W&C Security, as applicable, the Credit Event Redemption Amount in the relevant Specified Currency on the Credit Event Redemption Date.

***If Conditions to Settlement are satisfied and the Securities become redeemable or are cancelled in accordance with this Credit Linked Condition 3, upon payment of the Credit Event Redemption Amounts in respect of the Securities, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the Calculation Amount of a Credit Linked N&C Security or the Notional Amount of a Credit Linked W&C Security. Any shortfall shall be borne by the Holders and no liability shall attach to the Issuer or the Guarantor (if applicable).***

**4. Physical Settlement**

If Conditions to Settlement are satisfied, then where Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms or if Credit Linked Condition 2(B) above applies, the Issuer shall, following the receipt of a Calculation Agent Physical Settlement Notice, give notice (such notice a **Notice of Physical Settlement**) to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, and redeem or cancel, as applicable all but not some only of the Securities and Deliver in respect of each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount or each Credit Linked W&C Security, as applicable, the Deliverable Obligations comprising the Entitlement on the Credit Settlement Date, subject to and in accordance with the N&C Securities Conditions or the W&C Securities Conditions and these Credit Linked Conditions.

In the Notice of Physical Settlement, the Issuer shall specify the Deliverable Obligations comprising the Entitlement that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Entitlement, irrespective of their market value.

The Issuer may, from time to time, amend a Notice of Physical Settlement by delivering a notice to Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable (each such notification, a **Physical Settlement Amendment Notice**) that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective). A Physical Settlement Amendment Notice shall specify each replacement Deliverable Obligation that the Issuer will Deliver (each, a **Replacement Deliverable Obligation**) and shall also specify the Outstanding Principal Balance or Due and Payable Amount (determined on the same basis as in the definition of Entitlement) of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced or the equivalent Currency Amount of any such amount (with respect to each such Deliverable Obligation, the **Replaced Deliverable Obligation Outstanding Amount**). The Replacement Deliverable Obligation(s), taken together, shall have an aggregate Replaced Deliverable Obligation Outstanding Amount at least equal to the Outstanding Principal Balance(s) and/or Due and Payable Amount(s) (or the equivalent Currency Amount(s) of any such amount(s)) of the Deliverable Obligations being replaced. Each such Physical Settlement Amendment Notice must be effective on or prior to the Credit Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies contained in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, by notice to Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, prior to the relevant Delivery Date; it being understood that such notice of correction shall not constitute a Physical Settlement Amendment Notice.

If "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Entitlement only if it (i) is

a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Entitlement only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

***If Conditions to Settlement are satisfied and the Securities become redeemable or are cancelled in accordance with this Credit Linked Condition 4, upon Delivery of the Deliverable Obligations and/or payment of the Partial Cash Settlement Amounts, as the case may be, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Partial Cash Settlement Amount, as the case may be, may be less than the Calculation Amount of a Credit Linked N&C Security or the Notional Amount of a Credit Linked W&C Security. Any shortfall shall be borne by the Holders and no liability shall attach to the Issuer or the Guarantor (if applicable).***

**5. Repudiation/Moratorium Extension**

If "Repudiation/Moratorium" is specified as a Credit Event in the applicable Final Terms, the provisions of this Credit Linked Condition 5 shall apply.

(a) In the case of Credit Linked N&C Securities:

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time) but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Credit Linked Condition 8(y) applies, the Postponed Maturity Date (as defined in Credit Linked Condition 8) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will, in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Securityholders in accordance with N&C Securities Condition 16 that a Potential Repudiation/Moratorium has occurred and:

(i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:

(A) each unit or nominal amount of N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Repudiation/Moratorium Evaluation Date; and

(B) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and Conditions to Settlement are satisfied, the provisions of Credit Linked

Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked N&C Securities.

(b) In the case of Credit Linked W&C Securities:

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Exercise Date (determined by reference to the Relevant Time) but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Exercise Date or, if Credit Linked Condition 9(y) applies, the Postponed Exercise Date (as defined in Credit Linked Condition 9) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation/Moratorium will, in the sole determination of the Calculation Agent, fall after the Scheduled Exercise Date, then the Calculation Agent shall notify the Holders in accordance with W&C Securities Condition 9 that a Potential Repudiation/Moratorium has occurred and:

(i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date, the Exercise Date for the W&C Securities shall be postponed until the fifth Business Day following the Repudiation/Moratorium Evaluation Date; or

(ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and Conditions to Settlement are satisfied, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked W&C Securities.

**6. Grace Period Extension**

If "Grace Period Extension" is specified as applicable in the applicable Final Terms, the provisions of this Credit Linked Condition 6 shall apply.

(a) In the case of Credit Linked N&C Securities:

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time) but, in the determination of the Calculation Agent, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time) (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then the Calculation Agent shall notify the Securityholders in accordance with N&C Securities Condition 16 that a Potential Failure to Pay has occurred and:

(i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:

(A) each unit or nominal amount of N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Grace Period Extension Date; and

(B) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked N&C Securities.

(b) In the case of Credit Linked W&C Securities:

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Exercise Date (determined by reference to the Relevant Time) but in the determination of the Calculation Agent a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Exercise Date (and such Grace Period(s) is/are continuing as at the Scheduled Exercise Date), then the Calculation Agent shall notify such Potential Failure to Pay to the Holders in accordance with W&C Securities Condition 9 and:

(i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date, the Exercise Date for the W&C Securities will be postponed until the fifth Business Day following the Grace Period Extension Date; or

(ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked W&C Securities.

**7. Credit Derivatives Determinations Committee Extension**

(a) In the case of Credit Linked N&C Securities:

If, in the determination of the Calculation Agent, a Potential Credit Event has occurred and the Credit Derivatives Determinations Committee has not made its determination on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time) then the Calculation Agent shall notify Securityholders in accordance with N&C Securities Condition 16 that the Maturity Date has been postponed to a date (the **DC Cut-off Date**) being the earliest of: (i) 15 Business Days following the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, (ii) the second Business Day following the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred and (iii) 15 Business Days following the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred and:

(i) where a Credit Event has not occurred on or prior to the DC Cut-off Date:

(A) each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the DC Cut-off Date; and

(B) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or if none the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the DC Cut-off Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(ii) where a Credit Event has occurred on or prior to the DC Cut-off Date and Conditions to Settlement are satisfied, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked N&C Securities.

(b) In the case of Credit Linked W&C Securities:

If, in the determination of the Calculation Agent, a Potential Credit Event has occurred and the Credit Derivatives Determinations Committee has not made its determination on or prior to the Scheduled Exercise Date (determined by reference to the Relevant Time) then the Calculation Agent shall notify Holders in accordance with W&C Securities Condition 9 that the Exercise Date has been postponed to a date (the **DC Cut-off Date**) being the earliest of: (i) 15 Business Days following the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred; (ii) the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred and (iii) 15 Business Days following the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred and:

(i) where a Credit Event has not occurred on or prior to the DC Cut-off Date, each Credit Linked W&C Security will be cancelled by the Issuer at the Final Redemption Amount on the fifth Business Day following the DC Cut-off Date; or

(ii) where a Credit Event has occurred on or prior to the DC Cut-off Date and Conditions to Settlement are satisfied, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked W&C Securities.

**8. Maturity Date Extension in the case of Credit Linked N&C Securities**

The following provisions of this Credit Linked Condition 8 apply to Credit Linked N&C Securities:

Without prejudice to Credit Linked Condition 11, if:

(x) on (A) the Scheduled Maturity Date, (B), if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date or (D) the last day of the Notice Delivery Period, as the case may be, Conditions to Settlement have not been satisfied but, in the determination of the Calculation Agent, a Credit Event may have occurred; or

(y) on the Scheduled Maturity Date, in the determination of the Calculation Agent, a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may at its option notify the Securityholders in accordance with N&C Securities Condition 16 that the Maturity Date, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date or the last day of the Notice Delivery Period, as the case may be, has been postponed to a date (such date the **Postponed Maturity Date**) specified in such notice falling 15 Business Days after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or Grace Period Extension Date, or the last day of the Notice Delivery Period, as the case may be, or if such day is not a Business Day the immediately succeeding Business Day, and:

where:

(i) in the case of Credit Linked Condition 8(x), Conditions to Settlement are not satisfied on or prior to the Postponed Maturity Date or, in the case of Credit Linked Condition 8(y), the

Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity Date:

(A) subject as provided below, each unit or nominal amount of N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Postponed Maturity Date; and

(B) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Postponed Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(ii) where:

(A) in the case of Credit Linked Condition 8(x), Conditions to Settlement are satisfied on or prior to the Postponed Maturity Date, the provisions of Credit Linked Condition 2, Credit Linked Condition 4 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked N&C Securities; or

(B) in the case of Condition 8(y), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity Date, the provisions of Credit Linked Condition 5 shall apply to the Credit Linked N&C Securities.

**9. Exercise Date Extension in the case of Credit Linked W&C Securities**

The following provisions of this Credit Linked Condition 9 apply to Credit Linked W&C Securities:

Without prejudice to Credit Linked Condition 11, if the Exercise Date is scheduled to fall:

(x) on (A) the Scheduled Exercise Date or, (B) if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date or (D) the last day of the Notice Delivery Period, as the case may be, and on such date Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred; or

(y) on the Scheduled Exercise Date, and in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may at its option notify the Holders in accordance with W&C Securities Condition 9 that the Exercise Date, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date or the last day of the Notice Delivery Period, as the case may be, has been postponed to a date (such date the **Postponed Exercise Date**) specified in such notice falling 15 Business Days after the Scheduled Exercise Date, the previous Repudiation/Moratorium Evaluation Date or Grace Period Extension Date, or the last day of the Notice Delivery Date, as the case may be, or if such day is not a Business Day the immediately succeeding Business Day, and;

where:

(i) in the case of Credit Linked Condition 9(x), Conditions to Settlement are not satisfied on or prior to the Postponed Exercise Date, or, in the case of Credit Linked Condition 9(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed

Exercise Date, subject as provided below each Credit Linked W&C Security will be automatically exercised on the Postponed Exercise Date and the provisions of W&C Securities Condition 5 will apply; or

(ii) (A) in the case of Credit Linked Condition 9(x), Conditions to Settlement are satisfied on or prior to the Postponed Exercise Date, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked W&C Securities; or

(B) in the case of Credit Linked Condition 9(y), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Exercise Date, the provisions of Credit Linked Condition 5 shall apply to the Credit Linked W&C Securities.

**10. Partial Cash Settlement**

If all or a portion of the Obligations comprising the Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations, the Issuer shall give notice (a **Partial Cash Settlement Notice**) to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable and the Issuer shall pay in respect of each Undeliverable Obligation and/or Hedge Disruption Obligation, as the case may be, the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

In the Partial Cash Settlement Notice, the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligation, as the case may be.

For the purposes of this Credit Linked Condition 10 only the following terms shall be defined as follows (unless, in the case of Exempt Securities only, otherwise specified in the applicable Final Terms):

**Indicative Quotation** means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

**Market Value** means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the applicable Final Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (ii) of the definition of "Quotation" below, an amount as determined by the

Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if the Quotations are deemed to be zero, the Market Value shall be zero.

**Partial Cash Settlement Amount** is deemed to be, for an Undeliverable Obligation or a Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price or the Auction Final Price, if applicable, with respect to such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, less if applicable (C) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Entitlement), and (ii) zero.

**Partial Cash Settlement Date** is deemed to be the date falling three Business Days after (i) the calculation of the Final Price or (ii) the Auction Final Price Determination Date, if applicable.

**Quotation** means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the applicable Final Terms, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the applicable Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.

(ii) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Final Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

(iii) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

(iv) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

**Quotation Amount** is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

**Quotation Method** is deemed to be Bid.

**Reference Obligation** is deemed to be each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be.

**Valuation Method** is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case "Valuation Method" is deemed to be Market.

**Valuation Time** is the time specified as such in the applicable Final Terms, or, if no time is so specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be.

**Weighted Average Quotation** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be, with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount.

**11. Settlement Suspension**

(i) Suspension

Without prejudice to Credit Linked Condition 8 or Credit Linked Condition 9 above, if, following the determination of a Credit Event Determination Date in accordance with sub-paragraph (a) of the definition of Credit Event Determination Date but prior to the Maturity Date or Settlement Date, ISDA publicly announces that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules, the Calculation Agent may, at its option, determine that the applicable timing requirements of this Credit Linked Condition 11 and the definitions of Coupon Payment Date, Credit Event Redemption Date, Valuation Date, Physical Settlement Period, and any other Credit Linked Condition as determined by the Calculation Agent, shall toll and be suspended and remain suspended (such period of suspension, a **Suspension Period**) until such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved (a) the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date or (b) not to determine such matters. 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. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved (A) the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date or (B) not to determine such matters, the relevant timing requirements of this Credit Linked Condition 11 that have previously tolled or been suspended shall resume on the Business Day following such public announcement by ISDA with the Issuer having the benefit

of the full day notwithstanding when the tolling or suspension began in accordance with this Credit Linked Condition 11.

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

(ii) Interest

In the case of interest bearing N&C Securities:

(A) 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

(B) 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 Coupon Payment Date and no later than the fifth Coupon Payment Date following the end of the Suspension Period, all subject to the provisions of N&C Securities Condition 6 and Credit Linked Conditions 5, 6 and 7.

**12. Redemption/Cancellation following a Merger Event**

If "Merger Event" is specified as applying in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, and redeem or cancel, as applicable, all but not some only of the Securities and pay in respect of each unit or nominal amount of the N&C Securities equal to the Calculation Amount or each Credit Linked W&C Security, as applicable, the Merger Event Redemption Amount on the Merger Event Redemption Date.

**13. Definitions**

**2.5-year Limitation Date** has the meaning given to that term in the definition of "Limitation Date".

**5-year Limitation Date** has the meaning given to that term in the definition of "Limitation Date".

**20-year Limitation Date** has the meaning given to that term in the definition of "Limitation Date".

**2005 Matrix Supplement** means the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions as published by ISDA on 7 March 2005.

**Accreted Amount** means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent) only if "Include Accrued Interest" is specified as being applicable in the applicable Final Terms. If an Accreting Obligation is expressed

to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**Accreting Obligation** means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable.

**Auction** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**Auction Cancellation Date** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**Auction Covered Transaction** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**Auction Final Price** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**Auction Final Price Determination Date** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**Auction Settlement Date** shall mean the date that is the number of Business Days as shall be specified in the relevant Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, five Business Days) immediately following the Auction Final Price Determination Date.

**Auction Settlement Notice** has the meaning given to that term in Credit Linked Condition 2.

**Bankruptcy** means a Reference Entity:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding

or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof or before the Scheduled Exercise Date (in the case of Credit Linked W&C Securities) or the Scheduled Maturity Date (in the case of Credit Linked N&C Securities), whichever is earlier;

(e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter or before the Scheduled Exercise Date (in the case of Credit Linked W&C Securities) or the Scheduled Maturity Date (in the case of Credit Linked N&C Securities), whichever is earlier; or

(h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (a) to (g) (inclusive) above.

**Best Available Information** means:

(i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of the definition of "Successor", other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or

(ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of "Successor".

Information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute "Best Available Information".

**Calculation Agent City Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City specified in the applicable Final Terms.

**Calculation Agent Physical Settlement Notice** has the meaning given to that term in the definition of Conditions to Settlement.

**Cash Settlement Notice** has the meaning given to that term in Credit Linked Condition 3.

**Conditionally Transferable Obligation** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Conditionally Transferable Obligation".

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or the Guarantor (if applicable), as the case may be.

**Conditions to Settlement** means the requirements set out in each of (a), (b) and (c), as applicable, below:

(a) all of the Conditions to Settlement shall be deemed to be satisfied by the occurrence of a Credit Event Determination Date except where such Credit Event Determination Date is subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, the Credit Settlement Date, the Credit Event Redemption Date, the Maturity Date or the Exercise Date, as applicable, unless Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method) in which case all of the Conditions to Settlement shall be deemed to be satisfied by delivery of a Calculation Agent Physical Settlement Notice as described in (c) below on or following the occurrence of a Credit Event Determination Date;

(b) if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information Condition to Settlement is satisfied if either (i) the Calculation Agent delivers to the Issuer a Notice of Publicly Available Information that is effective during one of the periods specified in paragraph (a) of the definition of Credit Event Determination Date or (ii) ISDA publicly announces on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event for purposes of the relevant Securities has occurred with respect to the relevant Reference Entity or Obligation thereof; and

(c) the Calculation Agent delivers to the Issuer a notice of physical settlement (a **Calculation Agent Physical Settlement Notice**), subject where applicable to Credit Linked Condition 11, on or prior to:

(i) the later of:

(A) the thirty-second calendar day (subject to adjustment in accordance with the applicable Business Day Convention) after the Credit Event Determination Date; and

(B) the twelfth calendar day after either (I) the date of the relevant DC Credit Event Announcement, if any, or (II) the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in paragraphs ((a) and (b) of the definition of Credit Event Resolution Request Date; or

(ii) if "Physical Delivery" is applicable pursuant to the Fallback Settlement Method and:

(A) the relevant Credit Event is not a Restructuring (or, if such Credit Event is a Restructuring, such Restructuring has occurred where neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms), the thirty-second calendar day after the Auction Cancellation Date or the No Auction Announcement Date, as applicable; or

(B) the relevant Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms, either:

I. the thirty-second calendar day after:

(1) a No Auction Announcement Date occurring pursuant to paragraph (a) of the definition of No Auction Announcement Date, if any; or

(2) a No Auction Announcement Date occurring pursuant to paragraph (c) of the definition of No Auction Announcement Date, if any, in circumstances where no Parallel Auction will be held; or

(3) the Auction Cancellation Date, if any; or

II. the second Relevant City Business Day immediately following the later of the Parallel Auction Final Price Determination Date, if any (or, if more than one should occur, the last Parallel Auction Final Price Determination Date), and the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:

(1) a No Auction Announcement Date occurs pursuant to paragraph (b) of the definition of No Auction Announcement Date and the Issuer has not exercised the Movement Option; or

(2) a No Auction Announcement Date occurs pursuant to paragraph (c) of the definition of No Auction Announcement Date in circumstances where one or more Parallel Auctions will be held,

provided that in the case of paragraphs (c)(i)(B) and (c)(ii), the relevant Credit Event Resolution Request Date occurred on or prior to the date described in paragraph (c)(i)(A).

For purposes of determining whether the conditions of this paragraph (c) have been satisfied, the effective date of delivery of the Calculation Agent Physical Settlement Notice (whether or not subsequently changed) shall be used.

**Convertible Obligation** means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

**Credit Derivatives Auction Settlement Terms** means any Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time in accordance with the Rules.

**Credit Derivatives Determinations Committees** (and each a **Credit Derivatives Determinations Committee**) means the committees established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions, as more fully described in the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof (the **Rules**).

**Credit Event** means the occurrence of any one or more of the Credit Events specified in the applicable Final Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, or (in the case of Exempt Securities) any additional Credit Event specified in the applicable Final Terms.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

(a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**Credit Event Backstop Date** means:

(a) for purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (ii) of the definition of Repudiation/Moratorium), as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or

(b) otherwise, the date that is 60 calendar days prior to the earlier of:

(i) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer during the Notice Delivery Period; and

(ii) in circumstances where:

(A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraph (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules;

(B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters; and

(C) the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters,

the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**Credit Event Determination Date** means, in respect of any Credit Event:

(a) subject to subsection (b) below, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer during either:

(A) the Notice Delivery Period; or

(B) the period (I) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date (II) to, and including, the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)); or

(b) notwithstanding paragraph (a) above, if a DC Credit Event Announcement has occurred, either:

(A) the Credit Event Resolution Request Date, if

I. either:

(1) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms; or

(2) the relevant Credit Event is a Restructuring; and

II. the Credit Event Notice is delivered by the Calculation Agent to the Issuer on or prior to the date falling two Business Days after the Exercise Cut-off Date; or

(B) the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer during (I) the Notice Delivery Period or (II) the period from, and including, the date on which ISDA publicly announces the occurrence of the relevant DC Credit Event Announcement to, and including, the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:

I. Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms; or

II. Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and the Credit Event Notice is delivered by the Calculation Agent to the Issuer on a date that is later than the date falling two Business Days after the relevant Exercise Cut-off Date,

provided that, in the case of paragraph (b) above, (1) this shall be subject to any adjustment in accordance with Credit Linked Condition 14 and (2) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date; and

provided further that no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the Credit Settlement Date, the Credit Event Redemption Date, the Maturity Date or the Exercise Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant Reference Entity or Obligation thereof.

If, in accordance with the provisions above, (i) following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date or (B) not to have occurred or (ii) a Credit Event Determination Date is deemed to have occurred prior to one or more preceding Coupon Payment Dates, the Calculation Agent will determine (1) such adjustment(s) to this Condition 10 (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of Holders as would have prevailed had a Credit Event Determination Date occurred on such deemed date of occurrence and (2) the effective date of such adjustment(s).

**Credit Event Notice** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after the Credit Event Backstop Date (determined by reference to the Relevant Time) and on or prior to the Extension Date (determined by reference to the Relevant Time).

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set out in N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

**Credit Event Redemption Amount** means the amount specified as such in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

"A" is the Calculation Amount (in the case of Credit Linked N&C Securities) or the Notional Amount of each W&C Security (in the case of Credit Linked W&C Securities));

"B" is the Final Price or the Auction Final Price, as applicable; and

"C" is Unwind Costs,

provided that in no event shall the Credit Event Redemption Amount be less than zero.

**Credit Event Redemption Date** means, subject to Credit Linked Condition 11, the day falling the number of Business Days specified in the applicable Final Terms following the latest of (i) the Auction Settlement Date or the calculation of the Final Price (if Cash Settlement applies or is applicable as the Fallback Settlement Method), (ii) the Credit Event Determination Date and (iii) the date when the Credit Event Notice is delivered.

**Credit Event Resolution Request Date** means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

(a) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof; and

(b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions referred to in paragraphs (a) and (b) above.

*As at the date of the Base Prospectus, the Rules provide that each "Eligible Market Participant" (being each party which is a party to a credit derivatives transaction that have, or are deemed to have incorporated the March 2009 Supplement or the July 2009 Supplement in a confirmation) is permitted to deliver such a notice to ISDA pursuant to the Rules.*

**Credit Settlement Date** means the last day of the longest Physical Settlement Period following the satisfaction of Conditions to Settlement (the **Scheduled Credit Settlement Date**) provided that if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Credit Settlement Date, the Credit Settlement Date shall be the earlier of (i)

the second Business Day following the date on which no Hedge Disruption Event subsists and (ii) the day falling 60 Business Days following the Scheduled Credit Settlement Date.

**Currency Amount** means, with respect to (a) a Deliverable Obligation specified in a Notice of Physical Settlement that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each Physical Settlement Amendment Notice with respect to that portion of the relevant Securities into the currency of denomination of the relevant Replacement Deliverable Obligation.

**Currency Rate** means, with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Principal Balance or Due and Payable Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

**Currency Rate Source** means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

**DC Credit Event Announcement** means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that (a) an event that constitutes a Credit Event has occurred with respect to such Reference Entity (or an Obligation thereof) and (b) such event occurred on or after the Credit Event Backstop Date (determined by reference to the Relevant Time) and on or prior to the Extension Date (determined by reference to the Relevant Time). A DC Credit Event Announcement will be deemed not to have occurred unless (i) the Credit Event Resolution Request Date with respect to such Credit Event occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and (ii) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

**DC Cut-off Date** has the meaning given to that term in Credit Linked Condition 7.

**DC No Credit Event Announcement** means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof).

**DC Resolution** has the meaning set out in the Rules.

**Default Requirement** means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not specified in the applicable Final Terms, USD10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

**Deliver** means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary

documentation and taking any other necessary actions), in order to convey all right, title and interest in the Entitlement to the relevant Holder free and clear of any and all liens, charges, claims or encumbrances (including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of "Credit Event" above or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor) provided that if all or a portion of the Entitlement consists of Direct Loan Participations, "Deliver" means to create (or procure the creation) of a participation in favour of the relevant Holder and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, "Deliver" means to deliver both the Qualifying Guarantee and the Underlying Obligation. "Delivery" and "Delivered" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

**Deliverable Obligation** means, subject as provided in Credit Linked Condition 4:

(a) any obligation of a Reference Entity (either directly, as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in "(A) Method for Determining Deliverable Obligations" below (but excluding any Excluded Deliverable Obligation specified in the applicable Final Terms) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of "Credit Event" above)) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

(b) subject to the second paragraph of the definition of "Not Contingent" in *"(A) Method for Determining Deliverable Obligations"* below, each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Deliverable Obligation;

(c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a)-(d) of the definition of "Credit Event" above) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

(d) any Additional Deliverable Obligation of a Reference Entity specified as such in the applicable Final Terms.

(A) *Method for Determining Deliverable Obligations*. For the purposes of this definition of "Deliverable Obligation", the term "Deliverable Obligation" may be defined as each obligation of each Reference Entity described by the Deliverable Obligation

Category specified in the applicable Final Terms, and, subject to (B)(3) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of either the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

(1) **Deliverable Obligation Category** means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" below, except that, for the purpose of determining Deliverable Obligations, the definition of "Reference Obligation Only" shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligation Only).

(2) **Deliverable Obligation Characteristics** means any one or more of Not Subordinated, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" below), Not Contingent, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer where:

(i) **Not Contingent** means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Deliverable Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in clauses (A) and (B) of paragraph (i) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

(ii) **Assignable Loan** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;

(iii) **Consent Required Loan** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such loan) or any agent;

(iv) **Direct Loan Participation** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Holder that provides each Holder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Holder and either (A) the Issuer or the Guarantor (if applicable), as the case may be, (to the extent that the Issuer or the Guarantor (if applicable), as applicable, is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

(v) **Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

(a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or

(b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;

(vi) **Maximum Maturity** means an obligation that has a remaining maturity from the Credit Settlement Date of not greater than the period specified in the applicable Final Terms;

(vii) **Accelerated or Matured** means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and

(viii) **Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, International or any other internationally recognised clearing system.

(B) *Interpretation of Provisions*.

(1) If the Obligation Characteristic "Listed" is specified in the applicable Final Terms, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;

(2) if (i) either of the Deliverable Obligation Characteristics "Listed" or "Not Bearer" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category; (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category;

(3) if any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics; and

(4) in the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

(i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.

(ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Not Subordinated, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic

Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.

(iii) Except where provisions relating to Qualifying Guarantee and Underlying Obligation are specified as applying in the applicable Final Terms for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

(iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

(v) The terms "Outstanding Principal Balance" and "Due and Payable Amount" (as they are used in these Credit Limited Conditions, including without limitation, the definitions of "Partial Cash Settlement Amount" and "Quotation Amount" in Credit Linked Condition 10) when used in connection with Qualifying Guarantees are to be interpreted to be the then "Outstanding Principal Balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

For the avoidance of doubt the provisions of this paragraph (B) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

**Deliverable Obligation Terms** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

**Delivery Date** means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

**Domestic Currency** means the currency specified as such in the applicable Final Terms and any successor currency. If no currency is specified in the applicable Final Terms, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

**Downstream Affiliate** means (a) an entity at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, the Delivery Date or the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are more than 50 per cent. owned, directly or indirectly, by the Reference Entity or (b) of Provisions relating to Qualifying Guarantee and Underlying Obligation are specified as applying in the applicable Final Terms, an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity. As used herein, **Voting Shares**

shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**Due and Payable Amount** means, subject as provided in sub-paragraph (4)(v) of paragraph (B) (*Interpretation of Provisions*) in the definition of Deliverable Obligation, the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

**Eligible Transferee** means:

(a) any

(i) bank or other financial institution;

(ii) insurance or reinsurance company;

(iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) below); and

(iv) registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least U.S.$500 million;

(b) an Affiliate of an entity specified in the preceding sub-paragraph (a);

(c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:

(i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least U.S.$100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.$100 million; or

(ii) that has total assets of at least U.S.$500 million; or

(iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraphs (a), (b), (c)(ii) or (d); or

(d) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition to U.S.$ include equivalent amounts in other currencies.

**Enabling Obligation** means an outstanding Deliverable Obligation that (i) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (ii) has a final maturity date occurring on or prior to the Scheduled Maturity Date (in the case of Credit Linked N&C Securities) or the Scheduled Exercise Date (in the case of Credit Linked W&C Securities) and following the Limitation Date immediately preceding the Scheduled Maturity Date or Scheduled Exercise Date, as applicable (or, in circumstances where the Scheduled Maturity Date or Scheduled Exercise Date, as applicable, occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

**Entitlement** means, in respect of each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount or each Credit Linked W&C Security, as applicable, Deliverable Obligations, as selected by the Calculation Agent, with:

(a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the Calculation Agent) if "Include Accrued Interest" is specified as applying in the applicable Final Terms, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, excluding accrued but unpaid interest); or

(b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the Calculation Amount (in the case of Credit Linked N&C Securities) or the Notional Amount of each W&C Security (in the case of Credit Linked W&C Securities) less, if Unwind Costs are specified as applying in the applicable Final Terms, Deliverable Obligations with a market value determined by the Calculation Agent on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to the Unwind Costs.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

**Equity Securities** means:

(a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and

(b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

**Exchangeable Obligation** means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

**Excluded Deliverable Obligation** means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

**Excluded Obligation** means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

**Exercise Cut-off Date** means, with respect to a Credit Event:

(a) if such Credit Event is not a Restructuring (or if such Credit Event is a Restructuring, such Restructuring has occurred and neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms), either:

(i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;

(ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or

(iii) the date that is 21 calendar days following the No Auction Announcement Date, if any,

as applicable; or

(b) if such Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and:

(i) the relevant Credit Derivatives Determinations Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is ten Relevant City Business Days following the date on which ISDA publishes the Final List applicable to such Credit Derivatives Auction Settlement Terms in accordance with the Rules; or

(ii) a No Auction Announcement Date occurs pursuant to paragraph (a) of the definition of No Auction Announcement Date, the date that is 21 calendar days following such No Auction Announcement Date.

**Extension Date** means the latest of:

(a) the Scheduled Maturity Date (in the case of Credit Linked N&C Securities) or the Scheduled Exercise Date (in the case of Credit Linked W&C Securities) (together, for the purposes of this definition of Extension Date, the **Scheduled Termination Date**);

(b) the Grace Period Extension Date if (i) "Grace Period Extension" is specified as applying in the applicable Final Terms, (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Failure to Pay that occurs after the Scheduled Termination Date (determined by reference to the Relevant Time), and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Termination Date (determined by reference to the Relevant Time); and

(c) the Repudiation/Moratorium Evaluation Date if (i) "Repudiation Moratorium" is specified as a Credit Event in the applicable Final Terms, (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in paragraph (ii) of the definition of Repudiation/Moratorium occurs after the Scheduled Termination Date (determined by reference to the Relevant Time), (iii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date (determined by reference to the Relevant Time) and (iv) the Repudiation/Moratorium Extension Condition is satisfied.

**Failure to Pay** means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

**Fallback Settlement Method** means, with respect to any Securities for which Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, the fallback settlement method specified in the applicable Final Terms.

**Final List** has the meaning set out in the Rules.

**Final Price** means the price of the relevant Reference Obligation(s), as the case may be, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms or, where applicable, Credit Linked Condition 10. The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Holders at the specified office of the Principal Agent (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

**Full Quotation** means, in accordance with the Quotation Method each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an Outstanding Principal Balance equal to the Quotation Amount.

**Fully Transferable Obligation** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered as a requirement for consent for purposes of this definition of "Fully Transferable Obligation". For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of "Fully Transferable Obligation", such determination shall be made as of the Delivery Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or the Guarantor (if applicable), as the case may be.

**Governmental Authority** means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

**Grace Period** means:

(a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;

(b) if Grace Period Extension is specified as applying in the applicable Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date (in the case of Credit Linked N&C Securities) or the Scheduled Exercise Date (in the case of Credit Linked W&C Securities) (in each case determined by reference to the Relevant Time) and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, (determined by reference to the Relevant Time), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as

such in the applicable Final Terms or, if no period is specified in the applicable Final Terms, thirty calendar days; and

(c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applying in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable.

**Grace Period Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

**Grace Period Extension Date** means, if:

(a) Grace Period Extension is specified as applying in the applicable Final Terms; and

(b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable (determined by reference to the Relevant Time),

the date falling the number of days in the Grace Period after the date of such Potential Failure to Pay.

**Hedge Disruption Event** means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of any transaction entered into by the Issuer and/or any such Affiliate to hedge the obligations or position of the Issuer in respect of the Securities.

**Hedge Disruption Obligation** means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

**ISDA** means the International Swaps and Derivatives Association, Inc.

**Latest Maturity Restructured Bond or Loan** has the meaning given to that term in the definition of "Restructuring Maturity Limitation Date".

**Limitation Date** means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **2.5-year Limitation Date**), 5 years (the **5-year Limitation Date**), 7.5 years, 10 years, 12.5 years, 15 years, or 20 years (the **20-year Limitation Date**), as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless it is specified in the applicable Final Terms that Limitation Dates will be adjusted in accordance with a specified Business Day Convention.

**Market Value** means, with respect to a Reference Obligation on a Valuation Date:

(a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

(b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

(c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;

(d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;

(e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and

(f) if two or more Full Quotations or a Weighed Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**Merger Event** means that at any time during the period from (and including) the Trade Date to (but excluding) the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, either (A) the Issuer, the Guarantor (if applicable) or a Reference Entity (any such entity, the **Mergor**) consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to (i) where the Mergor is the Issuer or the Guarantor (if applicable), a Reference Entity or (ii) where the Mergor is a Reference Entity, the Issuer or the Guarantor (if applicable), or (B) (i) either of the Issuer or the Guarantor (if applicable) and (ii) a Reference Entity become Affiliates.

**Minimum Quotation Amount** means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

**Modified Eligible Transferee** means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

**Modified Restructuring Maturity Limitation Date** means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, provided that, in circumstances where the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, is later than the 2.5 year Limitation Date, at least one Enabling Obligation exists. Where "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, is later than the 2.5 year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, is later than (A) the 2.5 year Limitation Date and no Enabling Obligation exists or (B) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable.

**Movement Option** means, where either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms, and where a No Auction Announcement Date has occurred pursuant to paragraph (b) of the definition of No Auction Announcement Date, the option of the Issuer to apply to the Securities, for purposes of settlement, the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the Deliverable Obligations that could be specified in any Calculation Agent Physical Settlement Notice (provided that if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply). If no Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, the Securities will be settled in accordance with the Fallback Settlement Method. If a Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, such event will be notified to Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

**Movement Option Cut-off Date** means the date that is six Relevant City Business Days following the Exercise Cut-off Date.

**Next Currency Fixing Time** means 4:00 p.m. (London time) on such London Business Day as the Calculation Agent shall select falling no more than 5 London Business Days immediately preceding the date on which the Notice of Physical Settlement or relevant Physical Settlement Amendment Notice or relevant Partial Cash Settlement Notice, as applicable, is effective.

**No Auction Announcement Date** means, with respect to a Credit Event, the date on which ISDA first publicly announces that (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of a Restructuring where either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms only, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary.

**Notice Delivery Period** means the period from and including the Trade Date to and including the date that is fourteen calendar days after the Extension Date.

**Notice of Physical Settlement** has the meaning given to that term in Credit Linked Condition 4.

**Notice of Publicly Available Information** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both paragraphs (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy or description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applicable in the applicable Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable,

contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Credit Linked Condition 17.

**Notice to Exercise Movement Option** means, where (a) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and (b) the Fallback Settlement Method would otherwise be applicable pursuant to the Auction Settlement provisions, a notice from the Issuer to the Calculation Agent that (i) specifies the Parallel Auction Settlement Terms applicable in accordance with the definition of Movement Option and (ii) is effective on or prior to the Movement Option Cut-off Date.

**Obligation** means:

(a) any obligation of a Reference Entity (either directly, as a provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in "Method for Determining Obligations" below (but excluding any Excluded Obligation);

(b) each Reference Obligation specified in the applicable Final Terms, unless specified as an Excluded Obligation; and

(c) any Additional Obligation of a Reference Entity specified as such in the applicable Final Terms.

**Method for Determining Obligations**. For the purposes of paragraph (a) of this definition of **Obligation**, the term "Obligation" may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the applicable Final Terms, and having each of the Obligation Characteristics (if any) specified in the applicable Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of either the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

(A) **Obligation Category** means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Final Terms, where:

(1) **Payment** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;

(2) **Borrowed Money** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

(3) **Reference Obligation Only** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;

(4) **Bond** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;

(5) **Loan** means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and

(6) **Bond or Loan** means any obligation that is either a Bond or a Loan.

(B) **Obligation Characteristics** means any one or more of Not Subordinated, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Final Terms, where:

(1) (a) **Not Subordinated** means an obligation that is not Subordinated to (1) the most senior Reference Obligation in priority of payment or, (2) if no Reference Obligation is specified in the applicable Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity provided that, if any of the events set forth under paragraph (a) of the definition of Substitute Reference Obligation has occurred with respect to all of the Reference Obligations or if the final paragraph of the definition of Successor is applicable with respect to the Reference Obligation (each, in each case, a "Prior Reference Obligation") and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date;

(b) **Subordination** means, with respect to an obligation (the **Subordinated Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **Senior Obligation**), a contractual, trust or other similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. "Subordinated" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign;

(2) **Credit Linked Specified Currency** means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if Credit Linked Specified Currency is specified in the applicable Final Terms and no currency

is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies shall be referred to collectively in the applicable Final Terms as the "Standard Specified Currencies");

(3) **Not Sovereign Lender** means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt";

(4) **Not Domestic Currency** means any obligation that is payable in any currency other than the Domestic Currency;

(5) **Not Domestic Law** means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;

(6) **Listed** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and

(7) **Not Domestic Issuance** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

**Obligation Acceleration** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**Obligation Currency** means the currency or currencies in which the Obligation is denominated.

**Obligation Default** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**Outstanding Principal Balance** means, subject as provided in sub-paragraph (4)(vi) of paragraph (B) (*Interpretation of Provisions.*) in the definition of Deliverable Obligation:

(a) with respect to any Accreting Obligation, the Accreted Amount thereof; and

(b) with respect to any other obligation, the outstanding principal balance of such obligation,

Provided That with respect to any Exchangeable Obligation that is not an Accreting Obligation, "Outstanding Principal Balance" shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**Parallel Auction** means "Auction" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**Parallel Auction Cancellation Date** means "Auction Cancellation Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**Parallel Auction Final Price Determination Date** means "Auction Final Price Determination Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**Parallel Auction Settlement Date** means "Auction Settlement Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**Parallel Auction Settlement Terms** means, following the occurrence of a Restructuring where either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which (i) the Deliverable Obligation Terms are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction provided that if no such Credit Derivatives Auction Settlement Terms are published, the Calculation Agent may select in its sole discretion the applicable Credit Derivatives Auction Settlement Terms.

**Payment Requirement** means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not specified in the applicable Final Terms, USD1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**Permissible Deliverable Obligations** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included in the Final List pursuant to the Deliverable Obligation Terms applicable to the relevant Auction.

**Permitted Currency** means (i) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership), or (ii) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

**Physical Settlement Amendment Notice** has the meaning given to that term in Credit Linked Condition 4.

**Physical Settlement Period** means, subject to Credit Linked Condition 11, the number of Business Days specified as such in the applicable Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Entitlement, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.

**Potential Credit Event** means a Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity), a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity) or if a Credit Event Resolution Request Date has occurred and the relevant Credit Derivatives Determinations Committee has not made its determination, such event will be deemed to be a Potential Credit Event.

A Credit Derivatives Determinations Committee and the Calculation Agent may each determine whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred.

**Potential Failure to Pay** means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

**Potential Repudiation/Moratorium** means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium.

**Public Source** means each source of Publicly Available Information specified as such in the applicable Final Terms (or if a source is not specified in the applicable Final Terms, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**Publicly Available Information** means:

(a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:

(i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information provided that, if either the Calculation Agent or the Issuer, the Guarantor (if any) or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the Issuer, the Guarantor (if applicable) or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or

(ii) is information received from or published by (A) a Reference Entity or, as the case may be, a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or

(iii) is information contained in any petition or filing instituting a proceeding described in paragraph (d) of the definition of Bankruptcy against or by a Reference Entity; or

(iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

(b) In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver to the Issuer a certificate signed by a Managing Director (or other substantially equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to such Obligation.

(c) In relation to any information of the type described in paragraphs (a) (ii), (iii) and (iv) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

(d) Publicly Available Information need not state:

(i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and

(ii) that such occurrence:

(A) has met the Payment Requirement or Default Requirement;

(B) is the result of exceeding any applicable Grace Period; or

(C) has met the subjective criteria specified in certain Credit Events.

**Qualifying Affiliate Guarantee** means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

**Qualifying Guarantee** means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **Underlying Obligation**) for which another party is the obligor (the **Underlying Obligor**). and (except where provisions relating to Qualifying Guarantee and Underlying Obligation are specified as applying in the applicable Final Terms) that is not at the time of the Credit Event Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor (with references in the definition of Subordination to the Reference Entity deemed to refer to the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be (a) discharged, reduced, assigned or otherwise altered or (b) where provisions relating to Qualifying Guarantee and Underlying Obligation are specified as applying in the applicable Final Terms, discharged, reduced or otherwise altered or assigned (other than by operation of law), in each case as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

**Qualifying Participation Seller** means any participation seller that meets the requirements specified in the applicable Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

**Quotation** means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the

Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

(b) (i) If "Include Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;

(ii) if "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and

(iii) if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, the Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

(c) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

**Quotation Amount** means the amount selected by the Calculation Agent in respect of each Reference Obligation or Deliverable Obligation selected by the Calculation Agent provided that the aggregate of all such amounts (or the equivalent of such amount in the Specified Currency converted by the Calculation Agent by reference to exchange rates at or about the relevant Valuation Date) shall not exceed the Aggregate Nominal Amount of the Securities on or about the relevant Valuation Date.

**Quotation Dealer** means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained including each Quotation Dealer specified in the applicable Final Terms. If no Quotation Dealers are specified in the applicable Final Terms, the Calculation Agent shall select the Quotation Dealers. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

**Quotation Method** means the applicable Quotation Method specified in the applicable Final Terms by reference to one of the following terms:

(a) **Bid** means that only bid quotations shall be requested from Quotation Dealers;

(b) **Offer** means that only offer quotations shall be requested from Quotation Dealers; or

(c) **Mid-market** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the applicable Final Terms, Bid shall apply.

**Reference Entity** means the entity or entities specified as such in the applicable Final Terms. Any Successor to a Reference Entity either (a) identified pursuant to the definition of "Successor" on or

following the Trade Date or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules shall, in each case, be the Reference Entity for the purposes of the relevant Series.

**Reference Obligation** means each obligation specified or of a type described as such in the applicable Final Terms (if any are so specified or described) and any Substitute Reference Obligation.

**Reference Transaction** means a hypothetical credit derivative transaction:

(a) for which the Deliverable Obligation Terms and the Reference Obligation are (i) the same as in respect of the Securities (if such Deliverable Obligation Terms and Reference Obligation are specified in the applicable Final Terms) or (ii) if and to the extent the Deliverable Obligation Terms and/or the Reference Obligation are not specified, the Deliverable Obligation Terms and Reference Obligation determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;

(b) with a scheduled termination date matching the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, of the Securities; and

(c) otherwise having such other characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Issuer's hedging arrangements and/or any credit derivative elections made in relation to the Securities.

**Relevant City Business Day** has the meaning set out in the Rules.

**Relevant Obligations** means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

**Relevant Time** means Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement) Tokyo time).

**Replaced Deliverable Obligation Outstanding Amount** has the meaning given to that term in Credit Linked Condition 4.

**Replacement Deliverable Obligation** has the meaning given to that term in Credit Linked Condition 4.

**Representative Amount** means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

**Repudiation/Moratorium** means the occurrence of both of the following events:

(i) an authorised officer of a Reference Entity or a Governmental Authority:

(x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or

(y) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and

(ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**Repudiation/Moratorium Evaluation Date** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable (determined by reference to the Relevant Time) (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, unless the Repudiation/Moratorium Extension Condition is satisfied.

**Repudiation/Moratorium Extension Condition** will be satisfied:

(i) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is 14 calendar days after the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to (x) the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable (determined by reference to the Relevant Time) or, (y) (in the case of Credit Linked N&C Securities) if Credit Linked Condition 8(y) applies, the Postponed Maturity Date (determined by reference to the Relevant Time) or (z) (in the case of Credit Linked W&C Securities) if Credit Linked Condition 9(y) applies, the Postponed Exercise Date (determined by reference to the Relevant Time); or

(ii) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitutes a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable (determined by reference to the Relevant Time).

*As at the date of the Base Prospectus, the Rules provide that each "Eligible Market Participant" (being each party which is a party to a credit derivatives transaction that have, or are deemed to have incorporated the March 2009 Supplement or the July 2009 Supplement in a confirmation) is permitted to deliver such a notice to ISDA pursuant to the Rules.*

**Repudiation/Moratorium Extension Notice** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or after the Trade Date and on or prior to the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable (determined by reference to the Relevant Time). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

**Resolve** has the meaning set out in the Rules, and **Resolved** and **Resolves** shall be interpreted accordingly.

**Restructured Bond or Loan** means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**Restructuring** means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all the holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of (a) the Credit Event Backstop Date applicable to the relevant Securities and (b) the date as of which such Obligation is issued or incurred:

(i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;

(ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;

(iii) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;

(iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

(a) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

(b) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

(c) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

For purposes of this definition of Restructuring and Credit Linked Condition 15, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of Restructuring and the definition of Subordination shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity.

**Restructuring Date** means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**Restructuring Maturity Limitation Date** means with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date (in the case of Credit Linked N&C Securities) or the Scheduled Exercise Date (in the case of Credit Linked W&C Securities), provided that, in circumstances where the Scheduled Maturity Date or Scheduled Exercise Date, as applicable, is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **Latest Maturity Restructured Bond or Loan**) and the Scheduled Maturity Date or Scheduled Exercise Date, as applicable, occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

In the event that the Scheduled Maturity Date or Scheduled Exercise Date, as applicable, is later than (i)(A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Date or Scheduled Exercise Date, as applicable.

**Revised Currency Rate** means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Principal Balance or Due and Payable Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent.

**Rules** has the meaning given to that term in the definition of "Credit Derivatives Determinations Committee" above.

**Settlement Currency** means the currency specified as such in the applicable Final Terms, or if no currency is specified in the applicable Final Terms, the Specified Currency of the Securities.

**Settlement Method** means, if (a) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, Auction Settlement, (b) Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms, Cash Settlement, or (c) Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms, Physical Delivery.

**Sovereign** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including without limiting the foregoing, the central bank) thereof.

**Sovereign Agency** means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

**Sovereign Restructured Deliverable Obligation** means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject to paragraph (3) of "(B) Interpretation of Provisions" in the definition of "Deliverable Obligation", having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

**Specified Number** means the number of Public Source(s) specified in the applicable Final Terms, or if no number is specified in the applicable Final Terms, two.

**Substitute Reference Obligation** means one or more obligations of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) that may replace one or more Reference Obligations in respect of such Reference Entity, identified and selected by the Calculation Agent in accordance with the following procedures:

(a) In the event that:

(i) a Reference Obligation in respect of such Reference Entity is redeemed in whole; or

(ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation in respect of such Reference Entity have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation in respect of such Reference Entity is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms or (C) for any other reason any Reference Obligation in respect of a Reference Entity is no longer an obligation of such Reference Entity,

the Calculation Agent may at any time (including following the determination of a Credit Event Determination Date) identify one or more Obligations to replace such Reference Obligation in respect of a Reference Entity.

(b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent of the delivery and payment obligations of the Issuer and (iii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations

identified by the Calculation Agent shall, if so selected at the discretion of the Calculation Agent, without further action, replace such Reference Obligation or Reference Obligations.

(c) If more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to one or more but not all such Reference Obligations, and the Calculation Agent determines not to select a Substitute Reference Obligation or that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each such Reference Obligation for which no Substitute Reference Obligation is selected or available shall cease to be a Reference Obligation.

(d) If more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all such Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation may, at the sole discretion of the Calculation Agent, be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available or for which the Calculation Agent, in its discretion, decides not to select a Substitute Reference Obligation will cease to be a Reference Obligation.

(e) If:

(i) more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all such Reference Obligations and the Calculation Agent determines not to select a Substitute Reference Obligation or that no Substitute Reference Obligation is available for any of such Reference Obligations; or

(ii) only one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines not to select a Substitute Reference Obligation or that no Substitute Reference Obligation is available for that Reference Obligation,

then the Calculation Agent may continue to attempt to identify a 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 (determined by reference to the Relevant Time), a Substitute Reference Obligation has not been identified, then the Issuer shall have the right on or after the Extension Date to redeem or cancel the Securities at the Early Redemption Amount or the Early Cancellation Amount, as applicable, (determined by the Calculation Agent taking into account the creditworthiness of the Reference Entity at the time of the early redemption or cancellation, as applicable) by notice to Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable (such payment to be made as specified in such notice.

(f) For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

**Succession Event** means (i) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, de-merger, consolidation, amalgamation, transfer of assets or liabilities, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, "Succession Event" shall not include an event (A) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, spin-off or other similar event or (B) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date (determined by reference to the Relevant Time) applicable to the relevant Series.

**Succession Event Backstop Date** means:

(i) for purposes of any event that constitutes a Succession Event, as determined by DC Resolution, the date that is 90 calendar days prior to the Succession Event Resolution Request Date (determined by reference to the Relevant Time); or

(ii) otherwise, the date that is 90 calendar days prior to the earlier of:

(A) the date on which the Succession Event Notice is effective; and

(B) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraphs (a) and (b) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Succession Event Notice is delivered by the Calculation Agent to the Issuer not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date.

The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless specified in the applicable Final Terms that the Succession Event Backstop Date will be adjusted in accordance with a specified Business Day Convention.

**Succession Event Notice** means a notice from the Calculation Agent to the Issuer that describes a Succession Event that occurred on or after the Succession Event Backstop Date (determined by reference to the Relevant Time).

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, of (i) whether a Succession Event has occurred and (ii) if relevant, the identity of any Successor(s).

**Succession Event Resolution Request Date** means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

(a) whether an event that constitutes a Succession Event for purposes of a Series has occurred with respect to the relevant Reference Entity; and

(b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (A) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (B) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

*As at the date of the Base Prospectus, the Rules provide that each "Eligible Market Participant" (being each party which is a party to a credit derivatives transaction that have, or are deemed to have incorporated the March 2009 Supplement or the July 2009 Supplement in a confirmation) is permitted to deliver such a notice to ISDA pursuant to the Rules.*

**Successor** means:

(a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:

(i) if one entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;

(ii) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;

(iii) if more than one entity each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;

(iv) if one or more entities each directly or indirectly succeed to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;

(v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event; and

(vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity

and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and

(b) in relation to a Sovereign Reference Entity, each entity which becomes a direct or indirect successor to such Reference Entity by way of a Succession Event irrespective of whether any such successor assume(s) any of the obligations of such Reference Entity.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the occurrence of the relevant Succession Event), and with effect from the legally effective date of the occurrence of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable provided that the Calculation Agent will not make any such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in (a) above and paragraphs (a) and (b)(A) of the definition of Succession Event Resolution Request Date (in the case of a Reference Entity that is not a Sovereign) or (b) above and paragraphs (a) and (b)(B) of the definition of Succession Event Resolution Request Date (in the case of a Sovereign Reference Entity) are satisfied in accordance with the Rules (until such time (if any) that ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information and shall, as soon as practicable after such calculation, make such calculation available for inspection by Holder(s) at the specified office of the Principal Agent.

Where pursuant to paragraph (a)(iii), (a)(iv) or (b) above, more than one Successor has been identified, the Calculation Agent shall adjust such of these Terms and Conditions and/or the applicable Final Terms as it shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of these Terms and Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Securities under the provisions of the 2003 ISDA Credit Derivatives Definitions.

Upon the Calculation Agent making and notifying the Issuer of such adjustment, the Issuer shall give notice as soon as practicable to Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, stating the adjustment to these Terms and Conditions and/or the applicable Final Terms and giving brief details of the relevant Succession Event.

For the purposes of this definition of "Successor", "succeed" means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to paragraph (a) of this definition of "Successor" shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not

on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged.

Where:

(A) a Reference Obligation is specified in the applicable Final Terms;

(B) one or more Successors to the Reference Entity have been identified; and

(C) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of "Substitute Reference Obligation" above.

**Supranational Organisation** means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns, and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

**Trade Date** means the date specified as such in the applicable Final Terms.

**Transaction Auction Settlement Terms** means, with respect to a Credit Event, the Credit Derivatives Auction Settlement Terms selected by the Calculation Agent in accordance with this provision. In relation to a Credit Event (and as set out in the definition of Credit Derivatives Auction Settlement Terms), ISDA may publish one or more form(s) of Credit Derivatives Auction Settlement Terms on its website at www.isda.org (or any successor website thereto) and may amend such forms from time to time. Each such form of Credit Derivatives Auction Settlement Terms shall set out, *inter alia*, definitions of "Auction", "Auction Cancellation Date", "Auction Covered Transaction" and "Auction Final Price Determination Date" in relation to the relevant Credit Event. The Transaction Auction Settlement Terms for purposes of the Securities shall be the relevant form of Credit Derivatives Auction Settlement Terms for which the Reference Transaction would be an Auction Covered Transaction (as such term will be set out in the relevant Credit Derivatives Auction Settlement Terms). The Reference Transaction (as set out in the definition thereof) is a hypothetical credit derivative transaction included in these Credit Linked Conditions principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the Securities.

**Undeliverable Obligation** means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Credit Settlement Date.

**Unwind Costs** means the amount specified in the applicable Final Terms or if "Standard Associated Costs" are specified in the applicable Final Terms, any Associated Costs as defined in N&C Securities Condition 8.7 in respect of N&C Securities or as defined in W&C Securities Condition 5.3 in respect of W&C Securities.

**Valuation Date** means (a) where Physical Delivery is specified as applying in the applicable Final Terms, the day falling three Business Days after the Final Delivery Date (as such term is defined in the Physical N&C Delivery N&C Securities Conditions or the W&C Securities Conditions, as applicable), or (b) otherwise, a date falling the number of Business Days specified in the Final Terms following the latest to occur of (i) the Auction Cancellation Date, if any, (ii) the No Auction Announcement Date, if any, (iii) the Credit Event Determination Date, and (iv) the date on which the

Credit Event Notice is delivered, all as selected by the Calculation Agent in its discretion, which it may, if it elects, determine as the appropriate date with regard to the Issuer's hedging arrangements.

**Valuation Method**:

(a) The following Valuation Methods may be specified in the applicable Final Terms with only one Reference Obligation and only one Valuation Date:

(i) **Market** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or

(ii) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Highest.

(b) The following Valuation Methods may be specified in the applicable Final Terms with only one Reference Obligation and more than one Valuation Date:

(i) **Average Market** means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or

(ii) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or

(iii) **Average Highest** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Highest.

(c) The following Valuation Methods may be specified in the applicable Final Terms with more than one Reference Obligation and only one Valuation Date:

(i) **Blended Market** means the unweighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date; or

(ii) **Blended Highest** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Blended Highest.

(d) The following Valuation Methods may be specified in the applicable Final Terms with more than one Reference Obligation and more than one Valuation Date:

(i) **Average Blended Market** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or

(ii) **Average Blended Highest** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Blended Highest.

(e) Notwithstanding paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be.

(f) Where applicable, the applicable Final Terms may specify an alternative Valuation Method which shall be applicable in respect of the relevant Securities.

**Valuation Time** means the time specified as such in the applicable Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference Obligation.

**Weighted Average Quotation** means in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but, if a Minimum Quotation Amount is specified in the applicable Final Terms, of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

**14. Credit Event Notice after Restructuring Credit Event**

If this Credit Linked Condition 14 is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of a Restructuring with respect to a Series for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms:

(a) in the case of Credit Linked N&C Securities:

(i) the Calculation Agent may deliver multiple Credit Event Notices in respect of such Restructuring, each such Credit Event Notice setting forth an amount (the **Partial Redemption Amount**) that may be less than the aggregate Nominal Amount of those N&C Securities outstanding immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Redemption Amount only and each such N&C Security shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).

(ii) For the avoidance of doubt (A) the nominal amount of each such N&C Security not so redeemed in part shall remain outstanding and interest shall accrue on the nominal amount outstanding of such N&C Security as provided in N&C Securities Condition 6 (adjusted in such manner as the Calculation Agent determines to be appropriate), (B) the Credit Linked Conditions and related provisions shall apply to such nominal amount outstanding of such N&C Security in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (C) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable or deliverable to

Securityholders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to these Terms and Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Condition 14(a) and (y) the effective date of such adjustment(s).

(iii) If the provisions of this Credit Linked Condition 14(a) apply in respect of the N&C Securities, on redemption of part of each such N&C Security the relevant N&C Security or, if the N&C Securities are represented by a Global N&C Security, such Global N&C Security, shall be endorsed to reflect such part redemption.

(b) in the case of Credit Linked W&C Securities:

(i) the Calculation Agent may deliver multiple Credit Event Notices in relation to that Restructuring and in respect of an amount (the **Partial Cancellation Amount**) that is less than the Notional Amount of each W&C Security immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Cancellation Amount only and each such W&C Security shall be cancelled in part (such cancelled part being equal to the Partial Cancellation Amount).

(ii) for the avoidance of doubt (A) the Notional Amount of each such W&C Security not so cancelled in part shall remain outstanding (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (B) the Credit Linked Conditions and related provisions shall apply to such amount outstanding of such W&C Security in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (C) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable to Holders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to these Terms and Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Condition 14(b) and (y) the effective date of such adjustment(s).

(iii) if the provisions of this Credit Linked Condition 14(b) apply in respect of the W&C Securities, on cancellation of part of each such W&C Security the relevant W&C Security or, if the W&C Securities are represented by a Global W&C Security, such Global W&C Security shall be endorsed to reflect such part cancellation.

**15. Provisions relating to Multiple Holder Obligation**

If this Credit Linked Condition 15 is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (i) to (v) of the definition of **Restructuring** shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation provided that, where provisions relating to Qualifying Guarantee and Underlying Obligation are specified as applying in the applicable Final Terms, any Obligation that is a Bond shall be deemed to satisfy the requirement in (ii) of the definition of "**Multiple Holder Obligation**" below.

**Multiple Holder Obligation** means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation

as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event.

**16. Provisions taken from the ISDA supplement titled "Additional Provisions for Physically Settled Default Swaps– Monoline Insurer as Reference Entity (January 2005)"**

If this Credit Linked Condition 16 is specified as applicable in the applicable Final Terms, the following provisions will apply:

(a) Obligation and Deliverable Obligation. Paragraph (a) of the definition of **Obligation** in Credit Linked Condition 13 and paragraph (a) of the definition of **Deliverable Obligation** in Credit Linked Condition 13 are hereby amended by adding "or Qualifying Policy" after "as provider of a Qualifying Affiliate Guarantee".

(b) Interpretation of Provisions. In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (B) of the definition of **Deliverable Obligation** in Credit Linked Condition 13 will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:

(i) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in these Credit Linked Conditions in respect of such an Insured Instrument shall be construed accordingly;

(ii) references in the definitions of Assignable Loan and Consent Required Loan to the **guarantor** and **guaranteeing** shall be deemed to include the **insurer** and **insuring**, respectively;

(iii) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;

(iv) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and

(v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "Outstanding Principal Balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

(c) Not Contingent. An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction. By specifying that this Credit Linked Condition 16 is applicable, no inference should be

made as to the interpretation of the "Not Contingent" Deliverable Obligation Characteristic in the context of limited recourse or similar terms applicable to Deliverable Obligations other than Qualifying Policies.

(d) Deliver. For the purposes of the definition of **Deliver** in Credit Linked Condition 13, "Deliver" with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and "Delivery" and "Delivered" will be construed accordingly.

(e) Provisions for Determining a Successor. The paragraph commencing "For the purposes of this definition of **Successor**…" in the definition of **Successor** in Credit Linked Condition 13 is hereby amended by adding "or insurer" after "or guarantor".

(f) Substitute Reference Obligation. The first paragraph of the definition of **Substitute Reference Obligation** and paragraph (b) thereof in Credit Linked Condition 13 is hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee". For purposes of sub-paragraph (a)(ii)(B) the definition of **Substitute Reference Obligation** references to the **Qualifying Guarantee** and the **Underlying Obligation** shall be deemed to include the **Qualifying Policy** and the **Insured Instrument**, respectively.

(g) Restructuring

(i) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (i) to (v) inclusive of the definition of "Restructuring" in Credit Linked Condition 13 are hereby amended to read as follows:

"(i) a reduction in the rate or amount of the Instrument Payments in paragraph (A)(x) of the definition thereof that are guaranteed or insured by the Qualifying Policy;

(ii) a reduction in the amount of the Instrument Payments described in paragraph (A)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy;

(iii) a postponement or other deferral of a date or dates for either (x) the payment or accrual of the Instrument Payments described in paragraph (A)(x) of the definition thereof or (y) the payment of the Instrument Payments described in paragraph (A)(y) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;

(iv) a change in the ranking in priority of payment of (x) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (y) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or

(v) any change in the currency or composition of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Permitted Currency."

(ii) Paragraph (c) of the definition of "Restructuring" in Credit Linked Condition 13 is hereby amended by adding "or, in the case of a Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy" after "Reference Entity".

(iii) The definition of "Restructuring" in Credit Linked Condition 13 is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

> "For purposes of this definition of "Restructuring" in and if Credit Linked Condition 15 is specified as applying in the applicable Final Terms, for the purposes of the Credit Linked Conditions the term "Obligation" shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in this definition of "Restructuring" shall be deemed to refer to the Insured Obligor and the references to the Reference Entity in paragraphs (a) to (c) inclusive in this definition of "Restructuring" shall continue to refer to the Reference Entity."

(h) Fully Transferable Obligation and Conditionally Transferable Obligation. In the event that "Restructuring Maturity Limitation and Fully Transferable Obligation" and/or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable in the applicable Final Terms and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition. References in the definition of "Conditionally Transferable Obligation" to the "guarantor" and "guaranteeing" shall be deemed to include "the "insurer" and "insuring" respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "final maturity date", as such term is used in Credit Linked Condition 4 and the definition of "Restructuring Maturity Limitation Date", shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

(i) Other Provisions. For purposes of paragraph (a)(ii) of the definition of **Deliverable Obligation** and the definitions of **Credit Event** and **Deliver** in Credit Linked Condition 13 references to the **Underlying Obligation** and the **Underlying Obligor** shall be deemed to include "Insured Instruments" and the "Insured Obligor", respectively.

(j) Additional Definitions.

(i) **Qualifying Policy** means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in these Credit Linked Conditions) (the **Insured Instrument**) for which another party (including a special purpose entity or trust) is the obligor (the **Insured Obligor**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments).

(ii) **Instrument Payments** means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the

ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in Credit Linked Condition 16(c) above and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

(iii) **Certificate Balance** means, in the case of an Insured Instrument that is in the form of a pass through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

**17. Calculation Agent Notices**

Any notice to be delivered by the Calculation Agent to the Issuer or the Guarantor (if applicable), as applicable, pursuant to these Credit Linked Conditions may be given in writing (including by facsimile and/or email) and/or by telephone. Any such notice delivered on or prior to 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be effective on such Calculation Agent City Business Day. Any such notice delivered after 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day or on a day which is not a Calculation Agent City Business Day will be deemed effective on the next following Calculation Agent City Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation Agent City Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.

**18. Provisions taken from the ISDA supplement titled "Additional Provisions for LPN Reference Entities" (published on 3 October 2006)**

If this Credit Linked Condition 18 is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in the Credit Linked Conditions, the following provisions will apply:

(a) provisions relating to Multiple Holder Obligation will be deemed to be Not Applicable with respect to any Reference Obligation (and any Underlying Loan);

(b) each Reference Obligation will be an Obligation, notwithstanding anything to the contrary in the Credit Linked Conditions including, but not limited to the definition of "Obligation" in Credit Linked Condition 13, and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity;

(c) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in the Credit Linked Conditions including, but not limited to the definition of "Deliverable Obligation" in Credit Linked Condition 13 and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity.

For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation.

The Not Subordinated Obligation Characteristic and Deliverable Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity;

(d) the definition of Reference Obligation shall be deleted and the following substituted therefor:

"**Reference Obligation** means, as of the Trade Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List (each a **Markit Published LPN Reference Obligation**), as published by Markit Group Limited, or any successor thereto, as of the Trade Date, any Additional LPN and each Additional Obligation."; and

(e) the following additional definitions shall apply:

**Additional LPN** means any bond issued in the form of a loan participation note (a **LPN**) by an entity (the **LPN Issuer**) for the sole purpose of providing funds for the LPN Issuer to (a) finance a loan to the Reference Entity (the **Underlying Loan**) or (b) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the **Underlying Finance Instrument**), provided that (i) either (x) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity or (y) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics (ii) the LPN satisfies the following Deliverable Obligation Characteristics: Transferable, Not Bearer, Credit Linked Specified Currency – Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs.

**Additional Obligation** means each of the obligations listed as an Additional Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List (each a **Markit Published LPN Reference Obligation**), as published by Markit Group Limited, or any successor thereto, as of the Trade Date.

**First Ranking Interest** means a charge, security interest (or other type of interest having similar effect) (an **Interest**), which is expressed as being "first ranking", "first priority", or similar (**First Ranking**) in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any related insolvency jurisdiction of the LPN Issuer).

**LPN Reference Obligation** means each Reference Obligation other than any Additional Obligation.

For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation constituting a Reference Obligation.

Each LPN Reference Obligation is issued for the sole purpose of providing funds for the Issuer to finance a loan to the Reference Entity. For the purposes of the Credit Linked Conditions each such loan shall be an Underlying Loan.

**19. Amendment of Credit Linked Conditions in accordance with Market Convention**

The Calculation Agent may from time to time amend any provision of these Credit Linked Conditions to incorporate and/or reflect further or alternative documents from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the Credit Derivatives Determinations Committees which the Calculation Agent determines in a commercially reasonable manner are necessary or desirable from the perspective of

the Issuer, the Calculation Agent or a Hedging Party to reflect or govern market practice for credit derivative transactions. Any amendment made in accordance with this Credit Linked Condition 19 shall be notified to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

## 20. Specific Provisions for Credit Linked Warrants

Any specific amendments to these Credit Linked Conditions which may be required in respect of an issuance of Credit Linked Warrants (which shall be Exempt W&C Securities only) shall be set out in the applicable Final Terms.

## ANNEX 8

## ADDITIONAL TERMS AND CONDITIONS FOR PHYSICAL DELIVERY N&C SECURITIES

**Clause** **Page**


1. Interpretation ..... 606
2. Delivery of Entitlement and Asset Transfer Notices ..... 606
3. Settlement Disruption Event ..... 610
4. Failure to Deliver Due to Illiquidity ..... 610
5. Option to Vary Settlement ..... 611
6. Additional Provisions for Credit Linked N&C Securities ..... 611
7. Definitions ..... 611

***This Annex applies to Exempt Securities only.***

*If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Physical Delivery N&C Securities shall comprise the terms and conditions of the N&C Securities (the* ***N&C Securities Conditions****), the additional Terms and Conditions for Physical Delivery N&C Securities set out below (the* ***Physical Delivery N&C Securities Conditions****) and any additional terms and conditions specified in the applicable Final Terms, subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the N&C Securities Conditions and (ii) the Physical Delivery N&C Securities Conditions, the Physical Delivery N&C Securities Conditions shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions and/or the Physical Delivery N&C Securities Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.*

## 1. INTERPRETATION

The following provisions (the **Physical Delivery N&C Securities Conditions**) apply to N&C Securities specified as being Physical Delivery N&C Securities in the applicable Final Terms or where Physical Delivery is specified in the applicable Final Terms.

References in the Physical Delivery N&C Securities Conditions to "delivery", "delivered" and "deliver" shall in the context of the delivery of the Entitlement in respect of Credit Linked N&C Securities be deemed to be references to "Delivery", "Delivered" and "Deliver" as such terms are defined and construed in the Credit Linked Conditions.

## 2. DELIVERY OF ENTITLEMENT AND ASSET TRANSFER NOTICES

In order to obtain delivery of the Entitlement(s) in respect of any N&C Security:

(i) if such N&C Security is represented by a Global N&C Security held through Euroclear and/or Clearstream, Luxembourg, the relevant Holder must provide to Euroclear or Clearstream, Luxembourg (as applicable) in a form acceptable thereto, with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice substantially in the form set out and/or containing the information specified in the Agency Agreement (the **Asset Transfer Notice**);

(ii) if such N&C Security is represented by a Global N&C Security held through DTC, the relevant Holder must comply with the requirements regarding the content and delivery of an asset transfer or other similar notice as shall be set out in the applicable Final Terms; and

(iii) if such N&C Security is in definitive form, the relevant Holder must deliver to any Paying Agent, with a copy to the Principal Agent and the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such N&C Security is represented by a Global N&C Security, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be or (ii) if such N&C Security is in definitive form in writing.

If such N&C Security is in definitive form, such N&C Security must be delivered together with the duly completed Asset Transfer Notice.

The Issuer shall at the risk of the relevant Holder deliver the Entitlement in respect of each N&C Security or, in the case of Credit Linked N&C Securities, Deliver the Deliverable Obligations

comprising the Entitlement in such commercially reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery.

Each N&C Security will be redeemed by the Issuer or the Guarantor (if any), as applicable, on the Maturity Delivery Date (as defined below) or the Credit Settlement Date, if applicable, by applying the Nominal Amount of each N&C Security outstanding as at such date on behalf of the relevant Securityholder to purchase the Entitlement for delivery, as specified in, or determined in accordance with, the applicable Final Terms and delivering the Entitlement.

All Expenses shall be for the account of the relevant Holder and no delivery and/or transfer of any Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

For these purposes **Expenses** means 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 the Calculation Agent determines 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.

An Asset Transfer Notice must:

(a) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement if such delivery is to be made otherwise than in the manner specified in the applicable Final Terms;

(b) in the case of N&C Securities represented by a Global N&C Security, specify the number of units or nominal amount of N&C Securities which are the subject of such notice and the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such N&C Securities and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Holder's account with such N&C Securities on or before the Maturity Delivery Date (as defined below) or, in the case of Credit Linked N&C Securities, the Credit Settlement Date;

(c) include an undertaking to pay all Expenses and, in the case of N&C Securities represented by a Global N&C Security, an authority to debit a specified account of the Holder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses;

(d) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and number of the Holder's account to be credited with any cash payable by the Issuer, in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement, as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amounts;

(e) certify that (x) the beneficial owner of each N&C Security is not a "U.S. person" as defined in Regulation S under the Securities Act, (y) the N&C Security is not being redeemed within the United States or on behalf of a U.S. person and (z) no cash, securities or other property

have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and

(f) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear, Clearstream, Luxembourg or a Paying Agent as provided above. After delivery of an Asset Transfer Notice, the relevant Holder may not transfer the N&C Securities which are the subject of such notice.

In the case of N&C Securities represented by a Global N&C Security, upon receipt of such notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Holder is the holder of the specified nominal amount of N&C Securities according to its books.

Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Agent the series number and number of N&C Securities the subject of such notice, the relevant account details (if applicable) and the details for the delivery of the Entitlement in respect of each such N&C Security. Upon receipt of such confirmation, the Principal Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Maturity Delivery Date or Credit Settlement Date, as the case may be, debit the securities account of the relevant Holder with the N&C Securities the subject of the relevant Asset Transfer Notice.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in the Physical Delivery N&C Securities Conditions shall be made, in the case of N&C Securities represented by a Global N&C Security, by the Issuer after consultation with the Principal Agent and shall be conclusive and binding on the Guarantor (if applicable) and the relevant Holder or in the case of N&C Securities in definitive form, by the relevant Paying Agent after consultation with the Principal Agent and the Issuer and shall be conclusive and binding on the Issuer, the Guarantor (if applicable) and the relevant Holder.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the Issuer or the relevant Paying Agent, in each case in consultation with the Principal Agent and the Issuer, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

The Issuer or the relevant Paying Agent, as applicable, shall use reasonable efforts to notify the Holder submitting an Asset Transfer Notice as soon as reasonably practicable if, in consultation with the Principal Agent and, in the case of the relevant Paying Agent, the Issuer, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor (if applicable) or the Paying Agents, Euroclear or Clearstream, Luxembourg shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided above on the Maturity Date (such date, subject to adjustment in accordance with these Physical Delivery N&C Securities Conditions, the **Maturity Delivery Date**) or, in the case of Credit Linked N&C Securities, in the manner provided above on the Credit Settlement Date, provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Issuer, as provided above, not later than the close of business in each place of receipt on the Cut-Off Date.

If an Asset Transfer Notice is delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Issuer, later than the close of business in each place of receipt on

the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Maturity Delivery Date) or, in the case of Credit Linked N&C Securities, the Credit Settlement Date at the risk of such Holder in the manner provided above. Provided That if in respect of an N&C Security an Asset Transfer Notice is not delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Issuer, prior to the close of business in each place of receipt on the 90th calendar day following the Cut-off Date then (a) if "Assessed Value Payment Amount" is specified as applicable in the applicable Final Terms, the Issuer shall as soon as reasonably practicable following such date determine the Assessed Value Payment Amount and in respect of such N&C Security shall pay the Assessed Value Payment Amount to the relevant Securityholder in lieu of delivery of the Entitlement as soon as reasonably practicable following determination of the Assessed Value Payment Amount, or (b) if "Assessed Value Payment Amount" is not specified as applicable in the applicable Final Terms, the Issuer's obligations in respect of such N&C Security and (in the case of Guaranteed N&C Securities) the Guarantor's obligations pursuant to the Guarantee in respect of such N&C Security shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor. Upon payment of the Assessed Value Payment Amount, if applicable, the Issuer's obligations in respect of such N&C Security shall be discharged and (in the case of Guaranteed N&C Securities) the Guarantor's obligations in respect of such N&C Security pursuant to the Guarantee shall be discharged. For the avoidance of doubt, in the circumstances described in (b) above, such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Maturity Delivery Date or the Credit Settlement Date, as the case may be, falling after the originally designated Maturity Delivery Date or Credit Settlement Date, as the case may be, and no liability in respect thereof shall attach to the Issuer or the Guarantor.

Delivery of the Entitlement in respect of the N&C Securities is subject to all applicable laws, regulations and practices in force on the Maturity Delivery Date or the Credit Settlement Date, as the case may be, and none of the Issuer, the Guarantor (if applicable) or any of their Affiliates or agents and the Paying Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor (if applicable) or any of their Affiliates or agents and the Paying Agents shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg in relation to the performance of their duties in relation to the N&C Securities.

For such period of time after the Maturity Delivery Date or Credit Settlement Date, as the case may be, as any person other than the relevant Holder shall continue to be the legal owner of the securities, obligations or Deliverable Obligations comprising the Entitlement (the **Intervening Period**), none of the Issuer, the Guarantor (if applicable) nor any other such person shall (i) be under any obligation to deliver or procure delivery to the relevant Holder or any subsequent beneficial owner of such N&C Security any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities, obligations or Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities, obligations or Deliverable Obligations during the Intervening Period or (iii) be under any liability to the relevant Holder, or any subsequent beneficial owner of such N&C Security in respect of any loss or damage which the relevant Holder, or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such securities, obligations or Deliverable Obligations during such Intervening Period.

Where the Entitlement comprises shares, any dividend or other distribution in respect of such Entitlement will not be payable to the Holder or any other party by the Issuer and the Issuer will be entitled to retain any dividend or distribution for which the record date or ex dividend date falls on or prior to the last day of the Intervening Period.

Except in the case of Credit Linked N&C Securities, where the Entitlement is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Securityholders will receive an Entitlement comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Holder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Entitlements), and in respect of the amount of Relevant Assets not capable of being delivered, an amount in the Specified Currency which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate).

## 3. SETTLEMENT DISRUPTION EVENT

The provisions of this Physical Delivery N&C Securities Condition 3 shall apply to Physical Delivery N&C Securities other than Credit Linked N&C Securities.

If, prior to the delivery of the Entitlement in accordance with these Physical Delivery N&C Securities Conditions, a Settlement Disruption Event is subsisting, then the Maturity Delivery Date in respect of such N&C Security shall be postponed until the next Settlement Business Day on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Holder, in accordance with N&C Securities Condition 16. Such Holder shall not be entitled to any payment, whether of interest or otherwise, on such N&C Security as a result of any delay in the delivery of the Entitlement pursuant to these Physical Delivery N&C Securities Conditions. Where delivery of the Entitlement has been postponed as provided in the Physical Delivery N&C Securities Conditions the Issuer shall not be in breach of the Conditions and no liability in respect thereof shall attach to the Issuer or the Guarantor.

For so long as delivery of the Entitlement in respect of any N&C Security is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant N&C Security by payment to the relevant Holder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the **Election Notice**) is given to the Securityholders in accordance with N&C Securities Condition 16.

## 4. FAILURE TO DELIVER DUE TO ILLIQUIDITY

The provisions of this Physical Delivery N&C Securities Condition 4 shall apply to Physical Delivery N&C Securities other than Credit Linked N&C Securities.

If Failure to Deliver due to Illiquidity is specified as applying in the applicable Final Terms and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets comprising the Entitlement (the **Affected Relevant Assets**), where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a **Failure to Deliver due to Illiquidity**), then:

(i) subject as provided elsewhere in the Physical Delivery N&C Securities Conditions and/or the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Maturity Delivery Date in accordance with the Physical Delivery N&C Securities Conditions; and

(ii) in respect of any Affected Relevant Assets, notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the relevant Holder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date the Failure to Deliver Notice (as defined below) is given to the Securityholders in accordance with N&C Securities Condition 16. The Issuer shall give

notice (such notice a **Failure to Deliver Notice**) as soon as reasonably practicable to the Securityholders in accordance with N&C Securities Condition 16 that the provisions of this Physical Delivery N&C Securities Condition 4 apply.

## 5. OPTION TO VARY SETTLEMENT

Unless "Issuer's option to vary Settlement" is specified as Not Applicable in the applicable Final Terms, the Issuer has an option to vary settlement in respect of the N&C Securities, the Issuer may at its sole and unfettered discretion in respect of each such N&C Security, elect not to deliver or procure delivery of the Entitlement to the relevant Securityholders, but, in lieu thereof to make payment of the fair value of the Entitlement *minus* such N&C Security's pro rata share of the cost to the Issuer and/or its Affiliates of unwinding any underlying relating hedging arrangements, all as calculated by the Calculation Agent, on the Maturity Date to the relevant Securityholders. Notification of such election will be given to Securityholders in accordance with N&C Securities Condition 16.

## 6. ADDITIONAL PROVISIONS FOR CREDIT LINKED N&C SECURITIES

The provisions of this Physical Delivery N&C Securities Condition 6 shall apply to Credit Linked N&C Securities.

In relation to each Deliverable Obligation constituting the Entitlement the Issuer or (in the case of Guaranteed N&C Securities) the Guarantor, as applicable, will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided in Physical Delivery N&C Securities Condition 2 on the Credit Settlement Date, Provided That if all or some of the Deliverable Obligations included in the Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, up to and including (i) the 30th Business Day following the Credit Settlement Date or (ii) 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) (the **Final Delivery Date**), Provided Further That if all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date the provisions of Credit Linked Condition 10 shall apply.

## 7. DEFINITIONS

For the purposes of these Physical Delivery N&C Securities Conditions:

**Assessed Value Payment Amount** means, in respect of a N&C Security, an amount determined by the Calculation Agent to be the fair market value of the assets comprised in the Entitlement in respect of such N&C Security less the cost to the Issuer and/or its Affiliates of unwinding any underlying relating hedging arrangements, all as determined by the Issuer.

**Disruption Cash Settlement Price** means, in respect of each nominal amount of N&C Securities equal to the Calculation Amount, an amount equal to the fair market value of such N&C Securities (but not taking into account any interest accrued on such N&C Security and paid pursuant to N&C Securities Condition 6 and N&C Securities Condition 7) on such day as shall be selected by the Issuer in its sole and absolute discretion Provided That such day is not more than 15 days before the date that the Election Notice is given as provided above less the cost to the Issuer and/or its Affiliates or agents of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

**Failure to Deliver Settlement Price** means, in respect of each nominal amount of the N&C Securities equal to the Calculation Amount, the fair market value of the Affected Relevant Assets in respect of such N&C Securities on the fifth Business Day prior to the date on which the Failure to Deliver Notice

is given as provided above, less the cost to the Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

**Relevant Assets** means the security(ies), obligation(s) and/or Deliverable Obligation(s) specified in the applicable Final Terms.

**Settlement Business Day** has the meaning given to it in the applicable Final Terms.

**Settlement Disruption Event** means an event beyond the control of the Issuer or (in the case of Guaranteed N&C Securities) the Guarantor as a result of which, in the opinion of the Calculation Agent, delivery of the Entitlement by or on behalf of the Issuer or the Guarantor, as applicable, in accordance with the Physical Delivery N&C Securities Conditions and/or the applicable Final Terms is not practicable.

## ANNEX 9

## ADDITIONAL TERMS AND CONDITIONS FOR SWEDISH SECURITIES

**Clause** **Page**

1. General .....614
2. Amendments to the N&C Securities Conditions in Respect of the Swedish N&C Securities .....614
3. Amendments to the W&C Securities Conditions in Respect of the Swedish W&C Securities .....618

***This Annex applies to Exempt Securities only.***

*If specified as applicable in the applicable Final Terms (a) the terms and conditions applicable to Swedish N&C Securities shall comprise the terms and conditions of the N&C Securities (the **N&C Securities Conditions**) and the additional Terms and Conditions for Swedish Securities set out below (the **Swedish Securities Conditions**) and (b) the terms and conditions applicable to Swedish W&C Securities shall comprise the terms and conditions of the W&C Securities (the **W&C Securities Conditions**) and the Swedish Securities Conditions in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Swedish Securities Conditions, the Swedish Securities Conditions shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions, the W&C Securities and/or the Swedish Securities Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Swedish Securities Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Securities" and "N&C Security" or "W&C Security" and "W&C Securities" as the context admits.*

## 1. GENERAL

For the purpose of this Annex 9, **Swedish Securities** means any Securities issued by the Issuer and designated as "Swedish N&C Securities" or "Swedish W&C Securities", as applicable, in the applicable Final Terms.

The Swedish Securities will be registered in uncertificated and dematerialised book-entry form with a Swedish Central Securities Depository (**CSD**) which will be Euroclear Sweden. **Euroclear Sweden** means Euroclear Sweden AB, Box 191, SE-101 23, Stockholm, Sweden or any successor thereto acceptable to the Issuer. Swedish Securities registered in CSD 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 CSD Rules (as defined below), Swedish N&C Securities may not provide for any form of settlement other than payment in cash and W&C Securities which are Warrants may only be issued as Swedish Securities where such Warrants are European Style Warrants and Automatic Exercise applies.

## 2. AMENDMENTS TO THE N&C SECURITIES CONDITIONS IN RESPECT OF THE SWEDISH N&C SECURITIES

For the purposes of all Swedish N&C Securities the N&C Securities Conditions shall be amended as set forth in this Swedish Securities Condition 2.

Swedish Securities shall be issued pursuant to such agreement (as amended, supplemented or replaced from time to time, the **Swedish Agency Agreement**) as may be entered into in relation to the Swedish N&C Securities between the Issuer, the Guarantor and Swedbank AB (publ) (the **Swedish Paying Agent**).

### 2.1 Form, Denomination and Title

N&C Securities Condition 1 (*Form, Denomination and Title*) shall be amended as follows:

**2.1.1** by replacing N&C Securities 1.1 with the following:

"The N&C Securities are issued in uncertificated and dematerialised book-entry form in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) (as amended) in each case in the Specified Currency or Currencies and Specified Denomination(s). N&C Securities of one Specified Denomination may not be exchanged for N&C Securities of another Specified Denomination. No global or definitive Swedish N&C Securities will be issued and the Conditions shall be construed accordingly.

The N&C Securities shall be regarded as Registered N&C Securities for the purposes of the Conditions save to the extent the Conditions are inconsistent with Swedish laws, regulations and operating procedures applicable to and/or issued by CSD (the **CSD Rules**), in which case such laws, regulations or the CSD Rules shall apply, and all references in the Conditions to the "Registrar" shall be deemed to be references to CSD. No physical notes or certificates will be issued in respect of Swedish N&C Securities and the provisions relating to presentation, surrendering or replacement of N&C Securities shall not apply to the Swedish N&C Securities.

Settlement with respect to the Swedish N&C Securities shall be by way of Cash Settlement only.

Title to the N&C Securities shall pass by registration in the register (the **Register**) maintained by the Registrar on behalf of the Issuer in accordance with Swedish laws, regulations and the CSD Rules. The Swedish Issuing Agent is acting as account operator (*Sw. Kontoförande institut*) in relation to CSD. The Issuer shall be entitled to obtain information from the Register in accordance with the CSD Rules and specifically have access to the books of holders (*Sw. skuldboken*). Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any N&C Security shall be deemed to be and may be treated as its absolute owner for all purposes and no person shall be liable for so treating the Holder. Swedish N&C Securities will be transferable only in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act, other applicable Swedish legislation and the CSD Rules.

In the Conditions, **Securityholder** or **Holder** means the person in whose name a N&C Security is registered or the person on whose book-entry securities account the Swedish N&C Securities are held (as the case may be) including any person duly authorised to act as a nominee (*Sw. förvaltare*) and registered for the N&C Securities."

**2.1.2** by the deletion of N&C Securities Condition 1.3 to N&C Securities Condition 1.5 (inclusive).

**2.2 Transfers of Registered N&C Securities**

N&C Securities Condition 2 (*Transfers of N&C Securities in registered form*) shall not apply to the Swedish N&C Securities.

**2.3 Interest**

In N&C Securities Condition 6, (*Interest*), where any period is expressed to run from (and including) a particular date to (but excluding) another date, for the purposes of the N&C Securities, such period shall instead run from (but excluding) the first date to (and including) the second date.

**2.4 Payment**

N&C Securities Condition 7 (*Payments*) shall be amended as follows:

**2.4.1** by the deletion of the existing N&C Securities Condition 7.2, (*Payments in respect of Registered N&C Securities*) and the insertion of the following:

"7.2 Payments in accordance with the CSD Rules.

Payments of principal and/or interest in respect of the N&C Securities shall be made to the Securityholders registered as such on the fifth business day (as such business day is defined by the then applicable CSD Rules) before the due date for such payment, or, in each case, on such other business day falling closer to the due date as then may be stipulated in the CSD Rules, and will be

made in accordance with the CSD Rules. Such day shall be the **Record Date** in respect of the N&C Securities in accordance with the CSD Rules.

In respect of each Series of N&C Securities, the Issuer shall at all times maintain a Registrar which shall be a duly authorised central securities depository under the Swedish Central Securities Depositories and Financial Instruments Accounts Act and a Paying Agent in Sweden duly authorised as an account operator under the Swedish Central Securities Depositories and Financial Instruments Accounts Act."

**2.4.2** by the insertion of the following as a new N&C Securities Condition 7.2.1 (with references to the existing N&C Securities Conditions 7.2.1 and 7.2.3 amended accordingly). 7.2.2 shall not apply to the Swedish N&C Securities:

"7.2.1 *Method of Payment in respect of Swedish N&C Securities*

Subject as provided below, payments with respect to Swedish N&C Securities will be made in accordance with the CSD Rules.".

**2.5 Redemption and Repurchase**

N&C Securities Condition 8 (*Redemption, Purchase, Administrator/Benchmark Events and Inconvertibility Event*) shall be amended as follows:

**2.5.1** by the addition of the following sentence to the end of N&C Securities Condition 8.3, (*Redemption at the option of the Issuer (Issuer Call)*):

"Any such redemption shall be made in accordance with the CSD Rules and the notice to Securityholders shall also specify the N&C Securities or amounts of the N&C Securities to be redeemed or in respect of which such option has been so exercised and the procedures for partial redemptions laid down in the CSD Rules."

**2.5.2** by the addition of the following sentence to the end of N&C Securities Condition 8.4 (*Redemption at the option of the Securityholders (Investor Put)*):

"Any such notice from the Holder of any N&C Securities will not take effect against the Issuer before the date on which the relevant N&C Securities have been transferred to the account designated by the Swedish Paying Agent and blocked for further transfer by the Swedish Paying Agent."

**2.5.3** by the addition of the following sentence to the end of each of N&C Securities Condition 8.1, N&C Securities Condition 8.2, N&C Securities Condition 8.5 and N&C Securities Condition 8.6:

"Any such redemption shall be made in accordance with the CSD Rules."

**2.6 Events of Default and Enforcement**

The penultimate paragraph of N&C Securities Condition 11 (*Events of Default and Enforcement*) shall be deleted and replaced by the following:

"then any Securityholder may, by written notice to the Issuer and the Guarantor (if applicable) (with a copy to the Principal Agent for information purposes only), declare such N&C Security(s) held by the holder to be forthwith due and payable, whereupon the same shall become immediately due and payable (or shall be done due and payable on such later date on which the relevant N&C Securities have been transferred to the account designated by the Swedish Paying Agent and blocked for further

transfer by the Swedish Paying Agent) at its Early Redemption Amount as described in N&C Securities Condition 8.7 without presentment, demand, protest or other notice of any kind, unless such Event of Default shall be cured prior to receipt of such written notice by the Issuer and the Guarantor (if applicable)."

**2.7 Replacement of N&C Securities, Receipts, Coupons and Talons**

N&C Securities Condition 12 (*Replacement of N&C Securities, Receipts, Coupons and Talons*) shall not apply to the Swedish N&C Securities.

**2.8 Agents**

N&C Securities Condition 13.2 (*Variation or termination of Appointment of Agents*) shall be amended by the insertion of the following as a new paragraph after the final paragraph thereof:

"In the case of Swedish N&C Securities, references in the Conditions to "Paying Agent" shall include the Swedish Paying Agent or any successor, provided that it is duly authorised under the Swedish Central Securities Depositories and Financial Instruments Accounts Act. The Issuer has, in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act appointed (i) Euroclear Sweden as the central securities depositary, and (ii) Swedbank AB (publ) as Swedish Paying Agent. Euroclear Sweden does not assume any obligation to, or relationship of agency or trust with the Securityholders.

In respect of Swedish N&C Securities, the Issuer reserves the right at any time to vary or terminate the appointment of the Swedish Paying Agent and to appoint a substitute agent, provided that the Issuer shall at all times maintain a Swedish Paying Agent authorised to act as an account operating institution with Euroclear Sweden.

In acting under the Swedish Agency Agreement, the Swedish Paying Agent acts solely as agent of the Issuer and does not assume any obligations to, or relationship of agency or trust with, any Securityholders."

**2.9 Exchange of Talons**

N&C Securities Condition 15 (*Exchange of Talons*) shall not apply to the Swedish N&C Securities.

**2.10 Notices**

The following shall be added as a new paragraph to the end of N&C Securities Condition 16 (*Notices*):

"All notices regarding the Swedish N&C Securities will be deemed to be validly given if sent by mail to a Securityholder to the address registered for such Securityholder in the Register maintained by the Registrar in accordance with the CSD rules. Any such notice shall be deemed to have been given, if sent by mail to the Securityholders, on the fourth day following the day the notice was sent by mail.

Notices to be given by any Securityholder shall be in writing and given by lodging the same with the Swedish Paying Agent."

**2.11 Meetings of Securityholders, Modifications and Waiver**

The following shall be inserted at the end of N&C Securities Condition 17 (*Meetings of Securityholders, Modification and Waiver*):

"In respect of Swedish N&C Securities, the Swedish Paying Agent and the Issuer, as applicable, may agree, without the consent of the Securityholders to any modification to N&C Securities which is (i)

not, in the sole opinion of the Issuer, materially prejudicial to the interests of the Securityholders or (ii) of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with the mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Any such modification shall be binding on the Securityholders and shall be notified to the CSD and Securityholders in accordance with Condition 16, provided that any failure to deliver such notice shall not invalidate such modification."

**2.12 Substitution**

The following shall be added at the end of each of N&C Securities Condition 18.1.2 (*Assumption by Substituted Obligor*) and 18.2.2 (*Assumption by Substituted Guarantor*):

", provided, if so required, that the CSD has given its consent to such assumption."

**2.13 Governing Law and Submission to Jurisdiction**

Notwithstanding N&C Securities Condition 21, (*Governing Law and Submission to Jurisdiction*), Swedish law and jurisdiction will be applicable with regard to the registration of the N&C Securities with the CSD.

## 3. AMENDMENTS TO THE W&C SECURITIES CONDITIONS IN RESPECT OF THE SWEDISH W&C SECURITIES

For the purposes of all Swedish W&C Securities the W&C Securities shall be amended as set forth in below in this Swedish Securities Condition 3.

Swedish Securities shall be issued pursuant to such agreement (as amended, supplemented or replaced from time to time, the **Swedish Agency Agreement**) as may be entered into in relation to the Swedish Securities between the Issuer, the Guarantor and Swedbank AB (publ) (the **Swedish Paying Agent**).

All references to "Physical Settlement" shall be deemed not to apply.

**3.1 Type, Title and Transfer**

W&C Securities Condition 1.1 (*Type*) shall be amended as follows:

**3.1.1** by the deletion of paragraphs 2 – 6 (inclusive) thereof and the insertion of the following:

"The W&C Securities are issued in uncertificated and dematerialised book-entry form in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) (as amended) in each case in the Specified Currency or Currencies and Specified Denomination(s). W&C Securities of one Specified Denomination may not be exchanged for W&C Securities of another Specified Denomination. No global as definitive Swedish W&C Securities will be issued and the Conditions shall be construed accordingly.

The W&C Securities shall be regarded as Registered W&C Securities for the purposes of the Conditions save to the extent the Conditions are inconsistent with Swedish laws, regulations and operating procedures applicable to and/or issued by CSD (the **CSD Rules**), in which case such laws, regulations or the CSD Rules shall apply, and all references in the Conditions to the "New York Security Agent" shall be deemed to be references to CSD. No physical notes or certificates will be issued in respect of Swedish W&C Securities and the provisions relating to presentation, surrendering or replacement of W&C Securities shall not apply to the Swedish W&C Securities."

"Settlement with respect to the Swedish Securities shall be by way of Cash Settlement only."

**3.1.2** W&C Securities Condition 1.2 (*Title to W&C Securities*), shall be amended to read:

"Title to the W&C Securities shall pass by registration in the register (the **Register**) maintained by the Registrar on behalf of the Issuer in accordance with Swedish laws, regulations and the CSD Rules. The Swedish Paying Agent is acting as account operator (*Sw. kontoförande institut*) in relation to CSD. The Issuer shall be entitled to obtain information from the Register in accordance with the CSD Rules and specifically have access to the book of holders (*Sw. skuldboken*). Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any W&C Security shall be deemed to be and may be treated as its absolute owner for all purposes and no person shall be liable for so treating the Holder. Swedish W&C Securities will be transferable only in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act, other applicable Swedish legislation and the CSD Rules.

In the Conditions, **Securityholder** or **Holder** means the person in whose name a W&C Security is registered or the person on whose book-entry securities account the Swedish Securities are held (as the case may be) including any person duly authorised to act as a nominee (*Sw. förvaltare*) and registered for the Securities.

**3.1.3** W&C Securities Condition 1.3 (*Transfers of W&C Securities*) shall not apply to the Swedish W&C Securities.

**3.2 Exercise and Settlement**

**3.2.1** W&C Securities Condition 3.1.3 shall be amended such that (i) all references to Euroclear and/or Clearstream, Luxembourg shall be deemed to be references to Euroclear Sweden AB and (ii) all references to Luxembourg or Brussels time, as the case may be, shall be deemed to be references to Stockholm time.

**3.2.2** W&C Securities Condition 3.3 (*Physical Settlement*) and 3.4 (*Issuer's Option to Vary Settlement*) shall not apply to the Swedish W&C Securities.

**3.2.3** The following shall be inserted as a new W&C Securities Condition 3.5 (*General*):

"Any amounts payable in respect of the Swedish W&C Securities shall be made to the Securityholders registered as such on the fifth business day (where the Swedish W&C Securities have been registered by the CSD on the basis of notional amount) or, as the case may be, on the fourth business day (where the Swedish W&C Securities have been registered by the CSD on the basis of the number of securities) (in each case as such business day is defined by the then applicable CSD Rules) before the due date for such payment, or, in each case, on such other business day falling closer to the due date as then may be stipulated in the CSD Rules, and will be made in accordance with the CSD Rules. Such day shall be the **Record Date** in respect of the Swedish W&C Securities in accordance with the CSD Rules.

In respect of each Series of Swedish W&C Securities, the Issuer shall at all times maintain a Registrar which shall be a duly authorised central securities depository under the Swedish Central Securities Depositories and Financial Instruments Accounts Act and Paying Agent in Sweden duly authorised as an account operator under the Swedish Central Securities Depositories and Financial Instruments Accounts Act.

Subject as provided below, payments with respect to Swedish W&C Securities will be made in accordance with the CSD Rules.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any relevant jurisdiction, but without prejudice to the provisions of W&C Securities Condition 10 (*Expenses and Taxation*), (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 W&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 W&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 W&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."

**3.3 Additional Amounts**

W&C Securities Condition 3.7.2 (*Payment of Additional Amounts*) shall be amended to read:

"Payments of any Additional Amounts (if applicable) shall be made in accordance with the operating procedures applicable to and/or issued by Euroclear Sweden AB and as further provided in the applicable Final Terms."

**3.4 Exercise Procedure**

W&C Securities which are Warrants may only be issued as Swedish Securities where such Warrants are European Style Warrants and Automatic Exercise applies.

None of W&C Securities Condition 4.1.2 (*Exercise Notice in respect of Warrants*), W&C Securities Condition 4.2 (*Collection Notice in respect of Certificates*) or W&C Securities Condition 4.4.2 (*Settlement*) shall apply to the Swedish W&C Securities.

**3.5 Cancellation**

The following shall be added as a new paragraph to the end of W&C Securities Condition 5.1 (*Cancellation for Illegality*) and W&C Securities Condition 5.2 (*Regulatory Cancellation Event*):

"Any such cancellation shall be made in accordance with the CSD Rules."

**3.6 Event of Default on Insolvency**

The final paragraph of W&C Securities Condition 6, (*Event of Default on Insolvency*) shall be deleted and replaced by the following:

"then any Securityholder may, by written notice to the Issuer and the Guarantor (if applicable) (with a copy to the Principal Agent for information purposes only), declare such W&C Security(ies) held by the holder to be forthwith due and payable, whereupon the same shall become immediately due and payable (or on such later date on which the relevant W&C Securities have been transferred to the account designated by the Swedish Paying Agent and blocked for further transfer by the Swedish Paying Agent) at its Early Cancellation Amount as described in W&C Securities Condition 5, without

presentment, demand, protest or other notice of any kind, unless such Event of Default shall be cured prior to receipt of such written notice by the Issuer and the Guarantor (if applicable)."

**3.7 Agents**

W&C Securities Condition 8 (*Agents*) shall be amended by the insertion of the following as a new W&C Securities Condition 8.4:

"8.4 Paying Agent

In the case of Swedish W&C Securities, references in the Conditions to "Paying Agent" shall include the Swedish Paying Agent or any successor, provided that it is duly authorised under the Swedish Central Securities Depositories and Financial Instruments Accounts Act. The Issuer has, in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act appointed (i) Euroclear Sweden as the central securities depositary, and (ii) Swebank AB (publ) as Swedish Paying Agent. Euroclear Sweden does not assume any obligation to, or relationship of agency or trust with the Securityholders.

In respect of Swedish W&C Securities, the Issuer reserves the right at any time to vary or terminate the appointment of the Swedish Paying Agent and to appoint a substitute agent, provided that the Issuer shall at all times maintain a Swedish Paying Agent authorised to act as an account operating institution with Euroclear Sweden.

In acting under the Swedish Agency Agreement, the Swedish Paying Agent acts solely as agent of the Issuer and does not assume any obligations to, or relationship of agency or trust with, any Securityholders."

**3.8 Notices**

The following shall be added as a new paragraph to the end of W&C Securities Condition 9 (*Notices*):

"All notices regarding the Swedish W&C Securities will be deemed to be validly given if sent by mail to a Securityholder to the address registered for such Securityholder in the Register maintained by the Registrar in accordance with the CSD rules. Any such notice shall be deemed to have been given, if sent by mail to the Securityholders, on the fourth day following the day the notice was sent by mail.

Notices to be given by any Securityholder shall be in writing and given by lodging the same with the Swedish Paying Agent."

**3.9 Meetings of Securityholders and Modifications**

The following shall replace the final paragraph of W&C Securities Condition 12, (*Meetings of Securityholders and Modifications*):

"In respect of Swedish W&C Securities, the Swedish Paying Agent and the Issuer, as applicable, may agree, without the consent of the Securityholders to any modification to Securities which is (i) not, in the sole opinion of the Issuer, materially prejudicial to the interests of the Securityholders or (ii) of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with the mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Any such modification shall be binding on the Securityholders and shall be notified to the CSD and Securityholders in accordance with Condition 9, provided that any failure to deliver such notice shall not invalidate such modification."

### 3.10 Substitution

The following shall be added at the end of each W&C Securities Condition 13.1.2(ii) (*Assumption by Substituted Obligor*) and 13.2.2(ii) (*Assumption by Substituted Guarantor*):

", provided, if so required, that the CSD has given its consent to such assumption."

### 3.11 Governing Law and Submission to Jurisdiction

Notwithstanding W&C Securities Condition 16, (*Governing Law and Submission to Jurisdiction*), Swedish law and jurisdiction will be applicable with regard to the registration of the Swedish W&C Securities with the CSD.

## ANNEX 10

## ADDITIONAL TERMS AND CONDITIONS FOR SWISS SECURITIES

**Clause** **Page**


1. General .....624
2. Amendments to the N&C Securities Conditions in respect of the Swiss N&C Securities.....624
3. Amendments to the W&C Securities Conditions in respect of the Swiss W&C Securities.....627

***This Annex applies to Exempt Securities and Non-Exempt Securities.***

*If specified as applicable in the applicable Final Terms (a) the terms and conditions applicable to Swiss N&C Securities shall comprise the terms and conditions of the N&C Securities (the **N&C Securities Conditions**) and the additional Terms and Conditions for Swiss Securities set out below (the **Swiss Securities Conditions**) and (b) the terms and conditions applicable to Swiss W&C Securities shall comprise the terms and conditions of the W&C Securities (the **W&C Securities Conditions**) and the Swiss Securities Conditions in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Swiss Securities Conditions, the Swiss Securities Conditions shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions, the W&C Securities and/or the Swiss Securities Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Swiss Securities Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Securities" and "N&C Security" or "W&C Security" and "W&C Securities" as the context admits.*

## 1. GENERAL

For the purpose of this Annex 10, **Swiss Securities** means any Securities issued by the Issuer and designated as "Swiss N&C Securities" or "Swiss W&C Securities", as applicable, in the applicable Final Terms.

## 2. AMENDMENTS TO THE N&C SECURITIES CONDITIONS IN RESPECT OF THE SWISS N&C SECURITIES

For the purposes of all Swiss N&C Securities the N&C Securities Conditions shall be amended as set forth in this Swiss Securities Condition 2.

### 2.1 Form, Denomination and Title

N&C Securities Condition 1 (*Form, Denomination and Title*) shall be deleted and replaced with the following:

"The N&C Securities are issued in bearer form or uncertificated form as specified in the applicable Final Terms and, in the case of definitive N&C Securities, serially numbered.

N&C Securities issued in bearer form will be represented by a permanent global security deposited with SIX SIS Ltd. or other relevant clearing system (the **Intermediary**). Once the permanent global security with respect to the Swiss Securities is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Securities will constitute intermediated securities *(Bucheffekten)* (**Intermediated Securities**) in accordance with the provisions of the Swiss Federal Intermediated Securities Act *(Bucheffektengesetz*).

Under Swiss law each Holder (as defined below) shall have a quotal co-ownership interest *(Miteigentumsanteil)* in the permanent global security to the extent of their claim against the Issuer, provided that for so long as the permanent global security remains deposited with the Intermediary the co-ownership interest shall be suspended and the Swiss Securities may only be transferred by the entry of the transferred Swiss Securities in a securities account of the transferee.

The Holders shall not have the right to effect or demand the conversion of the permanent global security *(Globalurkunde)* into, or the delivery of, uncertificated securities *(Wertrechte)* or definitive Swiss Securities *(Wertpapiere)*.

The records of the Intermediary will determine the number of Swiss Securities held through each participant of that Intermediary. In respect of Swiss Securities held in the form of Intermediated

Securities, the holders (each a **Holder**) of such Swiss Securities will be the persons holding the Swiss Securities in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Swiss Securities for their own account in a securities account (*Effektenkonto*) which is in their name.

No physical delivery of the Swiss Securities shall be made unless and until definitive securities *(Wertpapiere)* shall have been printed. Swiss Securities may only be printed, in whole, but not in part, if the Issuer or the Swiss Paying Agent (specified in the applicable Final Terms) determines that the printing of the definitive Swiss Securities *(Wertpapiere)* is necessary or appropriate for any reason. Should the Issuer or the Swiss Paying Agent so determine, it shall provide for the printing of definitive Swiss Securities *(Wertpapiere)* without cost to the Holders. If printed, the definitive Swiss Securities *(Wertpapiere)* shall be at the expense of the Issuer and shall be executed by affixing thereon the facsimile signatures of two authorised officers of the Issuer. In the case definitive Swiss Securities *(Wertpapiere)* are delivered, the permanent global security will immediately be cancelled by the Principal Agent and the definitive Swiss Securities *(Wertpapiere)* shall be delivered to the Holders against cancellation of the Swiss Securities in the Holders' securities accounts.

N&C Securities issued in uncertificated form shall be registered with the Intermediary. The Swiss Securities will remain registered in the main register (*Hauptregister*) of the Intermediary until the earlier of expiration, settlement or printing of the relevant series of Swiss Securities. Once the uncertificated securities (*Wertrechte*) are registered in the main register *(Hauptregister)* of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Securities will constitute intermediated securities *(Bucheffekten)* (**Intermediated Securities**) in accordance with the provisions of the Swiss Federal Intermediated Securities Act *(Bucheffektengesetz*). As long as the Swiss Securities are intermediated securities, the Swiss Securities may only be transferred by the entry of the transferred Swiss Securities in a securities account of the transferee. In respect of Swiss Securities held in the form of intermediated securities, the holders (each a **Holder**) of such Swiss Securities will be the persons holding the Swiss Securities in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Swiss Securities for their own account in a securities account (*Effektenkonto*) which is in their name.

The Holders shall not have the right to effect or demand the conversion of the uncertificated securities *(Wertrechte)* into, or the delivery of, a permanent global security *(Globalurkunde)* or definitive securities *(Wertpapiere)*. No physical delivery of the Swiss Securities shall be made unless and until definitive securities (*Wertpapiere*) are printed. Swiss Securities may only be printed, in whole, but not in part, if the Issuer or the Swiss Paying Agent determines that the printing of the definitive securities *(Wertpapiere)* is necessary or appropriate for any reason. Should the Issuer or the Swiss Paying Agent so determine, it shall provide for the printing of definitive securities (*Wertpapiere*) at the expense of the Issuer and without cost to the holders. In the case definitive securities *(Wertpapiere)* are delivered, the uncertified securities *(Wertrechte)* will immediately be cancelled by the Issuer and the definitive securities *(Wertpapiere)* shall be delivered to the holders against cancellation of the Swiss Securities in the holders' securities accounts."

**2.2 Transfers of N&C Securities**

N&C Securities Condition 2 (*Transfers of N&C Securities in registered form*) shall not apply to the Swiss N&C Securities.

**2.3 Payment**

N&C Securities Condition 7 (*Payments*) shall be amended as follows:

**2.3.1** by the deletion of the existing N&C Securities Condition 7.2 (*Payments in respect of Registered N&C Securities*) and the insertion of the following:

"7.2 *Payments in accordance with the Intermediary Rules.*

Payments of principal and/or interest in respect of the N&C Securities shall be made to the Securityholders in accordance with the rules, regulations and operating procedures applicable to and/or issued by the Intermediary from time to time (the **Intermediary Rules**)."

**2.3.2** by the insertion of the following as a new N&C Securities Condition 7.2.1 (with references to the existing N&C Securities Conditions 7.2.1, 7.2.2 and 7.2.3 amended accordingly):

"7.2.1 *Method of Payment in respect of Swiss N&C Securities*

Subject as provided below, payments with respect to Swiss N&C Securities:

(i) in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency; and

(ii) 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."

**2.4 Redemption and Repurchase**

N&C Securities Condition 8 (*Redemption, Purchase, Administrator/Benchmark Events and Inconvertibility Event*) shall be amended as follows:

**2.4.1** by the addition of the following sentence to the end of N&C Securities Condition 8.3, (*Redemption at the option of the Issuer (Issuer Call)*):

"Any such redemption shall be in accordance with the Intermediary Rules and the notice to Securityholders shall also specify the N&C Securities or amounts of the N&C Securities to be redeemed or in respect of which such option has been so exercised and the procedures for partial redemptions laid down in the Intermediary Rules."

**2.4.2** by the addition of the following sentence to the end of N&C Securities Condition 8.4 (*Redemption at the option of the Securityholders (Investor Put)*):

"Any alternative requirements in respect of completion and/or delivery an Investor Put Notice relating to Swiss W&C Securities will be as set out in the applicable Final Terms."

**2.4.3** by the addition of the following sentence to the end of each of N&C Securities Condition 8.1, N&C Securities Condition 8.2, N&C Securities Condition 8.5 and N&C Securities Condition 8.6:

"Any such redemption shall be in accordance with the Intermediary Rules."

**2.5 Replacement of N&C Securities, Receipts, Coupons and Talons**

N&C Securities Condition 12 (*Replacement of N&C Securities, Receipts, Coupons and Talons*) shall not apply to the Swiss N&C Securities.

**2.6 Exchange of Talons**

N&C Securities Condition 15 (*Exchange of Talons*) shall not apply to the Swiss N&C Securities.

**2.7 Notices**

The following shall be added as a new paragraph to the end of N&C Securities Condition 16 (*Notices*):

"Any alternative requirements relating to notices regarding the Swiss N&C Securities will be as set out in the applicable Final Terms."

**2.8 Meetings of Securityholders, Modifications and Waiver**

N&C Securities Condition 17 (*Meetings of Securityholders, Modification and Waiver*) shall be amended by the insertion of the following sentence at the end of the first paragraph:

"Any alternative requirements in respect of meetings of holders of the Swiss N&C Securities will be as set out in the applicable Final Terms."

**3. AMENDMENTS TO THE W&C SECURITIES CONDITIONS IN RESPECT OF THE SWISS W&C SECURITIES**

For the purposes of all Swiss W&C Securities the W&C Securities shall be amended as set forth in below in this Swiss Securities Condition 3.

**3.1 Type, Title and Transfer**

W&C Securities Condition 1.1 (*Type*) shall be amended as follows:

**3.1.1** by the deletion of the second to sixth paragraphs (inclusive) thereof and the insertion of the following:

"The W&C Securities are issued in global form or uncertificated form as specified in the applicable Final Terms.

W&C Securities issued in global form will be represented by a permanent global security deposited with the relevant clearing system (being SIX SIS Ltd.) or other relevant clearing system (the **Intermediary**). Once the permanent global security with respect to the Swiss Securities is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Securities will constitute intermediated securities (*Bucheffekten*) (**Intermediated Securities**) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Under Swiss law each Holder (as defined below) shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the permanent global security to the extent of their claim against the Issuer, provided that for so long as the permanent global security remains deposited with the Intermediary the co-ownership interest shall be suspended and the Swiss Securities may only be transferred by the entry of the transferred Swiss Securities in a securities account of the transferee.

The Holders shall not have the right to effect or demand the conversion of the permanent global security (*Globalurkunde*) into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive Swiss Securities (*Wertpapiere*).

The records of the Intermediary will determine the number of Swiss Securities held through each participant of that Intermediary. In respect of Swiss Securities held in the form of Intermediated Securities, the holders (each a **Holder**) of such Swiss Securities will be the persons holding the Swiss Securities in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Swiss Securities for their own account in a securities account (*Effektenkonto*) which is in their name.

No physical delivery of the Swiss Securities shall be made unless and until definitive securities (*Wertpapiere*) shall have been printed. Swiss Securities may only be printed, in whole, but not in part, if the Issuer or the Swiss Paying Agent (specified in the applicable Final Terms) determines that the printing of the definitive Swiss Securities (*Wertpapiere*) is necessary or appropriate for any reason. Should the Issuer or the Swiss Paying Agent so determine, it shall provide for the printing of definitive Swiss Securities (*Wertpapiere*) without cost to the Holders. If printed, the definitive Swiss Securities (*Wertpapiere*) shall be at the expense of the Issuer and shall be executed by affixing thereon the facsimile signatures of two authorised officers of the Issuer. In the case definitive Swiss Securities (*Wertpapiere*) are delivered, the permanent global security will immediately be cancelled by the Principal Agent and the definitive Swiss Securities (*Wertpapiere*) shall be delivered to the Holders against cancellation of the Swiss Securities in the Holders' securities accounts.

W&C Securities issued in uncertificated form shall be entered into the main register (*Hauptregister*) of the Intermediary. The Swiss Securities will remain registered in the main register (*Hauptregister*) of the Intermediary until the earlier of expiration, settlement or printing of the relevant series of Swiss Securities. Once the uncertificated securities (*Wertrechte*) are registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Securities will constitute Intermediated Securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). So long as the Swiss Securities are Intermediated Securities, they may only be transferred by the entry of the transferred Swiss Securities in a securities account of the transferee.

The Holders (as defined below) shall not have the right to effect or demand the conversion of the uncertificated securities (*Wertrechte*) into, or the delivery of, a permanent global security (*Globalurkunde*) or definitive Swiss Securities (Wertpapiere).

The records of the Intermediary will determine the number of Swiss Securities held through each participant in the Intermediary. In respect of Swiss Securities held in the form of Intermediated Securities, the holders (the **Holders**) of such Swiss Securities will be the persons holding the Swiss Securities in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Swiss Securities for their own account in a securities account (*Effektenkonto*) which is in their name.

No physical delivery of the Swiss Securities shall be made unless and until definitive Swiss Securities (*Wertpapiere*) shall have been printed. Swiss Securities may only be printed, in whole, but not in part, if the Issuer or the Swiss Paying Agent determines that the printing of the definitive Swiss Securities (*Wertpapiere*) is necessary or appropriate for any reason. Should the Issuer or the Swiss Paying Agent so determine, it shall provide for the printing of definitive Swiss Securities (*Wertpapiere*) at the expense of the Issuer and without cost to the Holders. In the case definitive Swiss Securities (*Wertpapiere*) are delivered, the uncertificated securities (*Wertrechte*) will immediately be cancelled by the Issuer and the definitive Swiss Securities (*Wertpapiere*) shall be delivered to the Holders against cancellation of the Swiss Securities in the Holders' securities accounts."

**3.1.2** W&C Securities Condition 1.2 (*Title to W&C Securities*) and W&C Securities Condition 1.3 (*Transfers of W&C Securities*) shall not apply to the Swiss W&C Securities.

**3.1.3** Exercise and Settlement

W&C Securities Condition 3 (Exercise, Settlement and Additional Amounts) shall be amended such that (i) all references to Euroclear and/or Clearstream, Luxembourg shall be deemed to be references to the Intermediary and (ii) all references to Luxembourg or Brussels time, as the case may be, shall be deemed to be references to Swiss time.

**3.1.4** The following shall be inserted as a new W&C Securities Condition 3.5 (*General*):

"Any specific or additional terms or requirements in respect of settlement relating to Swiss W&C Securities which are (i) European Style Warrants in respect of which "Automatic Exercise" is not applicable, (ii) Bermudan Style Warrants (iii) American Style Warrants or (iv) Physically Settled W&C Securities shall be as set out in the applicable Final Terms. All payments shall be made in accordance with the Intermediary Rules.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any relevant jurisdiction, (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 W&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 W&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 W&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."

**3.1.5 Additional Amounts**

W&C Securities Condition 3.7.2 (Payment of Additional Amounts) shall be amended to read:

"Payments of any Additional Amounts (if applicable) shall be made in accordance with the rules, regulations and operating procedures applicable to and/or issued by the Intermediary from time to time (the **Intermediary Rules**) and as further provided in the applicable Final Terms."

### 3.1.6 Exercise Procedure

The following shall be added as a new W&C Securities Condition 4.9:

"4.9 Notwithstanding any of the provisions of this Condition 4, any specific or additional terms or requirements in respect of the exercise and settlement procedure relating to Swiss W&C Securities which are (i) European Style Warrants in respect of which "Automatic Exercise" is not applicable, (ii) Bermudan Style Warrants (iii) American Style Warrants or (iv) Physically Settled W&C Securities shall be as set out in the applicable Final Terms."

## 3.2 Notices

The following shall be added as a new paragraph to the end of W&C Securities Condition 9 (*Notices*):

"Any alternative requirements relating to notices regarding the Swiss W&C Securities will be as set out in the applicable Final Terms."

## 3.3 Meetings of Securityholders and Modifications

W&C Securities Condition 12 (*Meetings of Securityholders and Modifications*) shall be amended by the insertion of the following sentence at the end of the first paragraph:

"Any alternative requirements in respect of meetings of holders of the Swiss W&C Securities will be as set out in the applicable Final Terms."

## ANNEX 11

## ADDITIONAL TERMS AND CONDITIONS FOR SHORT PRICE PAYOUT N&C SECURITIES

**Clause** **Page**


1. Final Redemption Amount ..... 632
2. Issuer Call ..... 633
3. Disrupted Days ..... 634

***This Annex is only applicable to Exempt N&C Securities.*** *If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Short Price Payout N&C Securities shall comprise the terms and conditions of the N&C Securities (the* ***N&C Securities Conditions****), the additional Terms and Conditions for Short Price Payout N&C Securities set out below (the* ***Short Price Payout N&C Securities Conditions****) and either the additional Terms and Conditions for Index Linked Securities (the* ***Index Linked Conditions****) or the additional Terms and Conditions Equity Linked Securities (the* ***Equity Linked Conditions****), as specified, together with any additional terms and conditions specified in the applicable Final Terms, subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the N&C Securities Conditions and (ii) the Short Price Payout N&C Securities Conditions, the Short Price Payout N&C Securities Conditions shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions and (ii) the Index Linked Conditions or Equity Linked Conditions, as applicable, the Index Linked Conditions or Equity Linked Conditions, as applicable, shall prevail. In the event of any inconsistency between (i) the Index Linked Conditions or Equity Linked Conditions, as applicable, and the Short Price Payout N&C Securities Conditions, the Short Price Payout N&C Securities Conditions shall prevail. In the event of any inconsistency between (i) any one or more of (a) the N&C Securities Conditions,(b) the Index Linked Conditions or Equity Linked Conditions, as applicable or (c) the Short Price Payout N&C Securities Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.*

**1. Final Redemption Amount**

1.1 For the purposes of N&C Securities Condition 5.1, the Final Redemption Amount in respect of each N&C Security of nominal amount equal to the Calculation Amount will be (a) the amount specified in the applicable Final Terms as the Final Redemption Amount or (b) if no such amount is specified, an amount in the Specified Currency as determined by the Calculation Agent on the Final Valuation Date in accordance with the following formula (rounded down to the nearest two decimal places in the Specified Currency with 0.005 being rounded downwards):

$$\text{Max}\,[0, (2 \times \text{Initial Price}) - \text{Final Reference Asset Price} - \text{Dividend Amount}].$$

1.2 For the purposes of 1.1 above the following definitions shall apply:

**Dividend Amount** means (a) in respect of Index Linked N&C Securities, zero or (b) in respect of Equity Linked N&C Securities, the sum of, in respect of each relevant Share, the product of (i) the dividend amount percentage as specified in the applicable Final Terms (the **Dividend Amount Percentage**) and (ii) the sum of all gross cash dividends per Share (excluding any Extraordinary Dividends and any other form of non-cash dividend including but not limited to any bonus share issue, as determined by the Calculation Agent) which the Calculation Agent determines would be received during the Dividend Period by an Affiliate of the Issuer which is a holder of one or more relevant Shares.

Any **gross cash dividend** shall be the amount before the withholding or deduction of taxes at source as may be required by any applicable tax authority and shall exclude any imputation or other credits, refunds or deductions granted by any applicable tax authority and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied on such dividend; Provided That where any such amount is in a currency other than the Specified Currency it will be converted by the Calculation Agent into the Specified Currency at such rate as the Calculation Agent determines appropriate for such conversion on the relevant date of receipt referred to above.

**Dividend Period** means the period from (and including) the Initial Valuation Date to (but excluding) the Final Valuation Date.

**Final Reference Asset Price** means the Reference Asset Price (or, in the case of an Index Basket or Share Basket or Mixed Basket, the sum of the Reference Asset Prices of each Index or Share, as applicable) as of the Valuation Time on the Final Valuation Date; Provided That in the case of Index

Linked N&C Securities any such amount will be deemed to be expressed in the currency most closely associated with the relevant Index (as determined by the Calculation Agent) and; Provided Further That in the case of Index Linked N&C Securities or Equity Linked N&C Securities where any such amount is in a currency other than the Specified Currency it will be converted by the Calculation Agent into the Specified Currency at such rate as the Calculation Agent determines appropriate for such conversion on or about the Valuation Time on the Final Valuation Date.

**Initial Price** means the Reference Asset Price (or, in the case of an Index Basket or Share Basket or Mixed Basket, the sum of the Reference Asset Prices of each Index or Share, as applicable) as of the Valuation Time on the Initial Valuation Date; Provided That in the case of Index Linked N&C Securities any such amount will be deemed to be expressed in the currency most closely associated with the relevant Index (as determined by the Calculation Agent) and; Provided Further That in the case of Index Linked N&C Securities or Equity Linked N&C Securities where any such amount is in a currency other than the Specified Currency it will be converted by the Calculation Agent into the Specified Currency at such rate as the Calculation Agent determines appropriate for such conversion on or about the Valuation Time on the Initial Valuation Date.

**Reference Asset Price** means, subject to adjustment in accordance with the Index Linked Conditions or Equity Linked Conditions, as applicable, in respect of any Scheduled Trading Day and any Index or Share, as applicable:

(a) in the case of an Index Linked N&C Security, the Closing Level of the relevant Index; or

(b) in the case of an Equity Linked N&C Security, at any time the Closing Price of the relevant Share.

**2. Issuer Call**

2.1 Where Short Price Payout N&C Securities Issuer Call is specified as applicable in the applicable Final Terms, N&C Securities Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*) shall be deemed to be deleted and the following substituted therefor:

"**8.3** If Issuer Call is specified as applicable in the applicable Final Terms and a Barrier Event and/or a Change in Relevant Law occurs (in each case as determined by the Calculation Agent in its sole and absolute discretion), the Issuer may, having given:

**8.3.1** not less than 1 nor more than 30 days' notice (or such other period of notice as may be specified in the applicable Final Terms) to the Securityholders in accordance with Condition 16; and

**8.3.2** not less than 1 day before the giving of the notice referred to in 8.3.1 above (or such other period of notice as may be specified in the applicable Final Terms), notice to the Principal Agent and in the case of a redemption for Registered N&C Securities, the Registrar;

(which notices 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, or determined in the manner 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 be selected individually by lot, in the case of Redeemed N&C Securities represented by definitive N&C Securities, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC,

in the case of Redeemed N&C Securities represented by a Global N&C Security, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed 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 1 day prior to the date fixed for redemption. No exchange of the relevant Global N&C Security will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph 8.3 and notice to that effect shall be given by the Issuer to the Securityholders in accordance with Condition 16 at least five days prior to the Selection Date.

For the purposes of this Condition 8.3:

**Barrier Event** means that any Reference Asset Price on any Scheduled Trading Day during the Short Price Observation Period is greater than the relevant Barrier Price (as specified in the applicable Final Terms); and

**Change in Relevant Law** means that (other than where this would constitute an event to which N&C Securities Condition 8.5 (*Redemption upon a Regulatory Event*) applies) on or after the Trade Date due to the adoption of or change in any applicable law, regulation or rule (including without limitation, any tax law and any law, regulation or rule prohibiting or restricting or imposing certain requirements and/or conditions in relation to the short selling of equities) or the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law, regulation or rule (including without limitation, any action taken by a taxing authority and any law, regulation or rule prohibiting or restricting or imposing certain requirements and/or conditions in relation to the short selling of equities), (a) it has become illegal to hold, acquire or dispose of the relevant Share(s) or one or more transactions relating to any relevant Index(ices) or equities comprised in any relevant Index(ices) (including without limitation, entering into or maintaining a short sale transaction(s) in relation to any such asset(s)); or (b) restrictions or conditions are imposed on the entering into or maintaining a short sale transaction(s) in relation to the any such asset(s); or (c) it will incur a materially increased cost in performing its obligations under any such transaction(s) (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position)."

**3. Disrupted Days**

If any Scheduled Trading Day in the Short Price Observation Period is a Disrupted Day, then, unless otherwise provided in the applicable Final Terms, (A) if "Short Price Observation Period consequences of a Disrupted Day" is specified as Omission in the applicable Final Terms, such day shall be ignored for purposes of determining whether a Barrier Event has occurred; Provided That if the final day of any Short Price Observation Period is a Disrupted Day and no Barrier Event has occurred in such Short Price Observation Period, such final day of such Short Price Observation Period shall be treated as a Valuation Date to which the provisions contained in Index Linked Condition 1 (*Consequences of Disrupted Days*) or Equity Linked Condition 1 (*Consequences of Disrupted Days*), as applicable, apply and the Calculation Agent shall determine the relevant level or value of the relevant Index(ices) or Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Barrier Event shall occur, or (B) if "Short Price Observation Period consequences of a Disrupted Day" is specified as Postponement in the applicable Final Terms, such day shall be treated as a Valuation Date to which the provisions contained in Index Linked Condition 1 (*Consequences of Disrupted Days*) or Equity Linked Condition 1 (*Consequences of Disrupted Days*), as applicable, apply and the Calculation Agent shall determine the relevant level or value of the relevant Index(ices) or Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Final Terms, for example but without limitation, in

respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Barrier Event shall occur.

## ANNEX 12

## ADDITIONAL TERMS AND CONDITIONS FOR PREFERENCE SHARE LINKED N&C SECURITIES

**Clause** **Page**


1. Interpretation ..... 637
2. Redemption ..... 637
3. Redemption at the option of the Issuer (Issuer Call) ..... 637
4. Early Redemption ..... 638
5. Modifications ..... 639
6. Further Issues ..... 639

***This Annex applies to Exempt Securities only.***

*If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Preference Share Linked N&C Securities shall comprise the terms and conditions of the N&C Securities (the* ***N&C Securities Conditions****) and the additional Terms and Conditions for Preference Share Linked N&C Securities set out below (the* ***Preference Share Linked N&C Securities Conditions****) together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the N&C Securities Conditions and (ii) the Preference Share Linked N&C Securities Conditions, the Preference Share Linked N&C Securities Conditions shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions and/or the Preference Share Linked N&C Securities Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Preference Share Linked N&C Securities Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" as the context admits.*

**1. Interpretation**

The following provisions (the **Preference Share Linked N&C Securities Conditions**) apply to N&C Securities specified as being Preference Share Linked N&C Securities in the applicable Final Terms.

**2. Redemption**

The **Final Redemption Amount** in respect of each nominal amount of the Preference Share Linked N&C Securities equal to the Calculation Amount shall be an amount rounded down to the nearest 0.01 in the Specified Currency calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times \frac{\text{PreferenceShareValue}_{\text{final}}}{\text{PreferenceShareValue}_{\text{initial}}}$$

Where:

**Preference Share Value$_{\text{final}}$** means the Preference Share Value on the Final Valuation Date; and

**Preference Share Value$_{\text{initial}}$** means the Preference Share Value on the Initial Reference Date,

all as determined by the Calculation Agent.

**3. Redemption at the option of the Issuer (Issuer Call)**

N&C Securities Condition 8.3 shall be deemed to be amended and restated as follows:

"If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

**8.3.1** not less than 5 Business Days' notice to the Securityholders in accordance with Condition 16; and

**8.3.2** not less than 15 days before the giving of the notice referred to in 8.3.1 above, notice to the Principal Agent and, in the case of a redemption of Registered N&C Securities, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all but not some only of the N&C Securities then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms. Any such redemption must be a redemption in full of the Preference Share Linked N&C Securities.

For the purposes of the Preference Share Linked N&C Securities:

**Optional Redemption Date(s)** means the third Business Day following the Optional Redemption Valuation Date.

**Optional Redemption Valuation Date** means the third Business Day following the Optional Preference Share Redemption Valuation Date.

**Optional Preference Share Redemption Valuation Date** means the date specified as such in the applicable Final Terms or, if such date for valuation of or any determination in respect of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Optional Preference Share Redemption Valuation Date shall be such delayed valuation or determination date (or the last occurring such delayed valuation date or determination date, if there is more than one delayed valuation date or delayed determination date), all as determined by the Calculation Agent."

**4. Early Redemption**

N&C Securities Condition 8.7 shall be deemed to be amended and restated as follows:

"**8.7.1** 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.

**8.7.2** For the purposes of the Preference Share Linked N&C Securities:

The **Early Preference Share Redemption Valuation Date** means:

(i) if the N&C Securities become subject to early redemption pursuant to N&C Securities Condition 8.2 (*Redemption for tax reasons*), N&C Securities Condition 8.5 (*Redemption upon a Regulatory Event*), N&C Securities Condition 8.6 (*Redemption for Illegality*) or on receipt by the Issuer of a notice of early redemption of the Preference Shares from the Preference Share Issuer (as described in N&C Securities Condition 8.7.5), the Early Preference Share Redemption Valuation Date specified in the notice of early redemption given by the Issuer (or the Calculation Agent on its behalf) in accordance with N&C Securities Condition 16 (*Notices*); or

(ii) where the N&C Securities are subject to early redemption under N&C Securities Condition 11 (*Events of Default and Enforcement*), the fifth Business Day following the date on which the relevant Securityholder's written notice referred to therein is given,

or, in each case, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the relevant Early Preference Share Redemption Valuation Date shall be such delayed valuation or determination date (or the last occurring such delayed valuation date or determination date, if there is more than one delayed valuation date or delayed determination date), all as determined by the Calculation Agent.

The **Early Redemption Amount** shall be an amount rounded down to the nearest 0.01 in the Specified Currency calculated by the Calculation Agent on the same basis as the Final Redemption Amount except that, for these purposes only, the definition of Preference Share $\text{Value}_{\text{final}}$ shall be the Preference Share Value on the Early Redemption Valuation Date.

The **Early Redemption Date** shall be the third Business Day following the Early Redemption Valuation Date.

The **Early Redemption Valuation Date** shall be the third Business Day following the Early Preference Share Redemption Valuation Date.

**8.7.3** For the purposes of redemption pursuant to N&C Securities Condition 8.2 (*Redemption for tax reasons*), N&C Securities Condition 8.5 (*Redemption upon a Regulatory Event*) or N&C Securities Condition 8.6 (*Redemption for Illegality*), the Issuer will, having given not less than 5 Business Days' notice to Securityholders in accordance with N&C Securities Condition 16 (*Notices*), redeem each N&C Security at its Early Redemption Amount, on the Early Redemption Date.

**8.7.4** For the purposes of redemption pursuant to N&C Securities Condition 11 (*Events of Default and Enforcement*), notwithstanding any provision therein to the contrary, where an Event of Default has occurred and is continuing and any Securityholder gives a written notice as described therein to the Issuer (with a copy to the Principal Agent for information purposes only), each Security then outstanding (whether or not held by the Securityholder delivering the notice) shall be redeemed at the Early Redemption Amount on the Early Redemption Date, without presentment, demand, protest or other notice of any kind, unless such Event of Default shall be cured prior to receipt of such written notice by the Issuer.

**8.7.5** If the Issuer receives a notice from the Preference Share Issuer of early redemption of the Preference Shares by reason of illegality, impracticality, the occurrence of an adjustment or disruption or a change in applicable law or regulation, the Issuer will, having given not less than 5 Business Days' notice to Securityholders in accordance with N&C Securities Condition 16 (*Notices*), redeem each N&C Security at its Early Redemption Amount, on the Early Redemption Date."

**5. Modifications**

N&C Securities Condition 14.1.4 (*Modifications*) will not apply to Preference Share Linked N&C Securities.

**6. Further Issues**

N&C Securities Condition 19 (*Further Issues*) will not apply to Preference Share Linked N&C Securities.

## ANNEX 13

## ADDITIONAL TERMS AND CONDITIONS FOR MOT N&C SECURITIES

***This Annex is not for use with Non-exempt Securities other than in conjunction with a separately approved Prospectus Regulation-compliant prospectus.***

*If specified as applicable in the applicable Final Terms, the terms and conditions applicable to MOT N&C Securities shall comprise the terms and conditions of the N&C Securities (the **N&C Securities Conditions**), and the additional Terms and Conditions for MOT N&C Securities set out below (the **MOT N&C Securities Conditions**), together with any other additional terms and conditions specified in the applicable Final Terms, subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the N&C Securities Conditions and (ii) the MOT N&C Securities Conditions, the MOT N&C Securities Conditions shall prevail. In the event of any inconsistency between (i) the N&C Securities and/or the MOT N&C Securities Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.*

The N&C Securities Conditions shall be amended as follows:

### 1. REDEMPTION, PURCHASE, ADMINISTRATOR/BENCHMARK EVENTS AND INCONVERTIBILITY EVENT

N&C Securities Condition 8 (*Redemption, Purchase, Administrator/Benchmark Events and Inconvertibility Event*) shall be amended as follows:

(i) by the deletion of the penultimate paragraph of N&C Securities Condition 8.7 (*Early Redemption Amounts*) and the substitution of the following therefor:

"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 and/or any Affiliate (as defined below) in connection with the relevant early redemption, but excluding any costs associated with unwinding, substituting, re-establishing and/or incurring any hedge positions relating to the N&C Securities, all as determined by the Calculation Agent."; and

(ii) by the deletion of the first paragraph of N&C Securities Condition 8.13 (*Consequences of an Inconvertibility Event*) and the substitution of the following therefor:

"If an Inconvertibility Event occurs at any time on or after the Trade Date, the Issuer may (at its option) instruct the Calculation Agent to make such determinations under and/or adjustments to the Conditions of the N&C Securities as the Calculation Agent may determine appropriate to account for the Inconvertibility Event, including to take into account any and all amounts, costs and expenses associated with such Inconvertibility Event or incurred by the Issuer resulting from the Inconvertibility Event in relation to the N&C Securities (**Relevant Costs**) but excluding any amounts, costs and expenses associated with hedging arrangements. The Calculation Agent is permitted to make such determinations and adjustments which may include, but are not limited to:".

### 2. CALCULATION AGENT

N&C Securities Condition 14 (*Calculation Agent*) shall be amended as follows:

**2.1 Exercise of Discretion**

by the deletion of N&C Securities Condition 14.1.2 (*Exercise of Discretion*) and the substitution of the following therefor:

> "In exercising its discretion under the Conditions, the Calculation Agent shall act in good faith and in a commercially reasonable manner."; and

**2.2 Modifications**

by the deletion of N&C Securities Condition 14.1.4 (*Modifications*) and the substitution of the following therefor:

> "Without prejudice to the provisions of Conditions 14.1.2 or 14.1.3 or any Technical Annex, the Calculation Agent shall be free to modify the methodology described in these Conditions from time to time as it, acting in good faith and in a commercially reasonable manner, deems appropriate for the purposes of (i) curing any ambiguity or correcting or supplementing any provision of the Conditions or (ii) replacing any information provider or source.".

**3. NOTICES**

N&C Securities Condition 16 (*Notices*) shall be amended by inserting

"All notices regarding MOT N&C Securities shall be delivered to Borsa Italiana S.p.A. to be published in accordance with the rules of Borsa Italiana S.p.A. (if and for as so long as the rules of the exchange so require), guidelines and market practice".

**4. MEETINGS OF SECURITYHOLDERS, MODIFICATION AND WAIVER:**

N&C Securities Condition 17 (*Meetings of Securityholders, Modification and Waiver*) shall be amended by inserting the following after the words "reducing or cancelling the amount of principal" in the thirteenth line thereof:

> ", provided that the amount of principal can only be reduced or cancelled as part of a bankruptcy, insolvency or similar type of proceeding resulting in a restructuring of the debt obligations of the Issuer, or reorganisation of the Issuer,".

**5. SUBSTITUTION**

N&C Securities Condition 18 (*Substitution*) shall be amended by the insertion of the following new N&C Securities Condition 18.1.1.9:

> "18.1.1.9 the Issuer provides a legal, valid, binding, unconditional and irrevocable guarantee of the obligations and liabilities of the Substituted Obligor for the benefit of each and any of the Securityholders.".

**6. INFLATION LINKED N&C SECURITIES**

In respect of MOT N&C Securities which are specified to be Inflation Linked N&C Securities, the Inflation Linked Conditions contained in Annex 6 shall be amended as follows:

(i) by the deletion of Inflation Linked Condition 1.3.2 (*Substitute Index Level*);

(ii) by the deletion of Inflation Linked Condition 1.3.3 (*Index Level Adjustment Correction*) subparagraph (a) and (c); and

(iii) by the deletion of Inflation Linked Condition 1.3.5 (*Index Modification*) subparagraph (b).

## 7. PHYSICAL DELIVERY N&C SECURITIES

In respect of MOT N&C Securities which are specified to be Physical Delivery N&C Securities, the Physical Delivery N&C Securities Conditions contained in Annex 8 shall be amended as follows:

(i) by the deletion of the definition of Disruption Cash Settlement Price in Physical Delivery N&C Securities Condition 7 (Definitions) and the substitution of the following therefor:

"**Disruption Cash Settlement Price** means, in respect of each nominal amount of N&C Securities equal to the Calculation Amount, an amount equal to the fair market value of such N&C Securities (but not taking into account any interest accrued on such N&C Security and paid pursuant to N&C Securities Condition 6 and N&C Securities Condition 7) on such day as shall be selected by the Issuer in its sole and absolute discretion Provided That such day is not more than 15 days before the date that the Election Notice is given as provided above less the cost to the Issuer and/or its Affiliates or agents in connection with the settlement of the relevant N&C Securities but excluding any cost of unwinding or adjusting any underlying or related hedging arrangements, all as calculated by the Calculation Agent in its sole and absolute discretion."

## 8. HEDGING COSTS AMENDMENT

Without limitation to the above provisions and notwithstanding any other provisions of the Conditions or the applicable Final Terms, any provisions of the Conditions or the applicable Final Terms which allow the costs of unwinding, substituting, settling, re-establishing or incurring any hedging arrangements (howsoever described) or any amount that would have been incurred as such hedging costs had the relevant hedging arrangements been in place may not be (i) deducted from amounts payable or deliverable to Securityholders or (ii) taken into account in any adjustments or calculations made pursuant to the Conditions and references to such hedging costs will be deemed not to apply to the Securities.

## ANNEX 14

## ADDITIONAL TERMS AND CONDITIONS FOR SEDEX W&C SECURITIES

***This Annex is not for use with Non-exempt Securities other than in conjunction with a separately approved Prospectus Regulation-compliant prospectus.***

*If specified as applicable in the applicable Final Terms, the terms and conditions applicable to SeDeX W&C Securities shall comprise the terms and conditions of the W&C Securities (the* ***W&C Securities Conditions****) and the additional Terms and Conditions for SeDeX W&C Securities set out below (the* ***SeDeX W&C Securities Conditions****), together with any other additional terms and conditions specified in the applicable Final Terms, subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the W&C Securities Conditions, and (ii) the SeDeX W&C Securities Conditions, the SeDeX W&C Securities Conditions shall prevail. In the event of any inconsistency between (i) the W&C Securities and/or the SeDeX W&C Securities Conditions, and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.*

The W&C Securities Conditions shall be amended as follows:

### 1. EXERCISE, SETTLEMENT AND ADDITIONAL AMOUNTS

W&C Securities Condition 3 (*Exercise, Settlement and Additional Amounts*) shall be amended as follows:

(i) by the deletion of the definition of Disruption Cash Settlement Price under W&C Securities Condition 3.3 (Physical Settlement) and the substitution of the following therefor:

"Disruption Cash Settlement Price means, in respect of any relevant W&C Security, the fair market value of such W&C Security at the relevant time of determination of the Disruption Cash Settlement Price (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its Affiliates in connection with the settlement of the relevant W&C Security but excluding any cost of unwinding any underlying related hedging arrangements, all as determined by the Issuer, plus (in the case of Warrants), if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion)."

(ii) by the insertion of the following paragraph before the first paragraph of W&C Securities Condition 3.5:

"Payments of Cash Settlement Amounts in respect of SeDeX W&C Securities shall be made to the Securityholders registered as such on the Exercise Date. Payments of any Additional Amounts in respect of SeDeX W&C Securities shall be made to Securityholders registered as such on the Business Day before the due date for such payment. Each such day shall be a **Record Date** in respect of the SeDeX W&C Securities. In case of any Additional Amount, the relevant Record Date will be fixed in accordance with the rules of Borsa Italiana and any relevant guidelines."; and

(iii) by the deletion of the word "None" at the beginning of the first paragraph of W&C Securities Condition 3.5 (*General*) and the substitution of the words "In the absence of gross negligence or wilful misconduct on its part, none" therefor.

## 2. EARLY CANCELLATION, ADMINISTRATOR/BENCHMARK EVENTS AND INCONVERTIBILITY EVENT

W&C Securities Condition 5 (*Early Cancellation*, Administrator/Benchmark Events and Inconvertibility Event) shall be amended as follows:

(i) by the deletion of the definition of Early Cancellation Amount therein and the substitution of the following therefor:

"**Early Cancellation Amount** means, in respect of a W&C Security, the fair market value of such W&C Security calculated:

(i) in the case of an early cancellation following the occurrence of an Event of Default, without regard to the creditworthiness of the Issuer at the relevant time; and

(ii) in the case of Cancellation for Illegality pursuant to Condition 5.1, notwithstanding such illegality and/or disregarding the event which resulted in such early cancellation,

all determined by the Calculation Agent.";

(ii) by the deletion of the definition of Associated Costs therein and the substitution of the following therefor:

"**Associated Costs** means, in respect of a W&C Security, an amount equal to such W&C Security's *pro rata* share of the total amount of any and all Costs associated or incurred by the Issuer and/or any Affiliate (as applicable) in connection with such early cancellation, but excluding any Costs associated with unwinding, substituting, re-establishing, and/or incurring any hedge positions relating to the W&C Securities, all as determined by the Calculation Agent."; and

(iii) by the deletion of the first paragraph of W&C Securities Condition 5.4 (*Inconvertibility Event*) and the substitution of the following therefor:

"If an Inconvertibility Event occurs at any time on or after the Trade Date, the Issuer may (at its option) instruct the Calculation Agent to make such determinations under and/or adjustments to the Conditions of the W&C Securities as the Calculation Agent may determine appropriate to account for the Inconvertibility Event, including to take into account any and all amounts, costs and expenses associated with such Inconvertibility Event or incurred by the Issuer resulting from the Inconvertibility Event in relation to the W&C Securities (**Relevant Costs**) but excluding any amounts, costs and expenses associated with hedging arrangements. The Calculation Agent is permitted to make such determinations and adjustments which may include, but are not limited to:"

## 3. NOTICES

W&C Securities Condition 9 (*Notices*) shall be amended by the insertion of the following sentence at the end of the second paragraph thereof:

"All notices regarding SeDeX W&C Securities shall be delivered to Borsa Italiana S.p.A. to be published in accordance with the rules of Borsa Italiana S.p.A. (if and for as so long as the rules of the exchange so require), guidelines and market practice.".

## 4. MEETINGS OF SECURITYHOLDERS AND MODIFICATIONS

W&C Securities Condition 12 (*Meetings of Securityholders and Modifications*) shall be amended by the insertion of the following additional paragraph after the first paragraph thereof:

"Notwithstanding anything to the contrary in the Agency Agreement or in this W&C Securities Condition 12, no modification shall be made to the W&C Securities Conditions or the SeDeX W&C Securities Conditions pursuant to a meeting of Securityholders, the effect of which is the reduction or cancellation of the Cash Settlement Amount of such SeDeX W&C Securities, unless such reduction or cancellation occurs as a result of a bankruptcy, insolvency or similar type proceeding resulting in a restructuring of the debt obligations of the Issuer, or the reorganisation of the Issuer.".

## 5. SUBSTITUTION

W&C Securities Condition 13.1.2 (*Assumption by Substituted Obligor*) shall be amended by the deletion of the words "The execution of the Documents shall operate to release the Issuer as issuer (or such previous Substituted Obligor) from all of its obligations as principal obligor in respect of the W&C Securities" therein and the substitution of the following therefor:

> "The Issuer as issuer (or such previous Substituted Obligor) shall continue to be liable for the obligations of any Substituted Obligor as principal obligor in respect of the W&C Securities together with and to the same extent as the Substituted Obligor".

## 6. INDEX LINKED W&C SECURITIES

In respect of SeDeX W&C Securities which are specified to be Index Linked W&C Securities, the Index Linked Conditions contained in Annex 1 shall be amended as follows:

(i) by the insertion of the following sentence at the end of the second paragraph of Index Linked Condition 2(a) (*Successor Index*):

", preserving the economic equivalent of the obligations of the Issuer under the Securities";

(ii) by the insertion of the following words in the eleventh line of Index Linked Condition 2(b)(A) (*Index Adjustment Event*) after the words "Index Adjustment Event" and immediately before the words "or (ii) in the case of an Index Basket":

"(provided that if such change, failure or cancellation occurs more than eight Scheduled Trading Days prior to the relevant Valuation Date, Averaging Date or any other date for Index valuation or observation, then the Calculation Agent shall determine and publish the relevant level or value of the relevant Index on each Scheduled Trading Day until the relevant Valuation Date, Averaging Date or other date for Index valuation or observation)";

(iii) by the deletion of the words "as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements" in Index Linked Condition 2(b)(A) (*Index Adjustment Event*);

(iv) by the deletion of Index Linked Condition 2(b)(C) (*Index Adjustment Event*) in its entirety;

(v) by the deletion of the words "as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements" in Index Linked Condition 2(c) (*Valuation of Replacement Indices*);

(vi) by the deletion of the words "and may be further reduced to account for the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements" in Index Linked Condition 2(c) (*Valuation of Replacement Indices*);

(vii) by the insertion of the following sentence at the end of Index Linked Condition 2(c) (*Valuation of Replacement Indices*):

"The Calculation Agent may make such adjustment(s) that it determines appropriate, if any, to any, preserving the economic equivalent of the obligations of the Issuer under the Securities"; and

(viii) by the insertion of the words ", preserving the economic equivalent of the obligations of the Issuer under the Securities" in the fourth line of Index Linked Condition 4 (*Additional Disruption Events*) immediately after the words "such Additional Disruption Event" and before the words "and (ii)".

For the avoidance of doubt, in the event of any inconsistency between (i) the Index Linked W&C Securities Conditions, and (ii) the SeDeX W&C Securities Conditions, the SeDeX W&C Securities Conditions shall prevail.

## 7. EQUITY LINKED W&C SECURITIES

In respect of SeDeX W&C Securities which are specified to be Equity Linked W&C Securities, the Equity Linked Conditions shall be amended as follows:

(i) by the insertion of the following sentence at the end of the first paragraph of Equity Linked Condition 2 (*Consequences of Potential Adjustment Events*):

", preserving the economic equivalent of the obligations of the Issuer under the Securities.";

(ii) by the deletion of the words "as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements" in Equity Linked Condition 3.1(i) (*Extraordinary Events*);

(iii) by the deletion of the words "less the cost to the Issuer and/or any Affiliate of unwinding any underlying related hedging arrangements," in Equity Linked Condition 3.1(ii) (*Extraordinary Events*);

(iv) by the insertion of the following sentence after Equity Linked Condition 3.1(v) (*Extraordinary Events*):

"The Calculation Agent may make such adjustment(s) that it determines appropriate, if any, to any terms of the Securities, preserving the economic equivalent of the obligations of the Issuer under the Securities.";

(v) by the deletion of the words "as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements" in Equity Linked Condition 3.2 (*Valuation of Shares of Substitute Share Issuers*);

(vi) by the deletion of the words "and may be further reduced to account for the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements" in Equity Linked Condition 3.2 (*Valuation of Shares of Substitute Share Issuers*); and

(vii) by the insertion of the words ", preserving the economic equivalent of the obligations of the Issuer under the Securities" in Equity Linked Condition 5 (*Consequences of Additional Disruption Events*) immediately after the words "such Additional Disruption Event" and before the words "and (ii)".

For the avoidance of doubt, in the event of any inconsistency between (i) the Equity Linked W&C Securities Conditions, and (ii) the SeDeX W&C Securities Conditions, the SeDeX W&C Securities Conditions shall prevail.

## 8. FUND LINKED W&C SECURITIES

In respect of SeDeX W&C Securities which are specified to be Fund Linked W&C Securities, the Fund Linked Conditions contained in Annex 5 shall be amended as follows:

(i) by the insertion of the following sentence at the end of the second paragraph of Fund Linked Condition 9 (*Potential Adjustment Events*) (beginning "Following a Potential Adjustment Event…"):

", preserving the economic equivalent of the obligations of the Issuer under the Securities.";

(ii) by the deletion of the words "as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements" in Fund Linked Condition 10.1(i) (*De-listing, Insolvency, Material Underlying Event, Merger Event, Nationalisation and Tender Offer*);

(iii) by the deletion of the words "less the cost to the Issuer and/or any Hedging Party of unwinding any underlying related hedging arrangements," in Fund Linked Condition 10.1(ii) (*De-listing, Insolvency, Material Underlying Event, Merger Event, Nationalisation and Tender Offer*);

(iv) by the insertion of the following sentence after Fund Linked Condition 10.1(v) (*De-listing, Insolvency, Material Underlying Event, Merger Event, Nationalisation and Tender Offer*):

"The Calculation Agent may make such adjustment(s) that it determines appropriate, if any, to any terms of the Securities, preserving the economic equivalent of the obligations of the Issuer under the Securities.";

(v) by the deletion of the words "as well as the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements" in Fund Linked Condition 10.2 (*Valuation of Fund Shares of Substitute ETFs*);

(vi) by the deletion of the words "and may be further reduced to account for the cost to the Issuer and/or any Affiliate of adjusting any associated hedging arrangements" in Fund Linked Condition 10.2 (*Valuation of Fund Shares of Substitute ETFs*); and

(vii) by the insertion of the words ", preserving the economic equivalent of the obligations of the Issuer under the Securities" in the fourth line of Fund Linked Condition 12 (*Consequences of Additional Disruption Events*) immediately after the words "such Additional Disruption Event" and before the words "and (ii)".

For the avoidance of doubt, in the event of any inconsistency between (i) the Fund Linked W&C Securities Conditions, and (ii) the SeDeX W&C Securities Conditions, the SeDeX W&C Securities Conditions shall prevail.

## 9. HEDGING COSTS AMENDMENT

Without limitation to the above provisions and notwithstanding any other provisions of the Conditions or the applicable Final Terms, any provisions of the Conditions or the applicable Final Terms which allow the costs of unwinding, substituting, settling, re-establishing or incurring any hedging arrangements (howsoever described) or any amount that would have been incurred as such hedging costs had the relevant hedging arrangements been in place may not be (i) deducted from amounts payable or deliverable to Securityholders or (ii) taken into account in any adjustments or calculations made pursuant to the Conditions and references to such hedging costs will be deemed not to apply to the Securities.

## ANNEX 15

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES (2014 ISDA CREDIT DERIVATIVES DEFINITIONS VERSION)

**Clause** **Page**


1. Redemption or Exercise of Credit Linked Securities ..... 650
2. Auction Settlement ..... 650
3. Cash Settlement ..... 651
4. Physical Settlement ..... 652
5. Repudiation/Moratorium Extension ..... 654
6. Grace Period Extension ..... 655
7. Credit Derivatives Determinations Committee Extension ..... 656
8. Maturity Date Extension in the case of Credit Linked N&C Securities ..... 657
9. Exercise Date Extension in the case of Credit Linked W&C Securities ..... 658
10. Partial Cash Settlement ..... 659
11. Settlement Suspension ..... 661
12. Redemption/Cancellation following a Merger Event ..... 662
13. Definitions ..... 662
14. Credit Event Notice after Restructuring Credit Event ..... 708
15. Provisions relating to Multiple Holder Obligation ..... 709
16. Provisions taken from the ISDA supplement titled "Additional Provisions for Physically Settled Default Swaps– Monoline Insurer as Reference Entity" (September 2014) ..... 709
17. Determinations and Notices ..... 713
18. Provisions taken from the ISDA supplement titled "Additional Provisions for LPN Reference Entities" (published on 15 September 2014) ..... 713
19. Amendment of Credit Linked Conditions in accordance with Market Convention ..... 715
20. Specific Provisions for Credit Linked Warrants ..... 715
21. Early redemption or exercise of Reference Obligation Only Securities following a Substitution Event ..... 715
22. DC Resolution Adjustment Events ..... 716
23. Hedging Disruption ..... 716
24. Physical Settlement Matrix ..... 717
25. Provisions taken from the 2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions (published on 15 September 2014) ..... 719
26. Provisions taken from the ISDA supplement titled "Additional Provisions for the Russian Federation: Obligation Characteristics and Deliverable Obligation Characteristics" (published on 13 August 2004) ..... 719
27. Provisions taken from the ISDA supplement titled "Additional Provisions for Senior Non-Preferred Reference Obligations" (published on 8 December 2017) ..... 720
28. 2019 Narrowly Tailored Credit Event Provisions ..... 722

***This Annex applies to Exempt Securities and the following Non-Exempt Securities:***

- ***Zero Recovery Single Name Credit Linked N&C Securities***
- ***Zero Recovery Basket Credit Linked N&C Securities***
- ***Auction to Cash Settled Credit Linked N&C Securities***
- ***Tranched Zero Recovery Credit Linked N&C Securities***

*If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to N&C Securities specified in the applicable Final Terms as Credit Linked N&C Securities shall comprise the terms and conditions of the N&C Securities (the* ***N&C Securities Conditions****) and the Additional Terms and Conditions for Credit Linked Securities (2014 ISDA Credit Derivatives Definitions Version) set out below (the* ***Credit Linked Conditions****) and (b) the terms and conditions applicable to W&C Securities specified in the applicable Final Terms as Credit Linked W&C Securities shall comprise the terms and conditions of the W&C Securities (the* ***W&C Securities Conditions****) and the Credit Linked Conditions, in each case together with the Additional Terms and Conditions contained in any of the other Annexes to the Terms and Conditions that are specified in the applicable Final Terms as applying to the Securities and subject, in each case. to completion in the applicable Final Terms or Pricing Supplement (as applicable) and, in the case of Exempt Securities only, supplement or amendment in the applicable Pricing Supplement. In the case of Credit Linked N&C Securities which are Exempt N&C Securities or Credit Linked W&C Securities which are Exempt W&C Securities, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Credit Linked Conditions, the Credit Linked Conditions shall prevail. In the case of Credit Linked N&C Securities which are not Exempt N&C Securities or Credit Linked W&C Securities which are not Exempt W&C Securities, in the event of any inconsistency between (i) the N&C Securities Conditions or the W&C Securities Conditions, as applicable, and (ii) the Credit Linked Conditions, the N&C Securities Conditions or the W&C Securities Conditions, as applicable, shall prevail. In the event of any inconsistency between (i) the N&C Securities Conditions, the W&C Securities Conditions and/or the Credit Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Credit Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "W&C Security" and "W&C Securities" as the context admits.*

Unless otherwise stated in these Credit Linked Conditions or in the applicable Final Terms, in the event that any day specified in the section "Credit Linked N&C Securities" in the applicable Final Terms or the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such day or last day shall be subject to adjustment in accordance with the applicable Credit Linked Business Day Convention.

In the case of Credit Linked Securities for which more than one Reference Entity is specified in the applicable Final Terms, all references to "the Reference Entity" herein shall be construed to refer to the Reference Entity in respect of which the relevant determination falls to be made at any relevant time and all related provisions and determinations will be construed accordingly.

For the avoidance of doubt no Credit Linked Securities will be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

(a) any relevant Reference Entity does not exist on, or ceases to exist on or following, the Trade Date; and/or

(b) Obligations, Deliverable Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date.

For the avoidance of doubt, the application of any of Credit Linked Conditions 5, 6, 7, 8, 9 or 11 below shall not preclude the application of any other such Credit Linked Condition either contemporaneously or

subsequently and in the event that any such Credit Linked Conditions are inconsistent or the Calculation Agent becomes entitled to exercise a discretion under one or more of such Credit Linked Conditions, the Calculation Agent may elect in its discretion which Credit Linked Condition shall apply and under which Credit Linked Condition or Credit Linked Conditions it shall exercise its discretion.

**1. Redemption or Exercise of Credit Linked Securities**

Unless previously redeemed or purchased and cancelled and subject as provided in Credit Linked Condition 2, Credit Linked Condition 3, Credit Linked Condition 4 and Credit Linked Condition 21, as applicable:

(i) each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer at its relevant Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date; or

(ii) each Credit Linked W&C Security will be exercised automatically by the Principal Agent on behalf of Securityholders on the Exercise Date and entitles the holder to receive the relevant Cash Settlement Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Settlement Date.

**2. Auction Settlement**

Where Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Issuer shall give notice (such notice an **Auction Settlement Notice**) to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, and, subject to (i) any adjustment in accordance with Credit Linked Condition 14 and (ii) any prior redemption in accordance with Credit Linked Condition 21, redeem or cancel, as applicable, all but not some only of the Securities and pay in respect of each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount set out in the applicable Final Terms or each Credit Linked W&C Security, as applicable, the Credit Event Redemption Amount in the relevant Specified Currency on the Credit Event Redemption Date.

Unless settlement has occurred in accordance with the paragraph above, if:

(i) an Auction Cancellation Date occurs;

(ii) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraphs (b) or (c)(ii) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option);

(iii) a DC Credit Event Question Dismissal occurs; or

(iv) a Credit Event Determination Date was determined pursuant to paragraph (a)(i) of the definition of Credit Event Determination Date or paragraph (a) of the definition of Non-Standard Event Determination Date and no Credit Event Resolution Request Date has occurred in respect of the relevant Credit Event on or prior to the date falling three Business Days after such Credit Event Determination Date; or

(v) if the Issuer (or an Affiliate acting on behalf of the Issuer) otherwise determines that this is appropriate by reference to its and/or any of its Affiliates' Hedging Arrangements,

then:

(A) if Fallback Settlement Method – Cash Settlement is specified as applicable in the applicable Final Terms, the Issuer shall redeem or cancel, as applicable, the Securities in accordance with Credit Linked Condition 3 below; or

(B) if Fallback Settlement Method – Physical Delivery is specified as applicable in the applicable Final Terms, the Issuer shall redeem or cancel, as applicable, the Securities in accordance with Credit Linked Condition 4 below.

***If a Credit Event Determination Date has occurred and the Securities become redeemable or are cancelled in accordance with this Credit Linked Condition 2, upon payment of the Credit Event Redemption Amounts in respect of the Securities, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the Calculation Amount of a Credit Linked N&C Security or the Notional Amount of a Credit Linked W&C Security. Any shortfall shall be borne by the Holders and no liability shall attach to the Issuer or the Guarantor (if applicable).***

**3. Cash Settlement**

If a Credit Event Determination Date occurs, then where Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms or if Credit Linked Condition 2(A) above applies then, subject to any prior redemption in accordance with Credit Linked Condition 21, the Issuer shall give notice (such notice a **Cash Settlement Notice**) to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable and redeem or cancel, as applicable, all but not some only of the Securities, and pay in respect of each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount set out in the applicable Final Terms or each Credit Linked W&C Security, as applicable, the Credit Event Redemption Amount in the relevant Specified Currency on the Credit Event Redemption Date. If "Weighted Highest" is specified as the Valuation Method in the applicable Final Terms, the Final Price used for the purposes of calculating the Credit Event Redemption Amount shall be calculated in respect of one or more Valuation Obligations (as defined below) selected by the Calculation Agent in its sole discretion in lieu of the Reference Obligation. For such purposes, references to the term "Reference Obligation" in the definitions of "Final Price", "Quotation", "Quotation Amount", "Full Quotation", "Weighted Average Quotation" and all related definitions shall, as the case requires, be deemed to refer to each relevant Valuation Obligation. **Valuation Obligation** means the relevant Reference Obligation and/or one or more Deliverable Obligations selected by the Calculation Agent in accordance with this Credit Linked Condition 3. The Calculation Agent shall select the relevant Valuation Obligations and determine their respective weightings on or prior to the relevant Valuation Date, and for such purposes shall determine the applicable Deliverable Obligations in accordance with the definition of "Deliverable Obligation" in Credit Linked Condition 13 below and terms relating to Physical Delivery below. The Calculation Agent is not required to select more than one Valuation Obligation and may select the "cheapest" obligation of the Reference Obligation and/or Deliverable Obligations as the relevant Valuation Obligation(s). Notwithstanding the fact that the Calculation Agent may determine the Deliverable Obligations for the purposes of selecting the Valuation Obligations, in no event will the Securities be physically settled and the Calculation Agent is not obliged to select any such Deliverable Obligations as Valuation Obligations.

***If a Credit Event Determination Date has occurred and the Securities become redeemable or are cancelled in accordance with this Credit Linked Condition 3, upon payment of the Credit Event Redemption Amounts in respect of the Securities, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the Calculation Amount of a Credit Linked N&C Security or the Notional Amount of a Credit Linked W&C Security. Any shortfall***

***shall be borne by the Holders and no liability shall attach to the Issuer or the Guarantor (if applicable).***

**4. Physical Settlement**

If a Credit Event Determination Date occurs, then where Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms or if Credit Linked Condition 2(B) above applies then, subject to any prior redemption in accordance with Credit Linked Condition 21, the Issuer shall, following the receipt of a Calculation Agent Physical Settlement Notice, give notice (such notice a **Notice of Physical Settlement**) to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, and redeem or cancel, as applicable all but not some only of the Securities and Deliver in respect of each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount or each Credit Linked W&C Security, as applicable, the Deliverable Obligations comprising the Entitlement on the Credit Settlement Date, subject to and in accordance with the N&C Securities Conditions or the W&C Securities Conditions and these Credit Linked Conditions. The Notice of Physical Settlement shall include (i) details of the relevant Reference Entity, (ii) a description of each Deliverable Obligation comprising the Entitlement that the Issuer reasonably expects to Deliver and (iii) the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency (in each case the relevant **Outstanding Amount**) and, if different, the face amount, of each such Deliverable Obligation. The aggregate Outstanding Amount of all Deliverable Obligations specified in the Notice of Physical Settlement that the Issuer intends to Deliver shall be the relevant **Aggregate Outstanding Amount**. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Entitlement, irrespective of their market value.

Asset Package Delivery will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event. Notwithstanding the foregoing, if (i) "Sovereign No Asset Package Delivery" is specified as applicable in the applicable Final Terms or, (ii) "Sovereign No Asset Package Delivery" is specified as "See Physical Settlement Matrix" in the applicable Final Terms and the relevant ISDA Physical Settlement Matrix states that the "2014 Sovereign No Asset Package Delivery Supplement to the 2014 ISDA Credit Derivatives Definitions" is applicable, it shall be deemed that no Package Observable Bond exists with respect to a Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published by ISDA) and accordingly, Asset Package Delivery shall not apply thereto. Where Asset Package Delivery applies, the provisions of paragraph (b) of the definition of "Deliver" below shall apply and the Calculation Agent may make any adjustment in relation to provisions for physical delivery and determination of the Entitlement that it determines to be necessary or desirable to take account of the relevant Asset Package.

The Issuer may, from time to time, following receipt of a Calculation Agent Physical Settlement Amendment Notice, amend a Notice of Physical Settlement by delivering a notice to Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable (each such notification, a **Physical Settlement Amendment Notice**) that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective). A Physical Settlement Amendment Notice shall specify each replacement Deliverable Obligation that the Issuer will Deliver (each, a **Replacement Deliverable Obligation**) and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the **Replaced Deliverable Obligation**

**Outstanding Amount**). The Outstanding Amount of each Replacement Deliverable Obligation identified in the Physical Settlement Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of the Replacement Deliverable Obligation(s) specified in any Physical Settlement Amendment Notice in aggregate with the Outstanding Amount of the Deliverable Obligation(s) specified in the Notice of Physical Settlement or any earlier Physical Settlement Amendment Notice which, in each case, are not being replaced must not be greater than the Aggregate Outstanding Amount. Each such Physical Settlement Amendment Notice must be effective on or prior to the Credit Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice). Notwithstanding the foregoing, (i) the Issuer may correct any errors or inconsistencies contained in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, by notice to Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, prior to the relevant Delivery Date; and (ii) if Asset Package Delivery is applicable, the Issuer shall prior to the Delivery Date, notify the Holders (in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable) of the detailed description of the Asset Package, if any, that the Issuer will Deliver in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable, it being understood in each case that any such notice of correction shall not constitute a Physical Settlement Amendment Notice.

If "Mod R" is specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date in each case as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements.

If "Mod Mod R" is specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

***If a Credit Event Determination Date has occurred and the Securities become redeemable or are cancelled in accordance with this Credit Linked Condition 4, upon Delivery of the relevant Deliverable Obligations and/or payment of the Partial Cash Settlement Amounts, as the case may be, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Partial Cash Settlement Amount, as the case may be, may be less than the Calculation Amount of a Credit Linked N&C Security or the Notional Amount of a Credit Linked W&C Security. Any shortfall shall be borne by the Holders and no liability shall attach to the Issuer or the Guarantor (if applicable).***

## 5. Repudiation/Moratorium Extension

If "Repudiation/Moratorium" is specified as a Credit Event in the applicable Final Terms, the provisions of this Credit Linked Condition 5 shall apply.

(a) In the case of Credit Linked N&C Securities:

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Credit Linked Condition 8(y) applies, the Postponed Cut-Off Date (as defined in Credit Linked Condition 8) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation/Moratorium may, in the opinion of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Securityholders in accordance with N&C Securities Condition 16 that a Potential Repudiation/Moratorium has occurred and:

(i) where a (A) Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or (B) a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date but a Credit Event Determination Date has not occurred:

(A) each unit or nominal amount of N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Repudiation/Moratorium Evaluation Date; and

(B) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked N&C Securities.

(b) In the case of Credit Linked W&C Securities:

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Exercise Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Exercise Date or, if Credit Linked Condition 9(y) applies, the Postponed Exercise Date (as defined in Credit Linked Condition 9) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will, in the sole determination of the Calculation Agent, fall after the Scheduled Exercise Date, then the Calculation Agent shall notify the Holders in accordance with W&C Securities Condition 9 that a Potential Repudiation/Moratorium has occurred and:

(i) where (A) a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or (B) a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date but a Credit Event Determination

Date has not occurred, the Exercise Date for the W&C Securities shall be postponed until the fifth Business Day following the Repudiation/Moratorium Evaluation Date; or

(ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked W&C Securities.

**6. Grace Period Extension**

If "Grace Period Extension" is specified as applicable in the applicable Final Terms, the provisions of this Credit Linked Condition 6 shall apply.

(a) In the case of Credit Linked N&C Securities:

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Maturity Date but, in the determination of the Calculation Agent, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then the Calculation Agent shall notify the Securityholders in accordance with N&C Securities Condition 16 that a Potential Failure to Pay has occurred and:

(i) where (A) a Failure to Pay has not occurred on or prior to the Grace Period Extension Date or (B) a Failure to Pay has occurred on or prior to the Grace Period Extension Date but a Credit Event Determination Date has not occurred:

(A) each unit or nominal amount of N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Grace Period Extension Date; and

(B) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked N&C Securities.

(b) In the case of Credit Linked W&C Securities:

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Exercise Date but in the determination of the Calculation Agent a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Exercise Date (and such Grace Period(s) is/are continuing as at the Scheduled Exercise Date), then the Calculation Agent shall notify such Potential Failure to Pay to the Holders in accordance with W&C Securities Condition 9 and:

(i) where (A) a Failure to Pay has not occurred on or prior to the Grace Period Extension Date or (B) a Failure to Pay has occurred on or prior to the Grace Period Extension Date but a Credit Event Determination Date has not occurred, the Exercise Date for the W&C Securities will be postponed until the fifth Business Day following the Grace Period Extension Date; or

(ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked W&C Securities.

**7. Credit Derivatives Determinations Committee Extension**

(a) In the case of Credit Linked N&C Securities:

If, in the determination of the Calculation Agent, a Credit Event Resolution Request Date or a Potential Credit Event has occurred and the Credit Derivatives Determinations Committee has not made its determination on or prior to the Scheduled Maturity Date then the Calculation Agent shall notify Securityholders in accordance with N&C Securities Condition 16 that the Maturity Date has been postponed to a date (the **DC Determination Postponement Date**) being the day falling five Business Days after: (i) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, 15 Business Days following the relevant DC Credit Event Announcement; (ii) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred, the second Business Day following the relevant DC No Credit Event Announcement; or, as applicable, (iii) 15 Business Days following the DC Credit Event Question Dismissal (the date of the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Dismissal, as applicable, the **DC Determination Cut-off Date**) and:

(i) where (A) a Credit Event has not occurred on or prior to the DC Determination Cut-off Date or (B) a Credit Event has occurred on or prior to the DC Determination Cut-off Date but a Credit Event Determination Date does not occur:

(A) each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the DC Determination Postponement Date; and

(B) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or if none the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the DC Determination Postponement Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(ii) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date occurs, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked N&C Securities.

(b) In the case of Credit Linked W&C Securities:

If, in the determination of the Calculation Agent, a Credit Event Resolution Request Date or a Potential Credit Event has occurred and the Credit Derivatives Determinations Committee has not made its determination on or prior to the Scheduled Exercise Date then the Calculation

Agent shall notify Holders in accordance with W&C Securities Condition 9 that the Exercise Date has been postponed to a date (the **DC Determination Cut-off Date**) being the day falling: (i)(a) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, 15 Business Days following the relevant DC Credit Event Announcement; or (b) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred, the second Business Day following the relevant DC No Credit Event Announcement; or, if later, (ii) 15 Business Days following the DC Credit Event Question Dismissal and:

(i) where (A) a Credit Event has not occurred on or prior to the DC Determination Cut-off Date or (B) a Credit Event has occurred on or prior to the DC Determination Cut-off Date but a Credit Event Determination Date does not occur, the Exercise Date for each Credit Linked W&C Security will be postponed until the fifth Business Day following the DC Determination Cut-off Date; or

(ii) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked W&C Securities.

**8. Maturity Date Extension in the case of Credit Linked N&C Securities**

The following provisions of this Credit Linked Condition 8 apply to Credit Linked N&C Securities and, for the avoidance of doubt, may be applied on more than one occasion:

Without prejudice to Credit Linked Condition 11, if:

(x) on or prior to (A) the Scheduled Maturity Date, (B), if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date, (D) the last day of the Notice Delivery Period or (E) if applicable, the DC Determination Cut-off Date, as the case may be, a Credit Event Determination Date has not occurred but a Credit Event or Potential Credit Event may have occurred or may occur; or

(y) on or prior to the Scheduled Maturity Date a Potential Repudiation/Moratorium may have occurred or may occur,

the Calculation Agent may at its option notify the Securityholders in accordance with N&C Securities Condition 16 that (A) in the case of (x) above, the redemption of the N&C Securities has been postponed and the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period (which for these purposes shall apply in the case of both (x)(A) and (x)(D) above) or the DC Determination Cut-off Date, as the case may be, has been postponed to the Postponed Cut-Off Date (as defined below) or (B) in the case of (y) above, the redemption of the N&C Securities has been postponed; and:

where:

(i) in the case of Credit Linked Condition 8(x), a Credit Event Determination Date has not occurred on or prior to the Postponed Cut-Off Date or, in the case of Credit Linked Condition 8(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Cut-Off Date:

(A) subject as provided below, each unit or nominal amount of N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the Postponed Maturity Date; and

(B) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Coupon Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Coupon Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Postponed Maturity Date (as defined below) and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(ii) where:

(A) in the case of Credit Linked Condition 8(x), a Credit Event Determination Date occurs on or prior to the Postponed Cut-Off Date, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked N&C Securities; or

(B) in the case of Credit Linked Condition 8(y), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Cut-Off Date, the provisions of Credit Linked Condition 5 shall apply to the Credit Linked N&C Securities.

For the purposes hereof:

**Postponed Cut-off Date** means (i) in the case of Credit Linked Condition 8(x), the fifteenth (15th) Business Day after the Scheduled Maturity Date, the relevant Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be; or (ii) in the case of Credit Linked Condition 8(y), the fifteenth (15th) Business Day after the Scheduled Maturity Date or, in each case, if such day is not a Business Day the immediately succeeding Business Day.

**Postponed Maturity Date** means the fifth Business Day following the Postponed Cut-off Date.

**9. Exercise Date Extension in the case of Credit Linked W&C Securities**

The following provisions of this Credit Linked Condition 9 apply to Credit Linked W&C Securities:

Without prejudice to Credit Linked Condition 11, if:

(x) on or prior to (A) the Scheduled Exercise Date or, (B) if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date or (D) if applicable, the DC Determination Cut-off Date, as the case may be, a Credit Event Determination Date has not occurred but a Credit Event or Potential Credit Event may have occurred or may occur; or

(y) on or prior to the Scheduled Exercise Date, a Potential Repudiation/Moratorium may have occurred or may occur,

the Calculation Agent may at its option notify the Holders in accordance with W&C Securities Condition 9 that the Exercise Date, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date and/or the DC Determination Cut-off Date, as the case may be, has been postponed to a date (such date the **Postponed Exercise Date**) specified in such notice falling 15 Business Days after the previous Scheduled Exercise Date, the Repudiation/Moratorium Evaluation Date or Grace Period Extension Date, or the DC Determination Cut-off Date, as the case may be, or if such day is not a Business Day the immediately succeeding Business Day, and;

where:

(i) in the case of Credit Linked Condition 9(x), a Credit Event Determination Date has not occurred on or prior to the Postponed Exercise Date, or, in the case of Credit Linked Condition 9(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Exercise Date, subject as provided below, each Credit Linked W&C Security will be automatically exercised on the Postponed Exercise Date and the provisions of W&C Securities Condition 5 will apply; or

(ii) (A) in the case of Credit Linked Condition 9(x), a Credit Event Determination Date has occurred on or prior to the Postponed Exercise Date, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked W&C Securities; or

(B) in the case of Credit Linked Condition 9(y), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Exercise Date, the provisions of Credit Linked Condition 5 shall apply to the Credit Linked W&C Securities.

**10. Partial Cash Settlement**

If all or a portion of the Obligations comprising the Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations that have not been Delivered by the Final Delivery Date, the Issuer shall give notice (a **Partial Cash Settlement Notice**) to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable and the Issuer shall pay in respect of each Undeliverable Obligation and/or Hedge Disruption Obligation, as the case may be, the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

In the Partial Cash Settlement Notice, the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligation, as the case may be.

For the purposes of this Credit Linked Condition 10 only the following terms shall be defined as follows (unless, in the case of Exempt Securities only, otherwise specified in the applicable Final Terms):

**Indicative Quotation** means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

**Market Value** means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the applicable Final Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded);

(vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (ii) of the definition of "Quotation" below, an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

**Partial Cash Settlement Amount** is deemed to be, for an Undeliverable Obligation or a Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, determined as provided in this Credit Linked Condition, less (C) Unwind Costs, if any, (but excluding any Unwind Costs already taken into account in calculating the relevant Entitlement), and (ii) zero, Provided That where (i) a relevant Undeliverable Obligation or Hedge Disruption Obligation forms part of the Asset Package and (ii) the Calculation Agent determines in its sole discretion that a Final Price cannot be reasonably determined in respect of such Undeliverable Obligation or Hedge Disruption Obligation, then the Partial Cash Settlement Amount (i) shall be an amount calculated by the Calculation Agent in its sole discretion equal to the fair market value of the relevant Undeliverable Obligation or Hedge Disruption Obligation less Unwind Costs, if any, (but excluding any Unwind Costs already taken into account in calculating the relevant Entitlement) by reference to such source(s) as it determines appropriate and (ii) may be zero.

**Partial Cash Settlement Date** is deemed to be the date falling three Business Days after (a) the date on which the Calculation Agent determines that the provisions of this Credit Linked Condition apply to the relevant Undeliverable Obligation or Hedge Disruption Obligation or, if later, (b) the calculation of the Final Price.

**Quotation** means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the applicable Final Terms, each Indicative Quotation obtained and expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable, of the relevant Undeliverable Obligation or Hedge Disruption Obligation with respect to a Valuation Date in the manner that follows:

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the applicable Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.

(b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Final Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

(c) All Quotations shall be obtained in accordance with the specification or determination made pursuant to the definition of Accrued Interest in Credit Linked Condition 13 below.

**Quotation Amount** is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency which shall be converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

**Quotation Method** is deemed to be Bid.

**Reference Obligation** is deemed to be each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be.

**Valuation Method** is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case "Valuation Method" is deemed to be Market.

**Valuation Time** is the time specified as such in the applicable Final Terms, or, if no such time is specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be.

**Weighted Average Quotation** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount.

**11. Settlement Suspension**

(i) Suspension

Without prejudice to Credit Linked Condition 8 or Credit Linked Condition 9 above, if the Calculation Agent determines that the necessary conditions for determining a Credit Event Determination Date have occurred or may have occurred, the Calculation Agent may, at its option, determine that the applicable timing requirements of these Credit Linked Conditions, including, without limitation, in respect of Credit Linked Condition 3, Credit Linked Condition 4, the definitions of Coupon Payment Date, Credit Event Redemption Date, Valuation Date, Maturity Date, any other redemption or settlement date, Physical Settlement Period and PSN Cut-off Date and any other Credit Linked Condition provision(s) as

determined by the Calculation Agent, shall toll and be suspended and remain suspended (such period of suspension, a **Suspension Period**) until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. During such suspension period none of the Issuer, the Calculation Agent or any Securityholder are obliged to, nor are they entitled to, take any action in connection with the settlement of the Credit Linked Securities. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, the relevant timing requirements of these Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary with the Issuer having the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Credit Linked Condition 11.

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

(ii) Interest

In the case of interest bearing N&C Securities:

(A) 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

(B) if a Coupon Payment Date falls in a Suspension Period, such Coupon Payment Day 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, all subject to the provisions of N&C Securities Condition 6 and Credit Linked Conditions 5, 6, 7 and 8.

## 12. Redemption/Cancellation following a Merger Event

If "Merger Event" is specified as applying in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, and redeem or cancel, as applicable, all but not some only of the Securities and pay in respect of each unit or nominal amount of the N&C Securities equal to the Calculation Amount or each Credit Linked W&C Security, as applicable, the Merger Event Redemption Amount on the Merger Event Redemption Date.

## 13. Definitions

**2.5-year Limitation Date** has the meaning given to that term in the definition of "Limitation Date".

**10-year Limitation Date** has the meaning given to that term in the definition of "Limitation Date".

**Accrued Interest** means for the purpose of these Credit Linked Conditions:

(a) in respect of any Securities for which "Physical Delivery" is specified to be the Settlement Method in the applicable Final Terms (or for which Physical Delivery is applicable as the Fallback Settlement Method in accordance with Credit Linked Condition 2), the Outstanding Principal Balance of the Deliverable Obligations being Delivered will exclude accrued but

unpaid interest, unless "Include Accrued Interest" is specified in the applicable Final Terms, in which case, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will include accrued but unpaid interest (as the Calculation Agent shall determine in its reasonable discretion);

(b) in respect of any Securities for which "Cash Settlement" is specified to be the applicable Settlement Method in the applicable Final Terms (or for which Cash Settlement is applicable as the Fallback Settlement Method in accordance with Credit Linked Condition 2), and:

(i) "Include Accrued Interest" is specified in the applicable Final Terms, the Outstanding Principal Balance of the Reference Obligation shall include accrued but unpaid interest;

(ii) "Exclude Accrued Interest" is specified in the applicable Final Terms, the Outstanding Principal Balance of the Reference Obligation shall not include accrued but unpaid interest; or

(iii) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms, the Calculation Agent shall determine, based on the then current market practice in the market of the Reference Obligation whether the Outstanding Principal Balance of the Reference Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof; or

(c) if Credit Linked Condition 10 applies, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligation (as applicable), whether such Quotations shall include or exclude accrued but unpaid interest.

**Aggregate Outstanding Amount** has the meaning given to that term in Credit Linked Condition 4.

**Asset** means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or other asset no longer exists).

**Asset Market Value** means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

**Asset Package** means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

**Asset Package Credit Event** means:

(a) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the applicable Final Terms:

(i) a Governmental Intervention; or

(ii) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in the applicable Final Terms and such Restructuring does not constitute a Governmental Intervention; and

(b) if the Reference Entity is a Sovereign and "Restructuring" is specified as applicable in the applicable Final Terms, a Restructuring,

in each case, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.

**Auction** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**Auction Cancellation Date** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**Auction Covered Transaction** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**Auction Final Price** means the lesser of (i) 100 per cent. and (ii) the Auction Final Price as shall be set forth or referred to in the relevant Transaction Auction Settlement Terms.

**Auction Final Price Determination Date** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**Auction Settlement Date** shall mean the date that is the number of Business Days as shall be specified in the relevant Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, three Business Days) immediately following the Auction Final Price Determination Date.

**Auction Settlement Notice** has the meaning given to that term in Credit Linked Condition 2.

**Bankruptcy** means the Reference Entity:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;

(d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof or before the Scheduled Exercise Date (in the case of Credit Linked W&C Securities) or the Scheduled Maturity Date (in the case of Credit Linked N&C Securities), whichever is earlier;

(e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter or before the Scheduled Exercise Date (in the case of Credit Linked W&C Securities) or the Scheduled Maturity Date (in the case of Credit Linked N&C Securities), whichever is earlier; or

(h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (a) to (g) above.

**Calculation Agent City Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City specified in the applicable Final Terms.

**Calculation Agent Physical Settlement Amendment Notice** means a notice by the Calculation Agent to the Issuer containing material information required to be included in a Physical Settlement Amendment Notice to be given by the Issuer.

**Calculation Agent Physical Settlement Notice** means a notice from the Calculation Agent to the Issuer containing material information required to be included in a Notice of Physical Settlement to be given by the Issuer.

**Cash Settlement Notice** has the meaning given to that term in Credit Linked Condition 3.

**Conditionally Transferable Obligation** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case as of each such date the Calculation Agent determines appropriate for purposes of the Hedging Arrangements provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if the Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Conditionally Transferable Obligation".

**Conforming Reference Obligation** means a Reference Obligation which is a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation below.

**Credit Derivatives Auction Settlement Term** means any Credit Derivatives Auction Settlement Terms published by ISDA, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time.

**Credit Derivatives Determinations Committee** (and each a **Credit Derivatives Determinations Committee**) means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions.

**Credit Event** means the occurrence of any one or more of the Credit Events specified in the applicable Final Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention, or (in the case of Exempt Securities) any additional Credit Event specified in the applicable Final Terms.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

(a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**Credit Event Backstop Date** means:

(a) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in paragraph (b) of the definition of Repudiation/Moratorium) for the purposes of the relevant Securities, as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or

(b) otherwise, the date that is 60 calendar days prior to the earlier of:

(i) if the Notice Delivery Date occurs during the Notice Delivery Period, the Notice Delivery Date; and

(ii) if the Notice Delivery Date occurs during the Post Dismissal Additional Period, the Credit Event Resolution Request Date,

provided that, if Credit Event Backstop Date Amendment is specified as Applicable in the applicable Final Terms, in the case of either sub-paragraph (a) or sub-paragraph (b), the Credit Event Backstop Date shall not occur prior to the Trade Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Credit Linked Business Day Convention.

**Credit Event Determination Date** means, with respect to a Credit Event with respect to which:

(a) Auction Settlement is the applicable Settlement Method:

(i) subject to paragraph (a)(ii) of this definition, the Notice Delivery Date if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or

(ii) notwithstanding paragraph (a)(i) of this definition, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date), such date falling on or after the Credit Event Resolution Request Date as may be determined by the Calculation Agent in its sole and absolute discretion and as specified by the Calculation Agent in the Credit Event Notice.

(b) paragraph (a) of this definition does not apply, the Non-Standard Credit Event Determination Date,

provided that no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the Credit Settlement Date, the Credit Event Redemption Date, the Maturity Date or the Exercise Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant event.

If, in accordance with the provisions above, (i) following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date or (B) not to have occurred or (ii) a Credit Event Determination Date is deemed to have occurred prior to one or more preceding Coupon Payment Dates, the Calculation Agent will determine (1) such adjustment(s) to these Credit Linked Conditions (including any adjustment to payment amounts) as may be required to reflect (I) such deemed date of occurrence or (II) such deemed non-occurrence, of such Credit Event Determination Date and (2) the effective date of such adjustment(s). For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any adjustment to payment amounts.

**Credit Event Notice** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

Any Credit Event Notice that describes a Credit Event that occurred after the Scheduled Maturity Date or Scheduled Exercise Date, as applicable, must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set out in N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

**Credit Event Redemption Amount** means (i) the amount in the Specified Currency specified as such in the applicable Final Terms or (ii) if no such amount is specified in the applicable Final Terms, an amount in the Specified Currency calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

"A" is the Calculation Amount (in the case of Credit Linked N&C Securities) or the Notional Amount of each W&C Security (in the case of Credit Linked W&C Securities));

"B" is the Final Price or the Auction Final Price, as applicable; and

"C" is Unwind Costs,

provided that in no event shall the Credit Event Redemption Amount be less than zero.

**Credit Event Redemption Date** means, subject to Credit Linked Condition 11, the day falling the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not so specified, ten (10) Business Days) following the latest of (i) the Auction Settlement Date or the calculation of the Final Price (if Cash Settlement applies or is applicable as the Fallback Settlement Method) and (ii) the Credit Event Determination Date.

**Credit Event Resolution Request Date** means, with respect to a DC Credit Event Question, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

**Credit Linked Business Day Convention** means, for the purposes of these Credit Linked Conditions, the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "Credit Linked Business Day Convention" and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

(a) if "Following" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day (the "Following Business Day Convention";

(b) if "Modified Following" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and

(c) if "Preceding" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first preceding day that is a Business Day.

If no Business Day Convention is specified in the applicable Final Terms, the Following Business Day Convention shall apply.

**Credit Settlement Date** means the 5th Business Day following the PSN Cut-off Date (the **Scheduled Credit Settlement Date**) provided that if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Credit Settlement Date, the Credit Settlement Date shall be the earlier of (i) the second Business Day following the date on which no Hedge Disruption Event subsists and (ii) the day falling two calendar years following the Scheduled Credit Settlement Date.

**Currency Amount** means, with respect to (a) a Deliverable Obligation specified in a Notice of Physical Settlement that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each

Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each Physical Settlement Amendment Notice with respect to that portion of the relevant Securities into the currency of denomination of the relevant Replacement Deliverable Obligation.

**Currency Rate** means, with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

**Currency Rate Source** means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

**DC Credit Event Announcement** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if the Credit Event occurred after the Scheduled Maturity Date or Scheduled Exercise Date, as applicable, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

**DC Credit Event Meeting Announcement** means, with respect to the Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

**DC Credit Event Question** means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.

**DC Credit Event Question Dismissal** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

**DC Determination Cut-off Date** has the meaning given to that term in Credit Linked Condition 7.

**DC Determination Postponement Date** has the meaning given to that term in Credit Linked Condition 7.

**DC No Credit Event Announcement** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.

**DC Resolution** has the meaning given to that term in the DC Rules.

**DC Rules** means the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

**DC Secretary** has the meaning given to that term in the DC Rules.

**Default Requirement** means the amount specified as such in the applicable Final Terms or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency or, if no such amount is specified in the applicable Final Terms, USD10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

**Deliver** means:

(a) to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Entitlement to the relevant Holder free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of "Credit Event" above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor) provided that (i) if all or a portion of the Entitlement consists of Direct Loan Participations, "Deliver" means to create (or procure the creation of) a participation in favour of the relevant Holder and (ii) if a Deliverable Obligation is a Guarantee, "Deliver" means to Deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, "Deliver" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. "Delivery" and "Delivered" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

(b) If Asset Package Delivery applies, (i) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable, may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) paragraph (a) above shall be deemed to apply to each Asset in the Asset Package provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (iii) if the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full three Business Days following the date on which the Issuer has notified the Holders in accordance with Credit Linked Condition 4 of the detailed description of the Asset Package that it intends to Deliver, (iv) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion and (v) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value and the term "Asset Package" shall be construed accordingly.

**Deliverable Obligation** means:

(a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "(A) Method for Determining Deliverable Obligations" below;

(b) the Reference Obligation;

(c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and

(d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in the applicable Final Terms, any Prior Deliverable Obligation, or (ii) if the Reference Entity is a Sovereign, any Package Observable Bond,

in each case, (i) unless it is an Excluded Deliverable Obligation and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of paragraph (d) above, immediately prior to the relevant Asset Package Credit Event).

(A) *Method for Determining Deliverable Obligations*. For the purposes of this definition of "Deliverable Obligation", the term "Deliverable Obligation" may be defined as each obligation of the Reference Entity described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject to paragraph (B) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, as of each such date the Calculation Agent determines relevant for purposes of the Hedging Arrangements. The following terms shall have the following meanings:

(1) **Deliverable Obligation Category** means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" below, except that, for the purpose of determining Deliverable Obligations, the definition of "Reference Obligation Only" shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligation Only).

(2) **Deliverable Obligation Characteristics** means any one or more of Not Subordinated, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" below), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, where:

(i) **Assignable Loan** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;

(ii) **Consent Required Loan** means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such loan) or any agent;

(iii) **Direct Loan Participation** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Holder that provides each Holder with recourse to the participation seller for a specified share in any payments due under

the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Holder and either (A) the Issuer or the Guarantor (if applicable), as the case may be, (to the extent that the Issuer or the Guarantor (if applicable), as applicable, is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

(iv) **Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

(a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);

(b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or

(c) restrictions in respect of blocked periods on or around payment dates or voting periods;

(v) **Maximum Maturity** means an obligation that has a remaining maturity of not greater than the period specified in the applicable Final Terms (or if no such period is specified, thirty years);

(vi) **Accelerated or Matured** means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and

(vii) **Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, International or any other internationally recognised clearing system.

(B) *Interpretation of Provisions.*

(1) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified in the applicable Final Terms, the Final Terms shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.

(2) If (i) either of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable

Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds; (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans; or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.

(3) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Deliverable Obligation Characteristics in the applicable Final Terms, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

(4) If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:

(i) for purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;

(ii) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: "Not Subordinated", "Credit Linked Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";

(iii) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated or Matured" and "Not Bearer"; and

(iv) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

(5) For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such

determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.

(6) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the applicable Final Terms, if an obligation would otherwise satisfy a particular Obligation Characteristic or Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Deliverable Obligation Characteristic.

(7) For purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in the paragraphs commencing "If "Mod R" …" and "If "Mod Mod R" …" in Credit Linked Condition 4 to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.

(8) If "Subordinated European Insurance Terms" is specified as applicable in the applicable Final Terms, if an obligation would otherwise satisfy the "Maximum Maturity" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

For the avoidance of doubt the provisions of this paragraph (B) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

**Deliverable Obligation Terms** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

**Delivery Date** means, with respect to a Deliverable Obligation or an Asset Package, the date such Deliverable Obligation is Delivered (or deemed to be Delivered pursuant to the definition of "Deliver" above).

**Domestic Currency** means the currency specified as such in the applicable Final Terms and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign).

**Domestic Law** means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if such Reference Entity is not a Sovereign.

**Downstream Affiliate** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity. As used herein, **Voting Shares** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**Due and Payable Amount** means the amount that is due and payable by the Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-

occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on either (A) such date as the Calculation Agent determines appropriate taking into account the Hedging Arrangements, or (B) the relevant Valuation Date, as applicable.

**Eligible Information** means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

**Eligible Transferee** means:

(a) any

(i) bank or other financial institution;

(ii) insurance or reinsurance company;

(iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in sub-paragraph (c)(i) below); and

(iv) registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least U.S.$500 million;

(b) an Affiliate of an entity specified in paragraph (a);

(c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:

(i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least U.S.$100 million or (B) is one of a group of investment vehicles under common control or management having, in aggregate, total assets of at least U.S.$100 million; or

(ii) that has total assets of at least U.S.$500 million; or

(iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraphs (a), (b), (c)(ii) or (d); or

(d) any Sovereign; or

(e) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition to U.S.$ include equivalent amounts in other currencies in each case as determined by the Calculation Agent.

**Entitlement** means, in respect of each unit or nominal amount of Credit Linked N&C Securities equal to the Calculation Amount or each Credit Linked W&C Security, as applicable, Deliverable Obligations, as selected by the Calculation Agent, with:

(a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance; or

(b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date at least equal to the Calculation Amount (in the case of Credit Linked N&C Securities) or the Notional Amount of each W&C Security (in the case of Credit Linked W&C Securities) less, if Unwind Costs are specified as applying in the applicable Final Terms, Deliverable Obligations with a market value determined by the Calculation Agent on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to the Unwind Costs.

**Excluded Deliverable Obligation** means:

(a) any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms;

(b) any principal only component of a Bond from which some or all of the interest components have been stripped; and

(c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**Excluded Obligation** means:

(a) any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms;

(b) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms and (i) the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and

(c) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms and the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

**Exercise Cut-off Date** means either:

(a) with respect to an M(M)R Restructuring and any Security to which paragraph (a) of the definition of Credit Event Determination Date above applies:

(i) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or

(ii) otherwise, the date that is 14 calendar days following the relevant No Auction Announcement Date; or

(b) with respect to a Credit Event where paragraph (a) of the definition of Credit Event Determination Date does not apply, the relevant Non-Standard Exercise Cut-off Date,

or, in each case, such other date as the relevant Credit Derivatives Determinations Committee Resolves.

**Extension Date** means the latest of:

(a) the Scheduled Maturity Date (in the case of Credit Linked N&C Securities) or the Scheduled Exercise Date (in the case of Credit Linked W&C Securities) (together, for the purposes of this definition of Extension Date, the **Scheduled Termination Date**);

(b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applying in the applicable Final Terms and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Scheduled Termination Date; and

(c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable in the applicable Final Terms, as applicable.

**Failure to Pay** means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure provided that, if an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**Fallback Settlement Method** means, with respect to any Securities for which Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, the fallback settlement method specified in the applicable Final Terms.

**Final List** has the meaning given in the DC Rules.

**Final Price** means the price of the relevant Reference Obligation(s), as the case may be, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, which shall be the lesser of (i) 100 per cent. and (ii) the price determined in accordance with the Valuation Method specified in the applicable Final Terms or, where applicable, Credit Linked Condition 10. The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Holders at the specified office of the Principal Agent (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

**Financial Transaction Type** means each of Standard European Financial Corporate, Standard Australia Financial Corporate, Standard New Zealand Financial Corporate, Standard Japan Financial Corporate, Standard Singapore Financial Corporate and Standard Asia Financial Corporate as applicable.

**Fixed Cap** means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more

variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

**Full Quotation** means, in accordance with the Quotation Method each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount.

**Fully Transferable Obligation** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Fully Transferable Obligation".

**Further Subordinated Obligation** means, in respect of a Reference Entity, if the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

**Governmental Authority** means:

(a) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);

(b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;

(c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or

(d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above.

**Governmental Intervention** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

(a) any event which would affect creditors' rights so as to cause:

  (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);

  (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

  (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium; or

(iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;

(b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;

(c) a mandatory cancellation, conversion or exchange; or

(d) any event which has an analogous effect to any of the events specified in paragraphs (a) to (c).

For purposes of this definition of Governmental Intervention, the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

**Grace Period** means:

(a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of the relevant Obligation in effect as of the date as of which such Obligation is issued or incurred;

(b) if "Grace Period Extension" is specified as applying in the applicable Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date (in the case of Credit Linked N&C Securities) or the Scheduled Exercise Date (in the case of Credit Linked W&C Securities) and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified in the applicable Final Terms, thirty calendar days; and

(c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applying in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable.

**Grace Period Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified (a) if the Obligation Currency is the euro, a day on which the TARGET2 System is open, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**Grace Period Extension Date** means, if:

(a) "Grace Period Extension" is specified as applying in the applicable Final Terms; and

(b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable,

the date falling the number of days in the Grace Period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable in the applicable Final Terms, Grace Period Extension shall not apply.

**Guarantee** means a Relevant Guarantee or a guarantee which is the Reference Obligation.

**Hedging Arrangements** means any underlying or related transaction(s), asset purchase(s), asset(s), trading position(s) or arrangement(s) the Issuer and/or any of its Affiliates or agents may enter into or hold from time to time (including, if applicable, on a portfolio basis) to hedge directly or indirectly and whether in whole or in part the credit or other risks or funding of the Issuer issuing and performing its obligations with respect to the Credit Linked Securities.

**Hedge Disruption Event** means in the opinion of the Calculation Agent any event or circumstances (including, without limitation, any delay in settlement of any Auction) as a result of which the Issuer and/or any of its Affiliates and/or its agents (a) have not received the relevant Deliverable Obligation(s) under the terms of the Hedging Arrangements and/or (b) cannot maintain, adjust, enter into or exercise rights under its Hedging Arrangements in each case in such a manner as is necessary to meet its obligations in full as these fall due solely with amounts or assets which it is entitled to receive under the Hedging Arrangements on the relevant due date(s) therefor.

**Hedge Disruption Obligation** means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

**ISDA** means the International Swaps and Derivatives Association, Inc.

**ISDA Physical Settlement Matrix** means the Credit Derivatives Physical Settlement Matrix as published by ISDA on the Date of the Physical Settlement Matrix specified in the applicable Final Terms.

**Largest Asset Package** means, in respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package of Assets for which the greatest amount of principal of such Prior Deliverable Obligation or Package Observable Bond has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realisable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.

**Latest Maturity Restructured Bond or Loan** has the meaning given to that term in the definition of "Restructuring Maturity Limitation Date".

**Limitation Date** means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **2.5-year Limitation Date**), 5 years, 7.5 years, 10 years (the **10-year Limitation Date**), 12.5 years, 15 years, or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Credit Linked Business Day Convention.

**M(M)R Restructuring** means a Restructuring Credit Event in respect of which either "Mod R" or "Mod Mod R" is specified as applicable in the applicable Final Terms.

**Market Value** means, with respect to the Reference Obligation on a Valuation Date:

(a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

(b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

(c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;

(d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;

(e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount the Calculation Agent shall determine on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and

(f) if two or more Full Quotations or a Weighed Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**Merger Event** means that at any time during the period from (and including) the Trade Date to (but excluding) the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, either (A) the Issuer, the Guarantor (if applicable) or a Reference Entity (any such entity, the **Mergor**) consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to (i) where the Mergor is the Issuer or the Guarantor (if applicable), a Reference Entity or (ii) where the Mergor is a Reference Entity, the Issuer or the Guarantor (if applicable), or (B) (i) either of the Issuer or the Guarantor (if applicable) and (ii) a Reference Entity become Affiliates.

**Minimum Quotation Amount** means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no such amount is so specified, the lower of (a) USD1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

**Modified Eligible Transferee** means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

**Modified Restructuring Maturity Limitation Date** means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable.

Subject to the foregoing, if the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable.

In connection with the above, the final maturity date shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

**Movement Option** means, with respect to an M(M)R Restructuring for which a No Auction Announcement Date has occurred pursuant to paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the option of the Issuer to apply to the Securities, for purposes of settlement, the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the Deliverable Obligations that could apply in respect of the Reference Transaction (provided that if more than one such set of Parallel Auction Settlement Terms

are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply). If no Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, the Securities will be settled in accordance with the Fallback Settlement Method. If a Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, such event will be notified to Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

**Movement Option Cut-off Date** means the date that is one Relevant City Business Day following the Exercise Cut-off Date, or such other date as the relevant Credit Derivatives Determinations Committee has Resolved.

**Next Currency Fixing Time** means 4:00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant Physical Settlement Amendment Notice or relevant Partial Cash Settlement Notice, as applicable, is effective.

**No Auction Announcement Date** means, with respect to a Credit Event, the date the DC Secretary first publicly announces that:

(a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published;

(b) following the occurrence of an M(M)R Restructuring no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or

(c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either:

(i) no Parallel Auction will be held; or

(ii) one or more Parallel Auctions will be held.

**Non-Conforming Reference Obligation** means a Reference Obligation which is not a Conforming Reference Obligation.

**Non-Conforming Substitute Reference Obligation** means an obligation which would be a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

**Non-Financial Instrument** means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

**Non-Standard Credit Event Determination Date** means with respect to a Credit Event:

(a) subject to paragraph (b) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or

(b) notwithstanding paragraph (a) of this definition, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last

day of the Notice Delivery Period (including prior to the Trade Date), such date falling on or after the Credit Event Resolution Request Date as may be determined by the Calculation Agent in its sole and absolute discretion and as specified by the Calculation Agent in the Credit Event Notice.

**Non-Standard Exercise Cut-off Date** means, with respect to a Credit Event to which paragraph (a) of the definition of Credit Event Determination Date does not apply:

(a) if such Credit Event is not an M(M)R Restructuring, either:

(i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;

(ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or

(iii) the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable; or

(b) if such Credit Event is an M(M)R Restructuring and:

(i) the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or

(ii) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date.

**Non-Standard Reference Obligation** means, in respect of the Reference Entity, the Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

**Non-Transferable Instrument** means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

**Notice Delivery Date** means the first date on which both a Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the applicable Final Terms, a Notice of Publicly Available Information, have been delivered by the Calculation Agent.

**Notice Delivery Period** means the period from and including the Trade Date to and including the date that is fifteen Business Days after the Extension Date.

**Notice of Physical Settlement** has the meaning given to that term in Credit Linked Condition 4.

**Notice of Publicly Available Information** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy or description in reasonable detail, of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is specified as applicable in the applicable Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Credit Linked Condition 17.

**Notice to Exercise Movement Option** means, with respect to Securities for which (a) an M(M)R Restructuring applies and (b) the Fallback Settlement Method would otherwise be applicable pursuant to the Auction Settlement provisions, a notice from the Issuer to the Calculation Agent that (i) specifies the Parallel Auction Settlement Terms applicable in accordance with the definition of Movement Option and (ii) is effective on or prior to the Movement Option Cut-off Date.

**Obligation** means:

(a) any obligation of the Reference Entity (either directly or as a provider of a Relevant Guarantee) determined pursuant to the method described in "Method for Determining Obligations" below; and

(b) the Reference Obligation,

in each case unless it is an Excluded Obligation.

**Method for Determining Obligations**. For the purposes of paragraph (a) of this definition of Obligation, the term "Obligation" may be defined as each obligation of the Reference Entity described by the Obligation Category specified in the applicable Final Terms, and having each of the Obligation Characteristics (if any) specified in the applicable Final Terms, in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

(A) **Obligation Category** means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Final Terms, where:

(1) **Payment** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;

(2) **Borrowed Money** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

(3) **Reference Obligation Only** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;

(4) **Bond** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;

(5) **Loan** means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and

(6) **Bond or Loan** means any obligation that is either a Bond or a Loan.

(B) **Obligation Characteristics** means any one or more of Not Subordinated, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Final Terms, where:

(1) (a) **Not Subordinated** means an obligation that is not Subordinated to (I) the Reference Obligation or, (II) the Prior Reference Obligation, if applicable;

(b) **Subordination** means, with respect to an obligation (the **Second Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **First Obligation**), a contractual, trust or other similar arrangement providing that (I) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. "Subordinated" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date; and

(c) **Prior Reference Obligation** means, in circumstances where there is no Reference Obligation applicable to the relevant Securities, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the applicable Final Terms as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;

(2) **Credit Linked Specified Currency** means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if Credit Linked Specified Currency is specified in the applicable Final Terms and no currency is so specified, any Standard Specified Currency) provided that if the euro is a Credit Linked Specified Currency, "Credit Linked Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;

(3) **Not Sovereign Lender** means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organisation established by treaty or other arrangement

between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt";

(4) **Not Domestic Currency** means any obligation that is payable in any currency other than applicable Domestic Currency provided that a Standard Specified Currency shall not constitute the Domestic Currency;

(5) **Not Domestic Law** means any obligation that is not governed by applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law;

(6) **Listed** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and

(7) **Not Domestic Issuance** means any obligation other than an obligation that was issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

**Obligation Acceleration** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

**Obligation Currency** means the currency or currencies in which the Obligation is denominated.

**Obligation Default** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

**Original Non-Standard Reference Obligation** means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in respect of such Reference Entity in the applicable Final Terms (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the relevant Securities (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless (a) in respect of a Series of Securities that are Exempt Securities only, this definition of "Original Non-Standard Reference Obligation" is specifically amended or overridden in the applicable Final Terms, or (b) the relevant Securities are Reference Obligation Only Securities.

**Outstanding Amount** has the meaning given to that term in Credit Linked Condition 4.

**Outstanding Principal Balance** means the outstanding principal balance of an obligation which will be calculated as follows:

(a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);

(b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the **Non-Contingent Amount**); and

(c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

(i) unless otherwise specified, in accordance with the terms of the obligation in effect on either (A) such date as the Calculation Agent determines appropriate taking into account the Hedging Arrangements, or (B) the relevant Valuation Date; and

(ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

**Package Observable Bond** means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within paragraphs (a) or (b) of the definition of Deliverable Obligation (above), in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

**Parallel Auction** means "Auction" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**Parallel Auction Cancellation Date** means "Auction Cancellation Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**Parallel Auction Settlement Terms** means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which (i) the Deliverable Obligation Terms are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction provided that if no such Credit Derivatives Auction Settlement Terms are published, the Calculation Agent may select in its sole discretion the applicable Credit Derivatives Auction Settlement Terms.

**Parallel Notice of Physical Settlement Date** means "Notice of Physical Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

**Payment Requirement** means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if no such amount is specified in the applicable Final Terms, USD1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**Permissible Deliverable Obligations** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included in the Final List pursuant to the Deliverable Obligation Terms applicable to the relevant Auction.

**Permitted Contingency** means, with respect to an obligation, any reduction to the Reference Entity's payment obligations:

(a) as a result of the application of:

(i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;

(ii) provisions implementing the Subordination of the obligation;

(iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);

(iv) if "Subordinated European Insurance Terms" are specified as applicable in the applicable Final Terms, any Solvency Capital Provisions;

(v) if "Limited Recourse Terms" are specified as applicable in the applicable Final Terms, provisions which (A) limit recourse in respect of the obligation to the proceeds of specified assets or the proceeds resulting from the enforcement of security or collateral arrangements and/or (B) extinguish any obligation that remains outstanding following the disposal of specified assets and/or the enforcement of the security or collateral arrangements and in each case the application of the resulting proceeds (and in this case, then for the purpose of determining whether such obligation is an Obligation or a Deliverable Obligation such obligation is deemed to satisfy "Not Subordinated"); or

(vi) if "Financial Reference Entity Terms" are specified as applicable in the applicable Final Terms, provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention; or

(b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

**Permitted Transfer** means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

**Physical Settlement Amendment Notice** has the meaning given to that term in Credit Linked Condition 4.

**Physical Settlement Period** means, subject to Credit Linked Condition 11, the number of Business Days specified as such in the applicable Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Entitlement, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent provided that if the Issuer has notified the Holders in accordance with Credit Linked Condition 4 that it will Deliver an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be 35 Business Days.

**Post Dismissal Additional Period** means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

**Potential Credit Event** means a Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity), a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity) or if a Credit Event Resolution Request Date has or may have occurred and the relevant Credit Derivatives Determinations Committee has not made its determination, such event will be deemed to be a Potential Credit Event. A Credit Derivatives Determinations Committee and the Calculation Agent may each determine whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has or may have occurred.

**Potential Failure to Pay** means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

**Potential Repudiation/Moratorium** means the occurrence of an event described in paragraph (a) of the definition of Repudiation/Moratorium.

**Prior Deliverable Obligation** means:

(a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within paragraphs (a) or (b) of the definition of Deliverable Obligation above, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or

(b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

**Private-side Loan** means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

**Prohibited Action** means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in (a) to (d) of the definition of Credit Event above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor.

**PSN Cut-off Date** means subject, where applicable, to Credit Linked Condition 11 the later of:

1.

(a) subject to paragraph (b) below, the later of:

(i) the thirtieth calendar day after the Credit Event Determination Date; and

(ii) the tenth calendar day after either the date of the relevant DC Credit Event Announcement or of the relevant DC Credit Event Question Dismissal, if any (or, if the relevant Credit Event is an M(M)R Restructuring, the tenth calendar day after the Non-Standard Exercise Cut-off Date); or

(b) if, in accordance with the terms of Credit Linked Condition 2 above, Credit Linked Condition 2(B) applies as a result of the occurrence of (a) an Auction Cancellation Date or (b) a No Auction Announcement Date and:

(i) the relevant Credit Event is not an M(M)R Restructuring, the later of:

(A) the date determined pursuant to paragraph (a)(i) above; and

(B) the thirtieth calendar day after the Auction Cancellation Date or the No Auction Announcement Date, occurring pursuant to paragraphs (a) or (c)(i) of the definition of No Auction Announcement Date above, as applicable; or

(ii) the relevant Credit Event is an M(M)R Restructuring either:

(A) the later of:

I. the date determined pursuant to paragraph (a)(i) above; and

II. the thirtieth calendar day after:

(x) a No Auction Announcement Date occurring pursuant to paragraph (a) of the definition of No Auction Announcement Date above, if any;

(y) a No Auction Announcement Date occurring pursuant to paragraph (c)(i) of the definition of No Auction Announcement Date above, if any; or

(z) the Auction Cancellation Date, if any, as applicable; or

(B) the later of the Parallel Notice of Physical Settlement Date (or, if more than one Parallel Notice of Physical Settlement Date should occur, the last Parallel Notice of Physical Settlement Date), and the Relevant City Business Day immediately following the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:

I. a No Auction Announcement Date occurs pursuant to paragraph (a) of the definition of No Auction Announcement Date above and the Issuer has not exercised the Movement Option; or

II. a No Auction Announcement Date occurs pursuant to paragraph (c)(ii) of the definition of No Auction Announcement Date above and the Issuer has not exercised the Movement Option,

provided that in the case of paragraphs (a)(ii) and (b) above, the relevant Credit Event Resolution Request Date, if any, occurred on or prior to the date described in paragraph (a)(i) above; and

2. the 115th Business Day following the relevant Credit Event Determination Date or such earlier day as the Issuer may select taking into account the Hedging Arrangements.

**PSN Effective Date** means the date on which a Calculation Agent Physical Settlement Notice or Calculation Agent Physical Settlement Amendment Notice, as the case may be, is delivered to the Issuer.

**Public Source** means each source of Publicly Available Information specified as such in the applicable Final Terms (or if no such source is specified in the applicable Final Terms, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**Publicly Available Information** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which:

(a) has been published in or on not less than the Specified Number of Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information); or

(b) is information received from or published by (i) the Reference Entity (or, if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or

(c) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body,

provided that where any information of the type described in paragraphs (b) or (c) above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in paragraphs (b) or (c) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Without limitation, Publicly Available Information need not state:

(i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned by the Reference Entity; and

(ii) that the relevant occurrence:

(A) has met the Payment Requirement or Default Requirement;

(B) is the result of exceeding any applicable Grace Period; or

(C) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in paragraphs (a) and (b) of the definition of Repudiation/Moratorium below.

**Qualifying Affiliate Guarantee** means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

**Qualifying Guarantee** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

(a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or

(b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:

(i) by payment;

(ii) by way of Permitted Transfer;

(iii) by operation of law;

(iv) due to the existence of a Fixed Cap; or

(v) due to:

(A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms; or

(B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the applicable Final Terms.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying

Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy above in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

I. the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and

II. if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

**Qualifying Participation Seller** means any participation seller that meets the requirements specified in the applicable Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

**Quantum of the Claim** means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

**Quotation** means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable, of the Reference Obligation with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**Quotation Amount** means the amount specified as such in the applicable Final Terms (which may be specified by reference to an amount in a currency or by reference to "Representative Amount") or, if no amount is specified in the applicable Final Terms, the amount selected by the Calculation Agent in respect of each Reference Obligation or Deliverable Obligation selected by the Calculation Agent provided that the aggregate of all such amounts (or the equivalents of such amounts in the Specified Currency converted by the Calculation Agent by reference to exchange rates at or about the relevant Valuation Date) shall not exceed the Aggregate Nominal Amount of the Securities on or about the relevant Valuation Date.

**Quotation Dealer** means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained including each Quotation Dealer specified in the applicable Final Terms. If no Quotation Dealers are specified in the applicable Final Terms, the Calculation Agent shall select the Quotation Dealers. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

**Quotation Method** means the applicable Quotation Method specified in the applicable Final Terms by reference to one of the following terms:

(a) **Bid** means that only bid quotations shall be requested from Quotation Dealers;

(b) **Offer** means that only offer quotations shall be requested from Quotation Dealers; or

(c) **Mid-market** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the applicable Final Terms, Bid shall apply.

**Reference Entity** means the entity specified as such in the applicable Final Terms. Any Successor to the Reference Entity either (a) identified pursuant to the definition of "Successor" on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity for the purposes of the relevant Series.

**Reference Obligation** means the Standard Reference Obligation, if any, unless:

(a) "Standard Reference Obligation" is specified as not applicable in the applicable Final Terms, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or

(b) (i) "Standard Reference Obligation" is specified as applicable in the applicable Final Terms (or no election is specified in the applicable Final Terms), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the applicable Final Terms, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation and the Calculation Agent will select as a substitute Reference Obligation any Deliverable Obligation with the same level of seniority as the relevant Seniority Level. In addition, (i) the Calculation Agent may replace the Reference Obligation with any further Deliverable Obligation with the same level of seniority as the relevant Seniority Level from time to time and (ii) if a new obligation is placed on the SRO List, in respect of the relevant Reference Entity, then the Calculation Agent may, but is not obliged to, select the new Standard Reference Obligation in respect of the Reference Entity as the Reference Obligation. The provisions of this definition may be applied by the Calculation Agent on more than one occasion and are without prejudice to the right of the Calculation Agent to determine a Substitute Reference Obligation.

**Reference Obligation Only Securities** means any Securities in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category and, if applicable, the Deliverable Obligation Category in the applicable Final Terms and (b) "Standard Reference Obligation" is specified as not applicable in the applicable Final Terms.

**Reference Transaction** means a hypothetical credit derivative transaction:

(a) for which the Deliverable Obligation Terms, the Reference Obligation and the Reference Entity are (i) the same as in respect of the Securities (if Deliverable Obligation Terms and a Reference Obligation are specified in the applicable Final Terms) or (ii) if and to the extent Deliverable Obligation Terms and/or a Reference Obligation are not so specified, the Deliverable Obligation Terms and Reference Obligation determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;

(b) with a scheduled termination date matching the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, of the Securities; and

(c) otherwise having such other characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Hedging Arrangements and/or any credit derivative elections made in relation to the Securities.

**Relevant City Business Day** has the meaning given in the DC Rules.

**Relevant Guarantee** means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the applicable Final Terms, a Qualifying Guarantee.

**Relevant Holder** means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Amount specified in respect of such Prior Deliverable Obligation or Package Observable Bond in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable.

**Relevant Obligations** means the Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

(a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;

(b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (a) of the definition of Successor below, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;

(c) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms and (i) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan"; and

(d) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms, and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations"

shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan".

**Replaced Deliverable Obligation Outstanding Amount** has the meaning given to that term in Credit Linked Condition 4.

**Replacement Deliverable Obligation** has the meaning given to that term in Credit Linked Condition 4.

**Representative Amount** means an amount that is representative for a single transaction in the relevant market and at the relevant time, which amount will be determined by the Calculation Agent.

**Repudiation/Moratorium** means the occurrence of both of the following events:

(a) an authorised officer of the Reference Entity or a Governmental Authority:

(x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or

(y) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and

(b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**Repudiation/Moratorium Evaluation Date** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, unless the Repudiation/Moratorium Extension Condition is satisfied.

**Repudiation/Moratorium Extension Condition** will be satisfied:

(i) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is 14 calendar days after the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable; or

(ii) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the applicable Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable.

**Repudiation/Moratorium Extension Notice** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Maturity Date or the Scheduled Exercise Date, as applicable. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

**Resolve** has the meaning set out in the DC Rules, and **Resolved** and **Resolves** shall be construed accordingly.

**Restructured Bond or Loan** means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**Restructuring** means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all the holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date applicable to the relevant Securities and the date as of which such Obligation is issued or incurred:

(i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);

(ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

(iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium;

(iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

(a) the payment in euro of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single

currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

(b) the redenomination from euros into another currency, if (i) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (ii) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

(c) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

(d) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of paragraph (v) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For purposes of this definition of Restructuring and Credit Linked Condition 15, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in paragraphs (i) to (v) of this definition of Restructuring shall be deemed to refer to the Underlying Obligor and the references to the Reference Entity in paragraphs (a) to (d) of this definition of Restructuring shall continue to be deemed to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs (i) to (v) has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

**Restructuring Date** means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**Restructuring Maturity Limitation Date** means with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date (in the case of Credit Linked N&C Securities) or the Scheduled Exercise Date (in the case of Credit Linked W&C Securities). Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5 year Limitation Date (such Restructured Bond or Loan, a **Latest Maturity Restructured Bond or Loan**) and the Scheduled Maturity Date or Scheduled Exercise Date, as applicable, occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan. For these purposes, the final maturity date shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

**Revised Currency Rate** means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent.

**Seniority Level** means, with respect to an obligation of the Reference Entity:

(a) "Senior Level" or "Subordinated Level" as specified in the applicable Final Terms; or

(b) if no such seniority level is specified in the applicable Final Terms, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which;

(c) "Senior Level".

**Senior Obligation** means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the relevant Reference Entity.

**Settlement Currency** means the currency specified as such in the applicable Final Terms, or if no currency is specified in the applicable Final Terms, the Specified Currency of the Securities.

**Settlement Method** means, if (a) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms or if no Settlement Method is specified in the applicable Final Terms, Auction Settlement, (b) Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms, Cash Settlement, or (c) Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms, Physical Delivery.

**Solvency Capital Provisions** means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

**Sovereign** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including without limiting the foregoing, the central bank) thereof.

**Sovereign Restructured Deliverable Obligation** means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within paragraph (a) of the definition of Deliverable Obligation above immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**Sovereign Succession Event** means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

**Specified Number** means the number of Public Source(s) specified in the applicable Final Terms, or if no such number is specified in the applicable Final Terms, two.

**SRO List** means the list of Standard Reference Obligations as published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

**Standard Reference Obligation** means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

**Standard Specified Currency** means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

**Steps Plan** means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

**Subordinated Obligation** means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the relevant Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the relevant Reference Entity existed.

**Substitute Reference Obligation** means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

(a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.

(b) If any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (b)(i) of the definition of Substitution Event below has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event below occur with respect to such Non-Standard Reference Obligation.

(c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:

(i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);

(ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and

(iii) (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:

I. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,

II. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above;

(B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:

I. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,

II. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,

III. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,

IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or

(C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:

I. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,

II. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,

III. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,

IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above.

(d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer under the Securities as determined by the Calculation Agent. The Calculation Agent will notify the Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in

accordance with paragraph (c) above and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation.

(e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation until the Extension Date although the Calculation Agent is not obliged to select a Substitute Reference Obligation at any time. If (A) either (i) Cash Settlement is specified as the Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method) and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or (ii) either Auction Settlement or Physical Delivery is specified as the Settlement Method in the applicable Final Terms (or, in the case of Physical Delivery, is applicable pursuant to the Fallback Settlement Method) and, in each case, the Reference Obligation is the only Deliverable Obligation and (B) on or prior to the Extension Date, a Substitute Reference Obligation has not been identified, then the Issuer shall have the right on or after the Extension Date to redeem the 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 Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, such payment to be made as specified in such notice. Such notice shall contain details of the procedures and due date for such early redemption.

(f) For the avoidance of doubt, no Substitute Reference Obligation shall be determined in respect of any Credit Linked Securities that are Reference Obligation Only Securities.

**Substitution Date** means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies the Issuer of the Substitute Reference Obligation that it has identified in accordance with the definition of Substitute Reference Obligation above.

**Substitution Event** means, with respect to the Non-Standard Reference Obligation:

(a) the Non-Standard Reference Obligation is redeemed in whole; or

(b) provided that the Credit Linked Securities to which the Non-Standard Reference Obligation relates are not Reference Obligation Only Securities:

(i) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or

(ii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event. If an event described in paragraphs (a) or (b)(i) above has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraphs (a) or (b)(i) above as the case may be, on the Trade Date.

**Substitution Event Date** means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

**Succession Date** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to paragraph (a) of the definition of Successor below would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

**Successor** means:

(a) subject to paragraph (b) below, the entity or entities, if any, determined as follows:

(i) subject to paragraph (vii) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to 75 per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;

(ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;

(iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;

(iv) if one or more entities each succeed, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;

(v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;

(vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below); and

(vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever

described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the **Universal Successor**) will be the sole Successor; and

(b) An entity may only be a Successor if:

(i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;

(ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and

(iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph (a) above, provided that the Calculation Agent will not make any such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Calculation Agent will make all calculations and determinations required to be made under this definition of Successor on the basis of Eligible Information and will, as soon as practicable after such calculation or determination, make such calculation or determination available for inspection by Holders at the specified office of the Principal Agent. In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a) above, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

Where pursuant to paragraph (a)(iii), (a)(iv), (a)(vi) or (b) above, more than one Successor has been identified, the Calculation Agent shall adjust such of these Terms and Conditions and/or the applicable Final Terms as it shall determine to be appropriate to reflect that the Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of these Terms and Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Securities under the provisions of the 2014 ISDA Credit Derivatives Definitions.

Upon the Calculation Agent making such adjustment and notifying the Issuer of such adjustment, the Issuer shall give notice as soon as practicable to Holders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, stating the adjustment to these Terms and Conditions and/or the applicable Final Terms and giving brief details of the relevant Successor event.

If two or more entities (each, a **Joint Potential Successor**) jointly succeed to a Relevant Obligation (the **Joint Relevant Obligation**) either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

For the purposes of this definition of "Successor", "succeed" means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the **Exchange Bonds** or **Loans**) that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of this definition of "Successor", "succeeded" and "succession" shall be construed accordingly. In the case of an exchange offer, the determinations required pursuant to paragraph (a) of this definition of "Successor" shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

**Successor Backstop Date** means for purposes of any Successor determination determined by DC Resolution, the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Credit Linked Business Day Convention.

**Successor Notice** means a notice from the Calculation Agent to the Issuer that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined.

A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to paragraph (a) of the definition of Successor above.

**Successor Resolution Request Date** means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**Trade Date** means the date specified as such in the applicable Final Terms.

**Transaction Auction Settlement Terms** means the Credit Derivatives Auction Settlement Terms selected by the Calculation Agent in accordance with this provision. In relation to a Credit Event (and as set out in the definition of Credit Derivatives Auction Settlement Terms), ISDA may publish one or more form(s) of Credit Derivatives Auction Settlement Terms on its website at www.isda.org (or any successor website thereto) and may amend such forms from time to time. Each such form of Credit Derivatives Auction Settlement Terms shall set out, *inter alia*, definitions of "Auction", "Auction Cancellation Date", "Auction Covered Transaction" and "Auction Final Price Determination Date" in relation to the relevant Credit Event. The Transaction Auction Settlement Terms for purposes of the Securities shall be the relevant form of Credit Derivatives Auction Settlement Terms for which the Reference Transaction would be an Auction Covered Transaction (as such term will be set out in the relevant Credit Derivatives Auction Settlement Terms). The Reference Transaction (as set out in the definition thereof) is a hypothetical credit derivative transaction included in these Credit Linked Conditions principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the Securities.

**Transaction Type** means, in respect of a Reference Entity, the Transaction Type specified in respect of such Reference Entity in the applicable Final Terms.

**Undeliverable Obligation** means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order, contractual restrictions, statutory restrictions or market conditions but excluding the non-receipt of any requisite consents with respect to the Delivery of Loans or non-delivery of an Asset Transfer Notice or any information by a Holder) it is impossible or illegal to Deliver on the Credit Settlement Date.

**Underlying Obligation** means, with respect to a guarantee, the obligation which is the subject of the guarantee.

**Underlying Obligor** means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

**Unwind Costs** means the amount specified in the applicable Final Terms or if "Standard Associated Costs" are specified in the applicable Final Terms, any Associated Costs as defined in N&C Securities Condition 8.7 in respect of N&C Securities or as defined in W&C Securities Condition 5.3 in respect of W&C Securities. Notwithstanding this definition, if Unwind Costs are specified as Not Applicable in the applicable Final Terms then for purposes of the Credit Linked Conditions Unwind Costs will be deemed to be zero.

**Valuation Date** means, subject to Credit Linked Condition 11:

(a) where Physical Delivery is specified as applying in the applicable Final Terms, the day falling two Business Days after the Final Delivery Date (as such term is defined in the Physical Delivery N&C Securities Conditions or the W&C Securities Conditions, as applicable) or such other earlier date determined by the Calculation Agent by reference to the Hedging Arrangements (if any), or, otherwise;

(b) (i) if "Single Valuation Date" is specified in the applicable Final Terms and subject to Credit Linked Condition 11, a date selected by the Calculation Agent in its sole discretion falling in the period from and including the Credit Event Determination Date (or if the Credit Event Determination Date occurs pursuant to paragraph (a)(ii) of the definition of Credit Event Determination Date above, the day on which the DC Credit Event Announcement occurs) to and including the day falling the number of Business Days specified in the Final Terms (or, if the number of Business Days is not so specified, ninety Business Days) after such date (or, if "Cash Settlement" is applicable pursuant to the Fallback Settlement Method, in accordance with paragraphs (i) or (ii) of Credit Linked Condition 2 above, a date selected by the Calculation Agent in its sole discretion falling in the period from and including the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable, to and including the day falling the number of Business Days specified in the Final Terms (or, if the number of Business Days is not so specified, ninety Business Days) after such date); and

(ii) if "Multiple Valuation Dates" is specified in the applicable Final Terms, each of the following dates:

(A) subject to Credit Linked Condition 11, a date selected by the Calculation Agent in its sole discretion falling in the period from and including the Credit Event Determination Date (or if the Credit Event Determination Date occurs

pursuant to paragraph (a)(ii) of the definition of Credit Event Determination Date above, the day on which the DC Credit Event Announcement occurs) to and including the day falling the number of Business Days specified in the Final Terms (or, if the number of Business Days is not so specified, ninety Business Days) after such date (or if Cash Settlement is the applicable Fallback Settlement Method, in accordance with paragraphs (i) or (ii) of Credit Linked Condition 2 above, a date selected by the Calculation Agent in its sole discretion falling in the period from and including the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable to and including the day falling the number of Business Days specified in the Final Terms (or, if the number of Business Days is not so specified, ninety Business Days) after such date); and

(B) each successive date that is the number of Business Days specified in the applicable Final Terms (or, if the number of Business Days is not so specified, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "Multiple Valuation Dates" is specified in the applicable Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the applicable Final Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the applicable Final Terms, Single Valuation Date shall apply.

**Valuation Method**:

(a) The following Valuation Methods may be specified in the applicable Final Terms with only one Valuation Date:

(i) **Market** means the Market Value determined by the Calculation Agent with respect to the Valuation Date;

(ii) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date; or

(iii) **Weighted Highest** means the weighted arithmetic mean of the highest Quotations obtained for each relevant Valuation Obligation provided that if "Weighted Highest" is specified in the applicable Final Terms and only one Valuation Obligation is selected by the Calculation Agent pursuant to Credit Linked Condition 3 for the purposes of valuation, the relevant Valuation Method shall be deemed to be "Highest".

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Highest.

(b) The following Valuation Methods may be specified in the applicable Final Terms with more than one Valuation Date:

(i) **Average Market** means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or

(ii) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or

(iii) **Average Highest** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Highest.

(c) Notwithstanding paragraphs (a) and (b) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market or Average Market, as the case may be.

(d) Where applicable, the applicable Final Terms may specify an alternative Valuation Method which shall be applicable in respect of the relevant Securities.

**Valuation Time** means the time specified as such in the applicable Final Terms or, if no such time is specified, 11.00 a.m. in the principal trading market for the Reference Obligation.

**Weighted Average Quotation** means in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but, of a size at least equal to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

**14. Credit Event Notice after Restructuring Credit Event**

If this Credit Linked Condition 14 is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of an M(M)R Restructuring:

(a) in the case of Credit Linked N&C Securities:

(i) The Calculation Agent may deliver multiple Credit Event Notices in respect of such M(M)R Restructuring, each such Credit Event Notice setting forth an amount (the **Partial Redemption Amount**) that may be less than the aggregate Nominal Amount of those N&C Securities outstanding immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Redemption Amount only and each such N&C Security shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).

(ii) For the avoidance of doubt (A) the nominal amount of each such N&C Security not so redeemed in part shall remain outstanding and interest shall accrue on the nominal amount outstanding of such N&C Security as provided in N&C Securities Condition 6 (adjusted in such manner as the Calculation Agent determines to be appropriate), (B) the Credit Linked Conditions and related provisions shall apply to such nominal amount outstanding of such N&C Security in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (C) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable or deliverable to Securityholders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to these Terms and Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Condition 14(a) and (y) the effective date of such adjustment(s).

(iii) If the provisions of this Credit Linked Condition 14(a) apply in respect of the N&C Securities, on redemption of part of each such N&C Security the relevant N&C Security or, if the N&C Securities are represented by a Global N&C Security, such Global N&C Security, shall be endorsed to reflect such part redemption.

(b) in the case of Credit Linked W&C Securities:

(i) The Calculation Agent may deliver multiple Credit Event Notices in relation to that Restructuring and in respect of an amount (the **Partial Cancellation Amount**) that is less than the Notional Amount of each W&C Security immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Cancellation Amount only and each such W&C Security shall be cancelled in part (such cancelled part being equal to the Partial Cancellation Amount).

(ii) for the avoidance of doubt (A) the Notional Amount of each such W&C Security not so cancelled in part shall remain outstanding (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (B) the Credit Linked Conditions and related provisions shall apply to such amount outstanding of such W&C Security in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (C) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable to Holders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to these Terms and Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Condition 14(b) and (y) the effective date of such adjustment(s).

(iii) if the provisions of this Credit Linked Condition 14(b) apply in respect of the W&C Securities, on cancellation of part of each such W&C Security the relevant W&C Security or, if the W&C Securities are represented by a Global W&C Security, such Global W&C Security shall be endorsed to reflect such part cancellation.

**15. Provisions relating to Multiple Holder Obligation**

Unless this Credit Linked Condition 15 is specified as not applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (i) to (v) of the definition of **Restructuring** shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

**Multiple Holder Obligation** means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) (A) is a Bond and/or (B) is an Obligation with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event.

**16. Provisions taken from the ISDA supplement titled "Additional Provisions for Physically Settled Default Swaps– Monoline Insurer as Reference Entity" (September 2014)**

If this Credit Linked Condition 16 is specified as applicable in the applicable Final Terms, the following provisions will apply:

(a) **Obligation and Deliverable Obligation**. Paragraph (a) of the definition of "Obligation" in Credit Linked Condition 13 and paragraph (a) of the definition of "Deliverable Obligation" in Credit Linked Condition 13 are hereby amended by adding "or Qualifying Policy" after "as provider of a Relevant Guarantee".

(b) **Interpretation of Provisions**. In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (B) of the definition of "Deliverable Obligation" in Credit Linked Condition 13 will apply, with references to the Relevant Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:

(i) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in these Credit Linked Conditions in respect of such an Insured Instrument shall be construed accordingly;

(ii) references in the definitions of Assignable Loan and Consent Required Loan to the **guarantor** and **guaranteeing** shall be deemed to include the **insurer** and **insuring**, respectively;

(iii) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;

(iv) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument;

(v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur; and

(vi) with respect to a Qualifying Policy and an Insured Instrument, only the Qualifying Policy must satisfy on the relevant date or dates the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, if applicable.

(c) **Outstanding Principal Balance**. References in paragraph (a) of the definition of "Outstanding Principal Balance" in Credit Linked Condition 13 to a Guarantee, the Underlying Obligation and the Underlying Obligor shall be deemed to include a Qualifying Policy, the Insured Instrument and the Insured Obligor respectively. Any provisions of an Insured Instrument limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instruments shall be disregarded for the purposes of limb (ii) of paragraph (b) of the definition of "Outstanding Principal Balance" provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.

(d) **Deliver**. For the purposes of the definition of "Deliver" in Credit Linked Condition 13, "Deliver" with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised

custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and "Delivery" and "Delivered" will be construed accordingly.

(e) **Provisions for Determining a Successor**. Paragraph (a), the paragraph commencing "If two more entities…" and the paragraph commencing "For the purposes of this definition of "Successor…", in each case in the definition of "Successor" in Credit Linked Condition 13 are hereby amended by adding "or Qualifying Policy" after each occurrence of "a Relevant Guarantee". Such paragraph commencing "If two or more entities…" will be further amended by adding "or provider of a Qualifying Policy" after "as guarantor or guarantors".

(f) **Original Non-Standard Reference Obligation, Substitute Reference Obligation and Substitution Event**. The definition of "Original Non-Standard Reference Obligation", paragraph (c)(i) of the definition of "Substitute Reference Obligation" and paragraph (b)(ii) of "Substitution Event" are hereby amended by adding "or Qualifying Policy" after "a guarantee".

(g) **Restructuring**

(i) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (i) to (v) inclusive of the definition of "Restructuring" in Credit Linked Condition 13 are hereby amended to read as follows:

"(i) a reduction in the rate or amount of the Instrument Payments in paragraph (A)(x) of the definition thereof that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);

(ii) a reduction in the amount of the Instrument Payments described in paragraph (A)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);

(iii) a postponement or other deferral of a date or dates for either (x) the payment or accrual of the Instrument Payments described in paragraph (A)(x) of the definition thereof or (y) the payment of the Instrument Payments described in paragraph (A)(y) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;

(iv) a change in the ranking in priority of payment of (x) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (y) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or

(v) any change in the currency of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro as a whole)."

(ii) Paragraph (d) of the definition of "Restructuring" in Credit Linked Condition 13 is hereby amended by adding "or, in the case of a Qualifying Policy and an Insured Instrument, where

(A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy" at the end thereof.

(iii) The definition of "Restructuring" in Credit Linked Condition 13 is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

"For purposes of this definition of "Restructuring" and, if Credit Linked Condition 15 is specified as applying in the applicable Final Terms, for the purposes of Credit Linked Condition 15, the term "Obligation" shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in this definition of "Restructuring" shall be deemed to refer to the Insured Obligor with the exception of the references to the Reference Entity in paragraph (d) inclusive in this definition of "Restructuring" which shall continue to refer to the Reference Entity."

(h) **Fully Transferable Obligation and Conditionally Transferable Obligation**. In the event that "M(M)R Restructuring" applies and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition. References in the definition of "Conditionally Transferable Obligation" to the "guarantor" and "guaranteeing" shall be deemed to include the "insurer" and "insuring" respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "final maturity date", as such term is used in Credit Linked Condition 4 and the definition of "Restructuring Maturity Limitation Date", shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

(i) **Other Provisions**. For purposes of the definitions of "Credit Event", "Deliver" and "Prohibited Action" in Credit Linked Condition 13 references to the "Underlying Obligation" and the "Underlying Obligor" shall be deemed to include "Insured Instruments" and the "Insured Obligor", respectively.

(j) **Additional Definitions**.

**Qualifying Policy** means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in these Credit Linked Conditions) (the **Insured Instrument**) for which another party (including a special purpose entity or trust) is the obligor (the **Insured Obligor**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments).

**Instrument Payments** means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in paragraph (c) above and (2) excluding sums in respect of default interest, indemnities, tax

gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

**Certificate Balance** means, in the case of an Insured Instrument that is in the form of a pass through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

**17. Determinations and Notices**

(a) Determinations and interpretation

The Calculation Agent will determine the day on which an event occurs for purposes of these Credit Linked Conditions on the basis that the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time), irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

In addition, if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time), irrespective of the time zone of its place of payment.

(b) Notices

Any notice to be delivered by the Calculation Agent to the Issuer or the Guarantor (if applicable), as applicable, pursuant to these Credit Linked Conditions may be given in writing (including by facsimile and/or email) and/or by telephone and will be effective when given. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation Agent City Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice. Any notice required to be sent or delivered by the Issuer may be sent or delivered on behalf of the Issuer by any of the Issuer's Affiliates and/or service providers, and any determination or exercise of a discretion required to be made by the Issuer may be delegated by it and made on its behalf by any of the Issuer's Affiliates and/or service providers.

**18. Provisions taken from the ISDA supplement titled "Additional Provisions for LPN Reference Entities" (published on 15 September 2014)**

If this Credit Linked Condition 18 is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in the Credit Linked Conditions, the following provisions will apply:

(a) provisions relating to Multiple Holder Obligation will be deemed to be Not Applicable with respect to any Reference Obligation (and any Underlying Loan);

(b) each Reference Obligation will be an Obligation, notwithstanding anything to the contrary in the Credit Linked Conditions including, but not limited to, the definition of "Obligation" in Credit Linked Condition 13, and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity;

(c) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in the Credit Linked Conditions including, but not limited to, the definition of "Deliverable Obligation" in Credit Linked Condition 13 and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity.

For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation.

The Not Subordinated Obligation Characteristic and Deliverable Obligation Characteristic shall be construed by reference to the Prior Reference Obligation;

(d) the definition of Reference Obligation shall be deleted and the following substituted therefor:

"**Reference Obligation** means each of the obligations listed as a Reference Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List (each a **Markit Published LPN Reference Obligation**), as published by Markit Group Limited, or any successor thereto, as of the Trade Date (which list is, as of the date of this Base Prospectus, available at http://www.markit.com/marketing/services.php), any Additional LPN and each Additional Obligation. Each Reference Obligation determined in accordance with the foregoing will be a Reference Obligation notwithstanding anything to the contrary in the Credit Linked Conditions, and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity. The Standard Reference Obligation shall not apply.

It is intended that there may be more than one Reference Obligation, as a result of which all applicable references in the Credit Linked Conditions to "the Reference Obligation" shall be construed as a reference to "a Reference Obligation", and all other provisions of the Credit Linked Conditions shall be construed accordingly. No Substitution Event may occur and no Substitute Reference Obligation may be determined in respect of an LPN Reference Obligation and the definitions of Substitution Event and Substitute Reference Obligation in this Credit Linked Condition 13 shall be construed accordingly.";

(e) the definition of Original Non-Standard Reference Obligation shall be deleted and the following substituted therefor:

"**Original Non-Standard Reference Obligation** means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in respect of such Reference Entity in the applicable Final Terms (if any is so specified)."

(f) the following additional definitions shall apply:

**Additional LPN** means any bond issued in the form of a loan participation note (a **LPN**) by an entity (the **LPN Issuer**) for the sole purpose of providing funds for the LPN Issuer to (a) finance a loan to the Reference Entity (the **Underlying Loan**) or (b) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the **Underlying Finance Instrument**), provided that (i) either (x) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity or (y) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics (ii) the LPN satisfies the following Deliverable Obligation Characteristics: Transferable, Not Bearer, Credit Linked Specified Currency – Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs.

**Additional Obligation** means each of the obligations listed as an Additional Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List (each a **Markit Published LPN Reference Obligation**), as published by Markit Group Limited, or any successor thereto, as of the Trade Date (which list is, as of the date of this Base Prospectus, available at http://www.markit.com/marketing/services.php).

**First Ranking Interest** means a charge, security interest (or other type of interest having similar effect) (an **Interest**), which is expressed as being "first ranking", "first priority", or similar (**First Ranking**) in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any related insolvency jurisdiction of the LPN Issuer).

**LPN Reference Obligation** means each Reference Obligation other than any Additional Obligation.

For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation constituting a Reference Obligation.

Each LPN Reference Obligation is issued for the sole purpose of providing funds for the LPN Issuer to finance a loan to the Reference Entity. For the purposes of the Credit Linked Conditions each such loan shall be an Underlying Loan.

**19. Amendment of Credit Linked Conditions in accordance with Market Convention**

The Calculation Agent may from time to time amend any provision of these Credit Linked Conditions and the applicable Final Terms 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 Hedging Party (i) to incorporate and/or reflect (x) further or alternative documents or protocols from time to time published by ISDA with respect to the documentation, trading or settlement of credit derivative transactions and/or (y) the operation or application of determinations by the Credit Derivatives Determinations Committees and/or (ii) to reflect or account for market practice for credit derivative transactions and/or reflect the Hedging Arrangements of the Issuer or any of its Affiliates. Any amendment made in accordance with this Credit Linked Condition 19 shall be notified to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable.

**20. Specific Provisions for Credit Linked Warrants**

Any specific amendments to these Credit Linked Conditions which may be required in respect of an issuance of Credit Linked Warrants (which shall be Exempt W&C Securities only) shall be set out in the applicable Final Terms.

**21. Early redemption or exercise of Reference Obligation Only Securities following a Substitution Event**

If the Securities are Reference Obligation Only Securities relating to a single Reference Entity and the event set out in paragraph (a) of the definition of Substitution Event above occurs with respect to the Reference Obligation, then:

(a) in the case of N&C Securities:

(i) interest (if any) shall cease to accrue on the Credit Linked Securities from and including the Coupon Payment Date immediately preceding the relevant Substitution Event Date or, if no

Coupon Payment Date has occurred, no interest will accrue on the Credit Linked Securities; and

(ii) each unit or nominal amount of Credit Linked Securities equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer at its relevant Reference Obligation Only Termination Amount specified in, or determined in the manner specified in, the applicable Final Terms in the Specified Currency on the Maturity Date, which for the purposes of this Credit Linked Condition 21 shall be the day falling five Business Days following the relevant Substitution Event Date; and

(b) in the case of W&C Securities each Credit Linked W&C Security will be cancelled by the Issuer on the day falling five Business Days following the relevant Substitution Event Date at its Early Cancellation Amount as calculated by the Calculation Agent in accordance with W&C Securities Condition 5.

**22. DC Resolution Adjustment Events**

If following the publication of a DC Resolution (the **Prior DC Resolution**), a further DC Resolution (the relevant **Further DC Resolution**) is published the effect of which would be to reverse all or part of the Prior DC Resolution or if any DC Resolution would reverse any determination made by the Calculation Agent and/or the occurrence of a Credit Event Determination Date, notwithstanding any other provisions of these Credit Linked Conditions the Calculation Agent may, in its sole and absolute discretion, make any adjustment(s) that the Calculation Agent determines is necessary or desirable to the N&C Securities Conditions or W&C Securities Conditions, as applicable, or these Credit Linked Conditions to reflect the publication of such Further DC Resolution or DC Resolution, including, without limitation, as a result of the impact or effect of such Further DC Resolution or DC Resolution on the Hedging Arrangements.

**23. Hedging Disruption**

(a) Hedging Disruption Adjustment

In the event that:

(i) the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to:

(A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of the Issuer issuing and performing its obligations with respect to the Securities, or

(B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

(ii) the Reference Obligation no longer exists or other circumstances exist as described in paragraphs (a) or (b) of the definition of Substitution Event and no Substitute Reference Obligation is determined (which the Calculation Agent may determine not to do in its sole discretion); or

(iii) the existing Hedging Arrangements of the Issuer or any Affiliate, or the ability of the Issuer or any Affiliate to enter into new Hedging Arrangements, are affected by any change in any standard terms used in any relevant market (such standard terms including, without limitation, any version of the ISDA Credit Derivative Definitions, any supplements thereto or any other terms or documentation that may be published by ISDA from time to time, and such a change including, without limitation, any amendment to or reinterpretation of any standard terms or

the publication or introduction of new standard terms) or in market practice in any relevant market,

(each of the events described in paragraphs (i) to (iii) above, a **Hedging Adjustment Event**) the Issuer may make such adjustment to the Conditions of the Securities (including, for the avoidance of doubt, these Credit Linked Conditions) as the Issuer determines is appropriate to account for such Hedging Adjustment Event and determine the effective date of that adjustment. Any adjustment made in accordance with this Credit Linked Condition 23 shall be notified to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9.

(b) Hedging Disruption Termination

Notwithstanding the provisions of Credit Linked Condition 23(a) above, if the Issuer determines that no adjustment that it could make under Credit Linked Condition 23(a) above 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 Issuer shall determine by notice given to the Securityholders in accordance with N&C Securities Condition 16 or W&C Securities Condition 9, as applicable, 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.

**24. Physical Settlement Matrix**

(a) Applicability of the provisions of the ISDA Physical Settlement Matrix

If Physical Settlement Matrix is specified as applicable in the applicable Final Terms, each item in the Final Terms in respect of which "See Physical Settlement Matrix" is specified shall, in respect of a Reference Entity, be construed to have the meaning given to it for the relevant Transaction Type in the ISDA Physical Settlement Matrix (as defined in Credit Linked Condition 13 above) but in each case (if relevant) as such provisions of the ISDA Physical Settlement Matrix are amended in accordance with paragraph (b) of this Credit Linked Condition 24. Any relevant item in the Final Terms will be deemed to be "Applicable" in respect of a Reference Entity if such item states "See Physical Settlement Matrix" and, in respect of the relevant Transaction Type for that Reference Entity, the ISDA Physical Settlement Matrix specifies substantially the same term as is specified in the relevant item of the Final Terms, all as determined by the Calculation Agent.

For the avoidance of doubt, none of the other provisions of the relevant Physical Settlement Matrix shall be relevant in determining the terms of the Securities.

(b) Amendments to the provisions of the ISDA Physical Settlement Matrix

To the extent applicable in accordance with paragraph (a) above, the following provisions of the relevant ISDA Physical Settlement Matrix shall be amended as follows:

| **Provision** | **Amendment** |
|---|---|
| Credit Events | References to "Floating Rate Payer Calculation Amount" shall be deemed to be references to "Calculation Amount". |
| Obligation Characteristics/Deliverable Obligation Characteristics | References to "Specified Currency" shall be deemed to be references to "Credit Linked Specified Currency". |

| | |
|---|---|
| Physical Settlement Period | References to "Section 8.19 of the Definitions" shall be deemed to be references to "the definition of Physical Settlement Period in Credit Linked Condition 13". |
| Monoline Supplement | References to "Monoline Supplement" shall be deemed to be references to Credit Linked Condition 16 "Provisions taken from the ISDA supplement titled "Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity"".<br><br>The reference to "the relevant Confirmation" shall be deemed to be a reference to "the applicable Final Terms". |
| LPN Additional Provisions | References to "LPN Additional Provisions" shall be deemed to be references to Credit Linked Condition 18 "Provisions taken from the ISDA supplement titled "Additional Provisions for LPN Reference Entities"". |
| CoCo Reference Entities | References to "2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions (September 15, 2014) " shall be deemed to be references to Credit Linked Condition 25 (Provisions taken from the 2014 CoCo Supplement to the 2014 Credit Derivatives Definitions (published on 15 September 2014)). |
| The Russian Federation | References to "Additional provisions for the Russian Federation (August 13, 2004)" shall be deemed to be references to Credit Linked Condition 26 (Provisions taken from the ISDA Supplement titled "Additional Provisions for the Russian Federation: Obligation Characteristics and Deliverable Obligation Characteristics" (published on 13 August, 2004)). |
| Senior Non-Preferred Reference Obligations | References to "Additional Provisions for Senior Non-Preferred Reference Obligations (published on December 8, 2017)" shall be deemed to be references to Credit Linked Condition 27 (Provisions taken from the ISDA Supplement titled "Additional Provisions for Senior Non-preferred Reference Obligations" (published on 8 December, 2017)). |

| | |
|---|---|
| 2019 Narrowly Tailored Credit Event Provisions | References to "2019 NTCE Supplement to the 2014 ISDA Credit Derivatives Definitions (July 15, 2019)" shall be deemed to be references to Credit Linked Condition 28 (2019 Narrowly Tailored Credit Event Provisions). |

**25. Provisions taken from the 2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions (published on 15 September 2014)**

If this Credit Linked Condition 25 is specified as applicable in the applicable Final Terms in respect of the Reference Entity, notwithstanding anything to the contrary in the Credit Linked Conditions, the following provisions will apply to the Reference Entity:

(a) If, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, the operation of one or more CoCo Provisions results in (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, such event shall be deemed to constitute a Governmental Intervention as defined in Credit Linked Condition 13.

(b) A CoCo Provision shall be deemed to be a provision which permits a Governmental Intervention for all purposes under the Credit Linked Conditions.

(c) The following terms shall have the following meanings:

**Coco Provision** means, with respect to an Obligation, a provision which requires (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, in each case, if the Capital Ratio is at or below the Trigger Percentage.

**Trigger Percentage** means the trigger percentage specified in respect of the Reference Entity (or if no such trigger percentage is specified, 5.25 per cent.).

**Capital Ratio** means the ratio of capital to risk weighted assets applicable to the Obligation, as described in the terms thereof in effect from time to time.

**26. Provisions taken from the ISDA supplement titled "Additional Provisions for the Russian Federation: Obligation Characteristics and Deliverable Obligation Characteristics" (published on 13 August 2004)**

If this Credit Linked Condition 26 is specified as applicable in the applicable Final Terms, notwithstanding the definitions of Obligation and Deliverable Obligation in these Credit Linked Conditions, any obligation that is, in the determination of the Calculation Agent, IANs, MinFins or PRINs shall not be an Obligation or a Deliverable Obligation for the purposes of the Securities, where:

**IANs** means floating rate interest notes due 2002 and 2015 issued by Vnesheconombank of the USSR pursuant to the Restructuring Agreement and an Exchange Agreement, dated as of 6 October 1997, among Vnesheconombank of the USSR, the Closing Agent and Participating Creditors named therein;

**MinFins** (also known as "OVVZs" or "Taiga" bonds) means Internal Government Hard Currency Bonds issued by the Ministry of Finance of the Russian Federation representing (i) restructured debt of the former USSR (Series II, III, IV, V and VIII) or (ii) debt of the Russian Federation issued in 1996 (Series VI and VII); and

**PRINs** means Vnesheconombank's loans arising under a Restructuring Agreement and an Exchange Agreement, dated as of 6 October 1997, among Vnesheconombank of the USSR, the Closing Agent and Participating Creditors named therein.

## 27. Provisions taken from the ISDA supplement titled "Additional Provisions for Senior Non-Preferred Reference Obligations" (published on 8 December 2017)

Notwithstanding anything to the contrary in the Credit Linked Conditions, the provisions of this Credit Linked Condition 27 will apply:

(A) to the Reference Entity in respect of any Credit Linked Securities for which a single Reference Entity is specified in the applicable Final Terms and either (i) this Credit Linked Condition 27 is specified as "Applicable" in item 32 (xxxix) of the applicable Final Terms or (ii) "See Physical Settlement Matrix" is specified in item 32 (xxxix) of the applicable Final Terms and the "Transaction Type" for the Reference Entity is either "Standard European Senior Non-Preferred Financial Corporate" or "European Senior Non-Preferred Financial Corporate"; or

(B) where there is more than one Reference Entity specified in respect of the relevant Credit Linked Securities in the applicable Final Terms, only to those Reference Entities in respect of which (i) if this Credit Linked Condition 27 is specified as "Applicable" in item 32 (xxxix) of the applicable Final Terms, the "Seniority Level" is specified as "Senior Non-Preferred Level" in the Table annexed to the applicable Final Terms or (ii) if "See Physical Settlement Matrix" is specified in item 32 (xxxix) of the applicable Final Terms, the "Transaction Type" is either "Standard European Senior Non-Preferred Financial Corporate" or "European Senior Non-Preferred Financial Corporate".

The provisions of this Credit Linked Condition 27 will not apply in any other circumstances or in respect of any other Reference Entities.

### (a) Amendments to the definitions

(i) Reference Obligation

The definition of "Reference Obligation" in Credit Linked Condition 13 is amended by the insertion of the following language after the words "if any" in the first line of such definition:

"provided that, irrespective of any Original Non-Standard Reference Obligation specified in the applicable Final Terms, if (i) a Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List, such Standard Reference Obligation shall be deemed to constitute the Reference Obligation, or (ii) no such Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List but such Standard Reference Obligation has previously been specified on the SRO List, there shall be deemed to be no Reference Obligation applicable to the Credit Linked Securities and such previously specified Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity shall be deemed to constitute the Prior Reference Obligation".

(ii) Seniority Level

The definition of "Seniority Level" in Credit Linked Condition 13 shall be deleted and replaced with the following:

**Seniority Level** means Senior Non-Preferred Level.

For the avoidance of doubt, any specification of the "Seniority Level" as "Senior Non-Preferred Level" in item 32 (xxxix) of the applicable Final Terms shall apply only to those Reference Entities to which the provisions of this Credit Linked Condition 27 apply.

**(b) Additional definitions**

The following terms shall have the following meanings:

**Senior Non-Preferred Obligation** means any obligation of the Reference Entity which is Subordinated only to any unsubordinated Borrowed Money Obligations of the Reference Entity but not further or otherwise, or which would be so Subordinated if any unsubordinated Borrowed Money Obligations of the Reference Entity existed, and which ranks above Traditional Subordinated Obligations of the Reference Entity or which would so rank if any Traditional Subordinated Obligations of the Reference Entity existed;

**Tier 2 Subordinated Obligation** means any obligation of the Reference Entity which meets the conditions set out in Article 63 of Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013, as such Article may be amended or replaced from time to time (the CRR) or which are (or were at any time) otherwise eligible as a Tier 2 item in accordance with the CRR; and

**Traditional Subordinated Obligation** means each of:

(i) Tier 2 Subordinated Obligations of the Reference Entity;

(ii) any obligations of the Reference Entity which rank or are expressed to rank pari passu with any Tier 2 Subordinated Obligations of the Reference Entity; and

(iii) any obligations of the Reference Entity which are Subordinated to the obligations thereto described in (i) and (ii) above.

**(c) Subordinated Obligation**

A Senior Non-Preferred Obligation shall constitute a Subordinated Obligation for the purposes of the Credit Linked Conditions and it shall be deemed that there is a relevant Reference Obligation which is a Subordinated Obligation for the purposes of the definitions of "Excluded Obligation" and "Relevant Obligations" in Credit Linked Condition 13.

**(d) Further Subordinated Obligation**

A Traditional Subordinated Obligation shall constitute a Further Subordinated Obligation for the purposes of the Credit Linked Conditions.

**(e) Subordination**

"Subordination" shall have the meaning ascribed to it in the definition of "Obligation" in Credit Linked Condition 13 and such term shall be applied in the assessment of any Obligation without regard to how the Obligation is described by the laws of any relevant jurisdiction, including any characterisation of the Obligation as senior or unsubordinated by the laws of any relevant jurisdiction.

## 28. 2019 Narrowly Tailored Credit Event Provisions

If this Credit Linked Condition 28 is specified as applicable in the applicable Final Terms, the following provisions will apply:

(a) The definition of "Failure to Pay" in Credit Linked Condition 13 shall be deleted and replaced with the following:

"**Failure to Pay** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure provided that, if an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination. If "Credit Deterioration Requirement" is specified as applicable in the applicable Final Terms, then, notwithstanding the foregoing, it shall not constitute a Failure to Pay if such failure does not directly or indirectly either result from, or result in, a deterioration in the creditworthiness or financial condition of the Reference Entity. In the event that the Calculation Agent makes any such determination, it may take into account the guidance note set out in paragraph 3 (*Interpretive Guidanc*e) of the ISDA 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions (published on July 15, 2019).".

(b) The definition of "Outstanding Principal Balance" in Credit Linked Condition 13 shall be deleted and replaced with the following

"**Outstanding Principal Balance** means the outstanding principal balance of an obligation which will be calculated as follows:

(a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);

(b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the **Non-Contingent Amount**); and

(c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

(i) unless otherwise specified, in accordance with the terms of the obligation in effect on either (A) such date as the Calculation Agent determines appropriate taking into account the Hedging Arrangements or (B) the relevant Valuation Date; and

(ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

For the purposes of paragraph (ii) above, **applicable laws** shall include any bankruptcy or insolvency law or other law affecting creditors' rights to which the relevant obligation is, or may become, subject.

If "Fallback Discounting" is specified as applicable in the applicable Final Terms, then, notwithstanding the above, if (i) the Outstanding Principal Balance of an obligation is not reduced or discounted under paragraph (ii) above, (ii) that obligation is either a Bond that has an issue price less than ninety-five per cent of the principal redemption amount or a Loan where the amount advanced is less than ninety-five per cent of the principal repayment amount, and (iii) such Bond or Loan does not include provisions relating to the accretion over time of the amount which would be payable on an early redemption or repayment of such Bond or Loan that are customary for the applicable type of Bond or Loan as the case may be, then the Outstanding Principal Balance of such Bond or Loan shall be the lesser of (a) the Non-Contingent Amount; and (b) an amount determined by straight line interpolation between the issue price of the Bond or the amount advanced under the Loan and the principal redemption amount or principal repayment amount, as applicable.

For the purposes of determining whether the issue price of a Bond or the amount advanced under a Loan is less than ninety-five per cent of the principal redemption amount or principal repayment amount (as applicable) or, where applicable, for applying straight line interpolation:

(x) where such Bond or Loan was issued as a result of an exchange offer, the issue price or amount advanced of the new Bond or Loan resulting from the exchange shall be deemed to be equal to the aggregate Outstanding Principal Balance of the original obligation(s) that were tendered or exchanged (the **Original Obligation(s)**) at the time of such exchange (determined without regard to market or trading value of the Original Obligation(s)); and

(y) in the case of a Bond or Loan that is fungible with a prior debt obligation previously issued by the Reference Entity, such Bond or Loan shall be treated as having the same issue price or amount advanced as the prior debt obligation.

In circumstances where a holder would have received more than one obligation in exchange for the Original Obligation(s), the Calculation Agent will determine the allocation of the aggregate Outstanding Principal Balance of the Original Obligation(s) amongst each of the resulting obligations for the purpose of determining the issue price or amount advanced of the relevant Bond or Loan. Such allocation will take into account the interest rate, maturity, level of subordination and other terms of the obligations that resulted from the exchange and shall be made by the Calculation Agent in accordance with the methodology (if any) determined by the relevant Credit Derivatives Determinations Committee."

## FORMS OF GUARANTEES

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

## FORM OF NHI GUARANTEE

**THIS DEED OF GUARANTEE** amends and restates the Deed of Guarantee dated 22 February 2021 of Nomura Holdings, Inc. (the **Guarantor**) and is given on 7 October 2021 by the Guarantor.

**WHEREAS**:

(A) Nomura International Funding Pte. Ltd. (the **Issuer**) and the Guarantor have entered into an amended and restated Agency Agreement dated on or about 7 October 2021 (as the same may be supplemented, amended and/or restated from time to time, the **Agency Agreement**) with, *inter alios*, Citibank, N.A., London Branch as Principal Agent and Citigroup Global Markets Europe AG as Registrar pursuant to which the Issuer may from time to time issue Securities under its Note, Warrant and Certificate Programme (the **Programme**).

(B) The applicable final terms (the **Final Terms**) relating to each series of Securities will specify whether or not those Securities are Guaranteed N&C Securities or Guaranteed W&C Securities and if so whether the guarantor is Nomura Holdings, Inc. and any Securities specified as such shall, for the purposes of this Guarantee and subject as provided in Clause 4 below in respect of W&C Securities, be referred to as **Guaranteed Securities**.

(C) In respect of the guarantee of each Series of Guaranteed W&C Securities, the application of the Guarantee to such Series of Guaranteed W&C Securities is subject to authorisation on a case by case basis from an executive officer of the Guarantor authorised by the Guarantor's Executive Management Board, all as provided in Clause 4 below.

(D) Terms defined in (i) the Terms and Conditions of the N&C Securities or the Terms and Conditions of the W&C Securities (as applicable) and (ii) each applicable annex of additional terms and conditions (together, the **Conditions**) in the form referred to in the definition of "Conditions" in the Agency Agreement and not otherwise defined in this Guarantee shall have the same meaning when used in this Guarantee.

(E) Any Guaranteed Securities for which Nomura Holdings, Inc. is specified to be the applicable Guarantor, issued on or after the date of this Guarantee will be guaranteed pursuant to this Guarantee other than any Guaranteed Securities issued so as to be consolidated and form a single Series with any Guaranteed Securities issued prior to the date hereof. This does not affect any Guaranteed Securities issued prior to the date of this Guarantee, in relation to which such previous form of guarantee as applied to those Guaranteed Securities on issue, will continue to apply.

**NOW THIS DEED WITNESSETH** as follows:

1. The Guarantor as primary obligor hereby irrevocably and unconditionally guarantees to the holder (as such term is used in the Conditions) from time to time of each Guaranteed Security (each a **Relevant Holder**) (which, in the case of an N&C Security, shall include any Receiptholder and/or Couponholder, if applicable) by way of continuing guarantee:

    (a) the due and punctual payment of all amounts payable by the Issuer on or in relation to such Guaranteed Securities as and when the same shall become due to be paid under the Conditions;

(b) the due and punctual performance of any delivery obligations (**Delivery Obligations**) assumed or incurred by the Issuer on or in relation to such Guaranteed Securities as and when the same shall become due to be performed under the Conditions; and

(c) the due and punctual performance and observance by the Issuer of each of the other provisions of the Conditions in relation to such Guaranteed Securities (the **Relevant Obligations**) to be performed or observed by it thereunder.

2. The Guarantor as primary obligor unconditionally and irrevocably agrees that if and each time that the Issuer shall fail to make any payments, perform any Delivery Obligations or perform or observe any Relevant Obligations as and when the same become due to be paid, performed or observed, the Guarantor will on demand (without requiring the Relevant Holder first to take steps against the Issuer or any other person) (i) pay to the Relevant Holder the relevant amounts payable in the currency in which they are payable by the Issuer or (ii) perform or observe or procure the performance or observation of the relevant Delivery Obligation or Relevant Obligation (in each case as to which the certificate of the Relevant Holder shall in the absence of manifest error be conclusive).

3. In respect of any Guaranteed Security, without affecting the obligations of the Issuer thereunder, the Guarantor will be liable under this Guarantee as if it were the sole principal obligor and not merely a surety in respect of such Guaranteed Security. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal obligor (including (a) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (b) any amendment to such Guaranteed Security or to any security or other guarantee or indemnity in respect of such Guaranteed Security, (c) the making or absence of any demand on the Issuer or any other person for payment or performance of any Delivery Obligation or Relevant Obligation under such Guaranteed Security, (d) the enforcement or absence of enforcement of such Guaranteed Security or of any security or other guarantee or indemnity in respect of such Guaranteed Security, (e) the release of any such security, guarantee or indemnity, (f) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (g) the illegality, invalidity or unenforceability of or any defect in any provision of such Guaranteed Security or any of the Issuer's obligations thereunder).

4. Notwithstanding any other provision in this Guarantee, the Guarantor's obligations under this Guarantee in respect of each Series of Guaranteed W&C Securities only are subject to the conditions precedent set out in (a) and (b) below:

(a) the receipt by the Issuer at least one Business Day prior to the Issue Date for the relevant Series of W&C Securities of a certified copy of an English translation of a written determination of an executive officer of the Guarantor authorised by the Executive Management Board of the Guarantor (an **NHI Approval**) authorising the application of this Guarantee to the relevant Series of W&C Securities and, in particular confirming that such resolution or determination is provided:

(i) in contemplation of the terms of this Guarantee;

(ii) for the purposes of authorising the guarantee of the relevant Series of W&C Securities; and

(iii) specifically referencing the relevant Series of W&C Securities to which such authorisation applies; and

(b) the date of the relevant NHI Approval is included in the applicable Final Terms for such W&C Securities.

The term Guaranteed W&C Securities and Guaranteed Securities as used in this Guarantee shall only refer to such W&C Securities as comply with the requirements of this Clause 4.

5. The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains, or is capable of remaining, payable or deliverable under any Guaranteed Security. Furthermore, these obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of a Relevant Holder, whether from the Guarantor or otherwise, in respect of such Guaranteed Security.

6. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest or notice with respect to the relevant Guaranteed Securities or the indebtedness evidenced thereby and all demands whatsoever and hereby covenants that this Guarantee shall be a continuing guarantee, which shall not be discharged except by complete performance of the obligations contained in the Conditions in respect of the relevant Guaranteed Securities.

7. If any payment or other consideration received by a Relevant Holder under any Guaranteed Security is, on the subsequent bankruptcy, insolvency or corporate reorganisation of the Issuer or other such similar event, avoided or set aside under any laws relating to liquidation or insolvency, such payment or consideration will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment or consideration had at all times remained owing by the Issuer and the Guarantor shall indemnify the Relevant Holders in respect thereof PROVIDED THAT the obligations of the Guarantor under this Clause shall, as regards each payment made to any Relevant Holder which is so avoided or set aside, be contingent upon such payment being reimbursed to the Issuer or other persons entitled through the Issuer.

8. The obligations of the Guarantor under this Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Clause 9 below in respect of Guaranteed N&C Securities only) unsecured obligations of the 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 the Guarantor.

9. In respect only of Guaranteed Securities which are N&C Securities (**Guaranteed N&C Securities**), the Guarantor undertakes that so long as any of the Guaranteed N&C Securities remain outstanding as defined in the Agency Agreement, 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, (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:

   (a) 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 Guarantor (the **Guarantor's Currency**) which 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 Guarantor (the **Guarantor's Jurisdiction**) which is Japan, by or with the authorisation of the Guarantor or (if not the Guarantor) the Issuer; and

   (b) 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 this 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 Guarantor, or any other person with a stated maturity of more than one year from the creation thereof.

10. Withholding or deduction:

10.1 All payments made under this Guarantee by the Guarantor in respect of any Guaranteed N&C Security will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Guarantor's Jurisdiction, or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Guarantor (or as the case may be, the relevant Paying Agent) will make such payment after the withholding or deduction of such taxes, duties, assessments or governmental charges has been made, shall account to the relevant authorities for the amount required to be withheld or deducted and:

(a) in the case of N&C Securities which are specified as being Reference Item Linked N&C Securities in the applicable Final Terms, unless the provisions of N&C Securities Condition 9.1.2 of the Conditions are specified to apply to the Securities in the applicable Final Terms, the Guarantor shall not pay any additional amounts to the Relevant Holders; and

(b) in the case of (A) N&C Securities which are not specified as being Reference Item Linked N&C Securities in the applicable Final Terms and (B) Reference Item Linked N&C Securities in respect of which the provisions of N&C Securities Condition 9.1.2 of the Conditions are specified to apply to the Securities in the applicable Final Terms, the Guarantor will, subject to certain limitations and exceptions (set forth below), pay such additional amounts as may be necessary in order that the net amounts received by the Relevant Holders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the N&C Securities, or, as the case may be, Receipts or Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any N&C Security, Receipt or Coupon:

(i) presented for payment or in respect of which payment is requested in the Guarantor's Jurisdiction;

(ii) presented for payment or in respect of which payment is requested by or on behalf of a Relevant Holder (a) who is, for tax purposes in the Guarantor's Jurisdiction or (b) who is otherwise subject to such taxes and duties by reason of having some connection with the Guarantor's Jurisdiction other than the mere holding of such N&C Security, Receipt or Coupon; or

(iii) presented for payment or in respect of which payment is requested more than 30 days after the Relevant Date (as defined below) except to the extent that the Relevant Holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in the Conditions).

In addition, no such additional amounts shall be payable with respect to (i) any withholding or deduction required pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 (the **Code**), and (ii) 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.

As used herein:

**Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Securityholders in accordance with the Conditions.

10.2 The Guarantor shall not 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 under this Guarantee by the Guarantor in respect of any W&C Security shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

11. The Guarantor hereby warrants, represents and covenants with each Relevant Holder that it has all corporate power, and, subject as provided in Clause 4 above in respect of W&C Securities has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Guarantee, and that this Guarantee constitutes its legal, valid and binding obligation in accordance with its terms.

12. This Guarantee shall enure for the benefit of the Relevant Holders and shall be deposited with and held by the Principal Agent. The Guarantor hereby acknowledges the right of every Relevant Holder to the production of, and the right of every Relevant Holder to obtain a copy of, this Guarantee, and further acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the account of, each and every Relevant Holder, and that each such Relevant Holder shall be entitled severally to enforce the said obligations against the Guarantor.

13. Until all amounts which may be payable under the Guaranteed Securities have been irrevocably paid in full and all Delivery Obligations and/or Relevant Obligations of the Issuer thereunder have been performed in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Relevant Holder or claim in competition with the Relevant Holders against the Issuer.

14. The Guarantor may not assign or transfer its rights or obligations under this Guarantee without the approval of an Extraordinary Resolution of the Relevant Holders of the relevant Guaranteed Securities and any purported assignment or delegation without such approval will be void; provided, however, that approval will not be required for the assumption by a Substituted Guarantor (as defined below) of the rights and obligations of the Guarantor under this Guarantee in the circumstances described in Clause 15 below.

15. In the event that another company (the **Substituted Guarantor**) is substituted for the Guarantor as guarantor in relation to Guaranteed Securities in accordance with the Conditions, the Guarantor will procure that the Substituted Guarantor shall assume all of its rights and obligations hereunder.

16. All communications to the Guarantor shall be by fax or letter delivered by hand or by telephone, marked for the attention of, or (in the case of communication by telephone) to, the person or department from time to time notified by the Guarantor in accordance with the Conditions. The initial telephone number, fax number and person or department so specified by the Guarantor are set out below:

**Nomura Holdings, Inc.**
c/o Nomura Securities Co., Ltd.
13-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Telephone: +81 3 6746 7720
Telefax: +81 3 6702 7850
Attention: Head of Treasury Department

17. If any provision in or obligation under this Deed is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Deed, and (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Deed.

18. Governing Law and Submission to Jurisdiction

18.1 Governing law

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

18.2 Jurisdiction

(a) Subject to sub-clause (c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Guarantee, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (a **Dispute**) and each of the Guarantor and any relevant Relevant Holders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of sub-clauses (a) and (c), the Guarantor waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Relevant Holders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

18.3 Service of process

The Guarantor irrevocably appoints Nomura International plc at its registered office at 1 Angel Lane, London EC4R 3AB, United Kingdom as its agent under this Guarantee for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Nomura International plc being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Guarantor agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Clause 18 shall affect the right to serve process in any other manner permitted by law.

**IN WITNESS** whereof this Guarantee has been entered into as a deed by the Guarantor on the date which appears first on page 1.

Executed as a deed by )
**NOMURA HOLDINGS, INC.**
and signed and delivered as a deed )
on its behalf by: )

In the presence of:

Witness's signature:

Name:

Address:

## FORM OF NSC GUARANTEE

**THIS DEED OF GUARANTEE** amends and restates the Deed of Guarantee dated 22 February 2021 of Nomura Securities Co., Ltd. (the **Guarantor**) and is given on 7 October 2021 by the Guarantor.

**WHEREAS**:

(A) Nomura International Funding Pte. Ltd. (the **Issuer**) and the Guarantor have entered into an amended and restated Agency Agreement dated on or about 7 October 2021 (as the same may be supplemented, amended and/or restated from time to time, the **Agency Agreement**) with, *inter alios*, Citibank, N.A., London Branch as Principal Agent and Citigroup Global Markets Europe AG as Registrar pursuant to which the Issuer may from time to time issue Securities under its Note, Warrant and Certificate Programme (the **Programme**).

(B) The applicable final terms (the **Final Terms**) relating to each series of N&C Securities will specify whether or not those Securities are Guaranteed N&C Securities and if so whether the guarantor is Nomura Securities Co., Ltd. and any N&C Securities specified as such shall, for the purposes of this Guarantee, be referred to as **Guaranteed Securities**.

(C) Terms defined in (i) the Terms and Conditions of the N&C Securities and (ii) each applicable annex of additional terms and conditions (together, the **Conditions**) in the form referred to in the definition of "Conditions" in the Agency Agreement and not otherwise defined in this Guarantee shall have the same meaning when used in this Guarantee.

(D) Any Guaranteed Securities for which Nomura Securities Co., Ltd. is specified to be the applicable Guarantor, issued on or after the date of this Guarantee will be guaranteed pursuant to this Guarantee other than any Guaranteed Securities issued so as to be consolidated and form a single Series with any Guaranteed Securities issued prior to the date hereof. This does not affect any Guaranteed Securities issued prior to the date of this Guarantee, in relation to which such previous form of guarantee as applied to those Guaranteed Securities on issue, will continue to apply.

**NOW THIS DEED WITNESSETH** as follows:

1. The Guarantor as primary obligor hereby irrevocably and unconditionally guarantees to the holder (as such term is used in the Conditions) from time to time of each Guaranteed Security (each a **Relevant Holder**) (which shall include any Receiptholder and/or Couponholder, if applicable) by way of continuing guarantee:

   (a) the due and punctual payment of all amounts payable by the Issuer on or in relation to such Guaranteed Securities as and when the same shall become due to be paid under the Conditions;

   (b) the due and punctual performance of any delivery obligations (**Delivery Obligations**) assumed or incurred by the Issuer on or in relation to such Guaranteed Securities as and when the same shall become due to be performed under the Conditions; and

   (c) the due and punctual performance and observance by the Issuer of each of the other provisions of the Conditions in relation to such Guaranteed Securities (the **Relevant Obligations**) to be performed or observed by it thereunder.

2. The Guarantor as primary obligor unconditionally and irrevocably agrees that if and each time that the Issuer shall fail to make any payments, perform any Delivery Obligations or perform or observe any Relevant Obligations as and when the same become due to be paid, performed or observed, the Guarantor will on demand (without requiring the Relevant Holder first to take steps against the Issuer or any other person) (i) pay to the Relevant Holder the relevant amounts payable in the currency in which they are payable by the Issuer or (ii) perform or observe or procure the performance or

observation of the relevant Delivery Obligation or Relevant Obligation (in each case as to which the certificate of the Relevant Holder shall in the absence of manifest error be conclusive).

3. In respect of any Guaranteed Security, without affecting the obligations of the Issuer thereunder, the Guarantor will be liable under this Guarantee as if it were the sole principal obligor and not merely a surety in respect of such Guaranteed Security. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal obligor (including (a) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (b) any amendment to such Guaranteed Security or to any security or other guarantee or indemnity in respect of such Guaranteed Security, (c) the making or absence of any demand on the Issuer or any other person for payment or performance of any Delivery Obligation or Relevant Obligation under such Guaranteed Security, (d) the enforcement or absence of enforcement of such Guaranteed Security or of any security or other guarantee or indemnity in respect of such Guaranteed Security, (e) the release of any such security, guarantee or indemnity, (f) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (g) the illegality, invalidity or unenforceability of or any defect in any provision of such Guaranteed Security or any of the Issuer's obligations thereunder).

4. The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains, or is capable of remaining, payable or deliverable under any Guaranteed Security. Furthermore, these obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of a Relevant Holder, whether from the Guarantor or otherwise, in respect of such Guaranteed Security.

5. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest or notice with respect to the relevant Guaranteed Securities or the indebtedness evidenced thereby and all demands whatsoever and hereby covenants that this Guarantee shall be a continuing guarantee, which shall not be discharged except by complete performance of the obligations contained in the Conditions in respect of the relevant Guaranteed Securities.

6. If any payment or other consideration received by a Relevant Holder under any Guaranteed Security is, on the subsequent bankruptcy, insolvency or corporate reorganisation of the Issuer or other such similar event, avoided or set aside under any laws relating to liquidation or insolvency, such payment or consideration will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment or consideration had at all times remained owing by the Issuer and the Guarantor shall indemnify the Relevant Holders in respect thereof PROVIDED THAT the obligations of the Guarantor under this Clause shall, as regards each payment made to any Relevant Holder which is so avoided or set aside, be contingent upon such payment being reimbursed to the Issuer or other persons entitled through the Issuer.

7. The obligations of the Guarantor under this Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Clause 8 below) unsecured obligations of the 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 the Guarantor.

8. The Guarantor undertakes that so long as any of the Guaranteed Securities remain outstanding as defined in the Agency Agreement, 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, (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:

(a) 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 Guarantor (the **Guarantor's Currency**) which 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 Guarantor (the **Guarantor's Jurisdiction**) which is Japan, by or with the authorisation of the Guarantor or (if not the Guarantor) the Issuer; and

(b) 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 this 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 Guarantor, or any other person with a stated maturity of more than one year from the creation thereof.

9. Withholding or deduction:

All payments made under this Guarantee by the Guarantor in respect of any Guaranteed Security will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Guarantor's Jurisdiction, or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Guarantor (or as the case may be, the relevant Paying Agent) will make such payment after the withholding or deduction of such taxes, duties, assessments or governmental charges has been made, shall account to the relevant authorities for the amount required to be withheld or deducted and:

(a) in the case of Guaranteed Securities which are specified as being Reference Item Linked N&C Securities in the applicable Final Terms, unless the provisions of N&C Securities Condition 9.1.2 of the Conditions are specified to apply to the Securities in the applicable Final Terms, the Guarantor shall not pay any additional amounts to the Relevant Holders; and

(b) in the case of (A) Guaranteed Securities which are not specified as being Reference Item Linked N&C Securities in the applicable Final Terms and (B) Reference Item Linked N&C Securities in respect of which the provisions of N&C Securities Condition 9.1.2 of the Conditions are specified to apply to the Securities in the applicable Final Terms, the Guarantor will, subject to certain limitations and exceptions (set forth below), pay such additional amounts as may be necessary in order that the net amounts received by the Relevant Holders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Guaranteed Securities, or, as the case may be, Receipts or Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any such Guaranteed Security, Receipt or Coupon:

(i) presented for payment or in respect of which payment is requested in the Guarantor's Jurisdiction;

(ii) presented for payment or in respect of which payment is requested by or on behalf of a Relevant Holder (a) who is, for tax purposes in the Guarantor's Jurisdiction or (b)

who is otherwise subject to such taxes and duties by reason of having some connection with the Guarantor's Jurisdiction other than the mere holding of such Guaranteed Security, Receipt or Coupon; or

(iii) presented for payment or in respect of which payment is requested more than 30 days after the Relevant Date (as defined below) except to the extent that the Relevant Holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in the Conditions).

In addition, no such additional amounts shall be payable with respect to (i) any withholding or deduction required pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 (the **Code**), and (ii) 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.

As used herein:

**Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Securityholders in accordance with the Conditions.

10. The Guarantor hereby warrants, represents and covenants with each Relevant Holder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Guarantee, and that this Guarantee constitutes its legal, valid and binding obligation in accordance with its terms.

11. This Guarantee shall enure for the benefit of the Relevant Holders and shall be deposited with and held by the Principal Agent. The Guarantor hereby acknowledges the right of every Relevant Holder to the production of, and the right of every Relevant Holder to obtain a copy of, this Guarantee, and further acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the account of, each and every Relevant Holder, and that each such Relevant Holder shall be entitled severally to enforce the said obligations against the Guarantor.

12. Until all amounts which may be payable under the Guaranteed Securities have been irrevocably paid in full and all Delivery Obligations and/or Relevant Obligations of the Issuer thereunder have been performed in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Relevant Holder or claim in competition with the Relevant Holders against the Issuer.

13. The Guarantor may not assign or transfer its rights or obligations under this Guarantee without the approval of an Extraordinary Resolution of the Relevant Holders of the relevant Guaranteed Securities and any purported assignment or delegation without such approval will be void; provided, however, that approval will not be required for the assumption by a Substituted Guarantor (as defined below) of the rights and obligations of the Guarantor under this Guarantee in the circumstances described in Clause 14 below.

14. In the event that another company (the **Substituted Guarantor**) is substituted for the Guarantor as guarantor in relation to Guaranteed Securities in accordance with the Conditions, the Guarantor will procure that the Substituted Guarantor shall assume all of its rights and obligations hereunder.

15. All communications to the Guarantor shall be by fax or letter delivered by hand or by telephone, marked for the attention of, or (in the case of communication by telephone) to, the person or

department from time to time notified by the Guarantor in accordance with the Conditions. The initial telephone number, fax number and person or department so specified by the Guarantor are set out below:

**Nomura Securities Co., Ltd.**
13-1, Nihonbashi 1-chome
Chuo-ku, Tokyo 103-8011

Telephone: +81 3 6746 7720
Telefax: +81 3 6702 7850
Attention: Head of Treasury Department

16. If any provision in or obligation under this Deed is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Deed, and (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Deed.

17. Governing Law and Submission to Jurisdiction

17.1 Governing law

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

17.2 Jurisdiction

(a) Subject to sub-clause (c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Guarantee, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (a **Dispute**) and each of the Guarantor and any Relevant Holders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of sub-clauses (a) and (c), the Guarantor waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Relevant Holders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

17.3 Service of process

The Guarantor irrevocably appoints Nomura International plc at its registered office at 1 Angel Lane, London EC4R 3AB, United Kingdom as its agent under this Guarantee for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Nomura International plc being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Guarantor agrees that a failure by a process agent to notify it of any process will not invalidate service. Nothing in this clause 17 shall affect the right to serve process in any other manner permitted by law.

**IN WITNESS** whereof this Guarantee has been entered into as a deed by the Guarantor on the date which appears first on page 1.

Executed as a deed by )
**NOMURA SECURITIES CO., LTD.**
and signed and delivered as a deed )
on its behalf by: )

In the presence of:

Witness's signature:

Name:

Address:

## BOOK-ENTRY CLEARANCE SYSTEMS

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

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the **Book-Entry Clearing Systems**) currently in effect. Investors wishing to use the facilities of any of the Book-Entry Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Book-Entry Clearing System. Neither the Issuer, the Guarantors nor any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Securities held through the facilities of any Book-Entry Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

**Book-Entry Systems**

*DTC*

DTC has advised the Issuer and the Guarantors that it is a limited-purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerised book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depositary Trust & Clearing Corporation (**DTCC**). DTCC, in turn, is owned by a number of Direct Participants and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the depositary system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly (**Indirect Participants** and, together with Direct Participants, **Participants**). The rules applicable to Direct Participants are on file with the U.S. Securities and Exchange Commission. More information about DTC can be found at its internet web site at http://www.dtcc.com , but such information is not incorporated by reference in and does not form part of this Base Prospectus.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of registered Securities among Direct Participants on whose behalf it acts with respect to Securities accepted into DTC's book-entry settlement system (**DTC Securities**) as described below and receives and transmits payments on DTC Securities. Direct Participants and Indirect Participants with which beneficial owners of DTC Securities (**Beneficial Owners**) have accounts with respect to the DTC Securities similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Beneficial Owners. Accordingly, although Beneficial Owners who hold DTC Securities through Direct Participants or Indirect Participants will not possess registered Securities, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect to the DTC Securities.

Purchases of DTC Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Securities on DTC's records. The ownership interest of each actual purchaser of each DTC Securities being a Beneficial Owner, is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners.

Beneficial Owners will not receive certificates representing their ownership interests in DTC Securities, except in the event that use of the book-entry system for the DTC Securities is discontinued.

To facilitate subsequent transfers, all DTC Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or any other nominee as may be requested by an authorised representative of DTC. The deposit of DTC Securities with DTC and their registration in the name of Cede & Co. or any other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Securities unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Securities will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Securities, DTC will exchange the DTC Securities for definitive registered Securities, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Security, will be legended as set forth under "***Notice to Purchasers and Holders of Securities and Transfer Restrictions***". Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Securities to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Securities, will be required to withdraw its registered Securities from DTC as described below.

DTC may discontinue providing its services as depository with respect to the DTC Securities at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Securities certificates are required to be printed and delivered.

*Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several

countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

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

**Book-entry Ownership of and Payments in respect of DTC Securities**

The Issuer may apply to DTC in order to have any series of Securities represented by a registered Global Security accepted in its book-entry settlement system. Upon the issue of such registered Global Security, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts or number of the individual beneficial interests represented by such registered Global Security to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in any such registered Global Security will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Security, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Security accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a registered Global Security accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Security. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the registered Global Security in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to Beneficial Owners of DTC Securities will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, any Agent, the Registrar, the New York Security Agent or the Issuer. Payments of principal, premium, if any, and interest, if any, on securities to DTC is the responsibility of the Issuer.

*Rule 144A Global W&C Securities*

Payments in U.S. dollars in respect of a Rule 144A Global W&C Security registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such W&C Security. In the case of any payment in a currency other than U.S. dollars, payment will be made to the New York Security Agent on behalf of DTC's nominee and the New York Security Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Rule 144A Global W&C Security held through DTC in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

**Transfers of Securities Represented by Registered Global Securities**

Transfers of any interests in Securities represented by a registered Global Security within DTC, Euroclear and/or Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Securities represented by a registered Global Security to such persons may depend upon the ability to exchange such Securities for Securities in definitive form. Similarly, because DTC can only act on behalf of Direct

Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Securities represented by a registered Global Security accepted by DTC to pledge such Securities to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Securities may depend upon the ability to exchange such Securities for Securities in definitive form. The ability of any holder of Securities represented by a registered Global Security accepted by DTC to resell, pledge or otherwise transfer such Securities may be impaired if the proposed transferee of such Securities is not eligible to hold such Securities through a Direct or Indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the registered Global Securities described under "*Notice to Purchasers and Holders of Securities and Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear and/or Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, Principal Agent, the New York Security Agent and any custodian (**Custodian**) with whom the relevant Global W&C Securities or Registered Global N&C Securities, as applicable, have been deposited.

On or after the Issue Date for any Securities, transfers of such Securities (or beneficial interests therein) between accountholders in Euroclear and Clearstream, Luxembourg and transfers of such Securities (or beneficial interests therein) between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear, Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear/Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global W&C Securities or Registered Global N&C Securities, as applicable, will be effected through the Registrar, Principal Agent, the New York Security Agent and the Custodian (as applicable) receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear/Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The Securities (or beneficial interests therein) will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Euroclear and Clearstream, Luxembourg have each published rules and operating procedures designed to facilitate transfers of beneficial interests in registered Global Securities among participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantors, the Agents or any Dealer will be responsible for any performance by DTC, Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Securities represented by Global W&C Securities or Registered Global N&C Securities, as applicable, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

**Euroclear Sweden**

Euroclear Sweden (formerly known as VPC AB) is a Swedish private limited liability company managing account operations and clearing activities for the Swedish financial market. Euroclear Sweden is an authorised central securities depositary pursuant to the Swedish Financial Instruments Accounts Act (SFS 1998: 1479) (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) and is acting under the supervision of the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*). Euroclear Sweden is owned by Euroclear S.A.

For each Security issued through Euroclear Sweden, a CSD Register (Sw.*avstämningsregister*) is created. The CSD Register will consist of a number of accounts, one for each holder of the Security in question. Such account is opened by the holder in person or by a nominee (*Sw. förvaltare*) on behalf of the holder. Title to a registered Security is transferred through registration in the system operated by Euroclear Sweden (the VPC System).

In conjunction with an issue of securities to be registered in the VPC System, the Issuer must engage a financial institution authorised by Euroclear Sweden to operate as an issuer agent. The issuer agent is responsible for ensuring that the instructions received from the Issuer with respect to the issue are duly registered. The issuer agent will be authorised to act on behalf of the Issuer in dealings with Euroclear Sweden.

**SIX SIS AG**

Swiss Securities will be cleared through SIX SIS Ltd. The address of SIX SIS Ltd. is SIX SIS Ltd, Baslerstrasse 100, CH-4600 Olten, P.O. Box 1626, CH-4601 Olten. The appropriate Common Code, ISIN and Swiss Security Number for each Tranche of Swiss Securities will be specified in the applicable Final Terms.

If the Swiss Securities are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

## NOTICE TO PURCHASERS AND HOLDERS OF SECURITIES AND TRANSFER RESTRICTIONS

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

*As a result of the following restrictions, purchasers of Securities are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Securities.*

### Transfer Restrictions

*Regulation S Investors*

Each non-U.S. person purchasing Securities outside the United States in offshore transactions pursuant to Regulation S (a **Regulation S Investor**) will be deemed to have represented, warranted and agreed as follows (unless otherwise defined, terms used herein that are defined in Regulation S are used as defined therein):

(a) (i)(A) It is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the **Securities Act**) (**Regulation S**), or (B) if the Final Terms in respect of an offering of Securities indicates that such Securities are not eligible to be offered, sold, resold, transferred, pledged, delivered or redeemed, directly or indirectly, in the United States or to or for the account or benefit of 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 United States Commodity Exchange Act of 1936, as amended (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 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, (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 (each such person, a **U.S. Person**), it is not a U.S. Person, and (ii) it is acquiring the Securities in an offshore transaction outside the United States pursuant to Rule 903 or 904 of Regulation S.

(b) It understands that (A) neither the Securities, the Guarantee nor, in certain cases where applicable, the Entitlement have been or will be registered under the Securities Act or any applicable state securities laws and neither the Issuer nor the Guarantors has been or will be registered as an "investment company" under the United States Investment Company Act of 1940, as amended (the **1940 Act**), (B) 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, (C) neither the Securities nor any beneficial interest therein may be re-offered, resold, pledged or otherwise transferred except in accordance with the provisions set out below or any other restriction set out in the applicable Final Terms and (D) it will notify any transferee of such transfer restrictions and that each subsequent holder will be required to notify any subsequent transferee of such Securities of such transfer restrictions. It acknowledges that the Issuer reserves the right prior to any sale or other transfer to require the delivery of such certifications, legal opinions and other information as the Issuer may reasonably require to confirm that the proposed sale or other transfer complies with the transfer restrictions.

Notwithstanding any other provision contained in this Notice, if the Final Terms in respect of an offering of Securities indicates that such Securities are not eligible to be offered, sold, resold, transferred, pledged, delivered or redeemed, directly or indirectly, in the United States or to or for the account or benefit of U.S. Persons, each Regulation S Investor acknowledges and agrees to the

selling and transfer restrictions under the federal securities and commodities laws of the United States as indicated and set out in such Final Terms.

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

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

(e) Neither the Issuer nor the Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Securities.

(f) It acknowledges that each of the Global Securities will bear legends substantially to the effect set out below and that the Issuer has covenanted not to remove either such legend so long as it shall be necessary for the Issuer to rely on the exception to the 1940 Act set out in Section 3(c)(7) thereof.

Each subsequent transferee of a Regulation S Security will be deemed to have made the same representations, warranties and agreements above.

*U.S. Investors*

Unless otherwise provided in the applicable Final Terms, each initial purchaser of Securities eligible to be offered and sold in the United States or to, or for the account or benefit of, U.S. persons (a **Rule 144A Security**) that is not a Regulation S Investor (a **U.S. Investor**) will be required to execute and deliver an Investor Representation Letter substantially in the form set out in the Agency Agreement and described below. In addition, transfers of interests in Global Securities (which term shall include both N&C Securities and/or W&C Securities, as the context permits) may require the delivery of a Transfer Certificate in the form set out in the Agency Agreement and may require execution and delivery of a further Investor Representation Letter, as provided in the Conditions. Unless otherwise provided in the applicable Final Terms, the Investor Representation Letter to be delivered by each U.S. Investor shall include the following representations, warranties and agreements:

1. **Purchaser Requirements**. The purchaser (i) is a QIB that is a QP, (ii) will provide notice of applicable transfer restrictions to any subsequent transferee, and (iii) is purchasing for its own account or for the accounts of one or more other persons each of whom meets all of the requirements of sub-clauses (i) and (ii) of this clause.

2. **Notice of Transfer Restrictions**. Each purchaser acknowledges and agrees that (A) neither the Securities, the Guarantee nor, in certain cases where applicable, the Entitlement have been or will be registered under the Securities Act or any applicable state securities laws and neither the Issuer nor the Guarantors has been or will be registered as an "investment company" under the 1940 Act, (B) 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, (C) neither the Securities nor any beneficial interest therein may be re-offered, resold, pledged or otherwise transferred except in accordance with the provisions set out in paragraph 1 above or any other restriction set out in the applicable Final Terms and (D) the

purchaser will notify any transferee of such transfer restrictions and that each subsequent holder will be required to notify any subsequent transferee of such Securities of such transfer restrictions. The purchaser acknowledges that the Issuer reserves the right prior to any sale or other transfer to require the delivery of such certifications, legal opinions and other information as the Issuer may reasonably require to confirm that the proposed sale or other transfer complies with the foregoing restrictions.

Notwithstanding any other provision contained in this Notice, if the Final Terms or Pricing Supplement in respect of an offering of Securities indicates that such Securities are not eligible to be offered, sold, resold, transferred, pledged, delivered or redeemed, directly or indirectly, in the United States or to or for the account or benefit of U.S. Persons, each purchaser acknowledges and agrees to the selling and transfer restrictions under the federal securities and commodities laws of the United States as indicated and set out in such Final Terms or Pricing Supplement.

3. **Mandatory Transfer**. Each purchaser acknowledges and agrees that in the event that at any time the Issuer determines or is notified by the Dealer acting on behalf of the Issuer that such purchaser was in breach, at the time given or deemed to be given, of any of the representations or agreements set out in paragraph 1 above or otherwise determines that any transfer or other disposition of any Securities would, in the sole determination of the Issuer or the Dealer acting on behalf of the Issuer, require the Issuer to register as an "investment company" under the provisions of the 1940 Act, such purchase or other transfer will be void *ab initio* and will not be honoured. Accordingly, any such purported transferee or other holder will not be entitled to any rights as a holder of Securities and the Issuer shall have the right, in accordance with the terms and conditions of the Securities, to force the transfer of any such Securities. There can be no assurance that a holder of Securities who is required to transfer Securities in this way will not incur a significant loss as a result of the need for the Issuer to find a qualifying transferee willing to purchase the Securities. Neither the Issuer, the Guarantors nor any other party shall be liable to a holder of Securities for any such loss. No payments will be made on the affected Securities from the date notice of the sale requirement is sent to the date on which the Interest is sold.

4. **Rule 144A Information**. Each purchaser of Rule 144A Securities is hereby notified that the offer and sale of such Securities to it is being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A thereunder (**Rule 144A**). The Issuer has agreed to furnish to investors upon request such information as may be required by Rule 144A.

5. **ERISA**. Each purchaser and subsequent transferee of any Securities (or any interest therein) will be deemed by such purchase or acquisition of any Securities (or any interest therein) to have represented and warranted, on each day from the date on which the purchaser or transferee acquires the Securities (or any interest therein) through and including the date on which the purchaser or transferee disposes of such Securities (or any interest therein), that either (i) it is not, is not using the assets of and shall not at any time hold such Securities (or any interest therein) for or on behalf of a Benefit Plan Investor (as defined in Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**)) 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 U.S. Internal Revenue Code of 1986, as amended (the **Code**), or (ii) its acquisition, holding and disposition of such Securities (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church or non-U.S. plan, a violation of any substantially similar federal, state, local or non-U.S. laws or regulations. 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.

6. **Base Prospectus**. The purchaser has received the Base Prospectus and the applicable Final Terms and has not relied on any information relating to the Issuer, any Reference Entity, Reference Item and/or Reference Obligation, as applicable, or the Securities, other than information that is contained in the Base Prospectus and the applicable Final Terms or that is publicly available. Each purchaser acknowledges that neither the Issuer, the Guarantors nor any Dealer make any representation or warranty as to the adequacy or completeness of the Base Prospectus for purposes of the ability of the purchaser to make an investment decision with respect to the Securities.

7. **Investigation**. The purchaser has conducted its own investigation of the Securities and the Issuer and the Guarantors and acknowledges that it is not relying on any investigation that the Issuer, the Guarantors, any Dealer or any person representing the Issuer, the Guarantors or any Dealer may have conducted with respect to the Securities, the Issuer or the Guarantors, and that none of such persons has made any representation to it, express or implied, with respect to the Securities, the Issuer or the Guarantors. Each purchaser has had access to such financial and other information concerning the Issuer, the Guarantors and the Securities as it has deemed necessary in connection with its decision to purchase the Securities, including an opportunity to ask questions of and request information from the Issuer and any Dealer.

8. **Knowledge and Experience**. The purchaser is a highly sophisticated institutional investor with extensive knowledge and experience in financial and business matters and expertise in assessing credit and all other relevant risk. The purchaser is capable of evaluating independently, and, notwithstanding the inclusion of only limited information with respect to the Issuer and the Guarantors in the Base Prospectus, has evaluated independently the merits, risks and suitability of the potential purchase of the Securities. The purchaser is relying exclusively on its own sources of information, investigation, credit and legal analysis with respect to the Securities, the Issuer and the Guarantors and it has not relied in any respect on any Dealer with respect to information about the Issuer and the Guarantors in deciding to purchase the Securities. The purchaser is not relying on any communication (written or oral) of the Issuer or the Dealer as investment advice or as a recommendation to invest in the Securities, it being understood that information and explanations related to the terms and conditions of the Securities shall not be considered to be investment advice or a recommendation to invest in the Securities. The purchaser acknowledges and agrees that no communication (written or oral) received from the Issuer or the Dealer shall be deemed to be an assurance or guarantee as to the expected results of the Securities.

9. **Legends on Global Securities**. The purchaser acknowledges that each of the Global Securities will bear legends substantially to the effect set out below and that the Issuer has covenanted not to remove either such legend so long as it shall be necessary for the Issuer to rely on the exception to the 1940 Act set out in Section 3(c)(7) thereof.

   Any transfer or other disposition of any Securities or beneficial interest therein that would, in the sole determination of the Issuer, require the Issuer to register as an "investment company" under the provisions of the 1940 Act will be void *ab initio*, and such transfer or other disposition will not be recognised by the Issuer. If, at any time, any Securities or beneficial interest therein are held by or on behalf of a person in the United States or a U.S. person who is not a QIB that is a QP at the time it purchases such Securities, the Issuer may, in its discretion and at the expense and risk of such holder, require any such holder to transfer such Securities to a QIB that is a QP or to a non-U.S. person outside the United States. There can be no guarantee that a holder of Securities who is required to transfer Securities in this way will not incur a significant loss as a result of the need for the Issuer to find a qualifying transferee willing to purchase the Securities. Neither the Issuer, the Guarantors nor any other party shall be liable to a holder of Securities for any such loss. No payments will be made on the affected Securities from the date notice of the sale requirement is sent to the date on which the

interest is sold. The determination of which Securities will be sold in any particular case is in the discretion of the Issuer.

Prospective purchasers are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A and one or more exemptions and/or exclusions from regulation under the CEA.

*Legends*

Each Rule 144A Global N&C Security and each Rule 144A Global W&C Security will bear a legend in substantially the following form.

**NEITHER THE SECURITIES REPRESENTED HEREBY NOR THE GUARANTEE THEREOF, IF ANY, HAVE BEEN OR WILL BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER THE ISSUER NOR THE GUARANTOR, IF ANY, HAS BEEN OR WILL BE REGISTERED AS AN "INVESTMENT COMPANY" UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). NEITHER SUCH SECURITIES NOR ANY INTEREST OR PARTICIPATION THEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND UNDER CIRCUMSTANCES WHICH DO NOT REQUIRE THE ISSUER OR THE GUARANTOR, IF ANY, TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT. 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 UNITED STATES COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "CEA"), AND TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION (THE "CFTC") PURSUANT TO THE CEA.**

**IN PURCHASING THE SECURITIES REPRESENTED HEREBY, EACH HOLDER OF ANY BENEFICIAL INTEREST THEREIN WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO THE SECURITIES THAT (I) IT EITHER (A)(1) IS A QUALIFIED INSTITUTIONAL BUYER ("QIB") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") THAT IS ALSO A QUALIFIED PURCHASER AS DEFINED IN SECTION 2(A)(51)(A) OF THE INVESTMENT COMPANY ACT ("QP"), (2) WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE AND (3) IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL OF THE PRECEDING REQUIREMENTS OR (B) (1) IS NOT A "U.S. PERSON" AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") AND IS ACQUIRING THE SECURITIES PURSUANT TO RULE 903 OR 904 OF REGULATION S OR PURCHASING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND (2) IS PURCHASING THE SECURITIES IN AN OFFSHORE TRANSACTION (WITHIN THE MEANING OF REGULATION S) AND (II) IT AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE SECURITIES OR ANY BENEFICIAL INTEREST THEREIN TO ANY PERSON EXCEPT TO A PERSON THAT (A) MEETS THE REQUIREMENTS OF THE PRECEDING CLAUSE (I) AND (B) AGREES NOT TO SUBSEQUENTLY TRANSFER THE SECURITIES OR ANY BENEFICIAL INTEREST THEREIN EXCEPT IN ACCORDANCE WITH THIS CLAUSE (II). IN THE EVENT OF ANY TRANSFER TO A PERSON DESCRIBED IN THE PRECEDING CLAUSE (I)(B), (1)**

**THE TRANSFEREE WILL BE REQUIRED TO HAVE THE SECURITIES SO TRANSFERRED TO BE REPRESENTED BY AN INTEREST IN THE REGULATION S GLOBAL SECURITY (AS DEFINED IN THE AGENCY AGREEMENT); (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A REGULATION S TRANSFER CERTIFICATE (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND IS AVAILABLE FROM THE REGISTRAR, THE PRINCIPAL AGENT AND THE NEW YORK SECURITY AGENT, AS APPLICABLE), AND (3) THE TRANSFEREE WILL BE REQUIRED TO CERTIFY AS TO ITS STATUS AS A NON-U.S. PERSON AND THAT IT IS NOT ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON. ANY RESALE OR OTHER TRANSFER OF THE SECURITIES EVIDENCED HEREBY MADE OTHER THAN IN COMPLIANCE WITH THE FOREGOING RESTRICTIONS SHALL NOT BE RECOGNISED BY THE ISSUER, THE GUARANTOR, IF ANY, THE REGISTRAR, THE PRINCIPAL AGENT, THE NEW YORK SECURITY AGENT OR ANY OTHER AGENT OF THE ISSUER, AS APPLICABLE.**

**EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY SECURITIES EVIDENCED HEREBY (OR ANY INTEREST THEREIN) WILL BE DEEMED BY SUCH PURCHASE OR ACQUISITION OF ANY SUCH SECURITIES (OR ANY INTEREST THEREIN) TO HAVE REPRESENTED AND WARRANTED, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER OR TRANSFEREE ACQUIRES THE SECURITIES (OR ANY INTEREST THEREIN) THROUGH AND INCLUDING THE DATE ON WHICH THE PURCHASER OR TRANSFEREE DISPOSES OF SUCH SECURITIES (OR ITS INTEREST THEREIN), THAT EITHER (I) IT IS NOT, IS NOT USING THE ASSETS OF AND SHALL NOT AT ANY TIME HOLD SUCH SECURITIES (OR ANY INTEREST THEREIN) FOR OR ON BEHALF OF A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) 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 U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH SECURITIES (OR ANY INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS.**

**EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY SECURITIES EVIDENCED HEREBY (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 THE 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.**

**THE PURCHASER ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THE SECURITIES EVIDENCED HEREBY ACKNOWLEDGES THAT IN THE EVENT THAT AT ANY TIME THE ISSUER DETERMINES OR IS NOTIFIED BY THE DEALER THAT SUCH PURCHASER WAS IN BREACH, AT THE TIME GIVEN OR DEEMED TO BE GIVEN, OF ANY OF THE REPRESENTATIONS OR AGREEMENTS SET FORTH IN THIS LEGEND OR OTHERWISE DETERMINES THAT ANY TRANSFER OR OTHER DISPOSITION OF ANY SECURITIES WOULD, IN THE SOLE DETERMINATION OF THE ISSUER, REQUIRE THE ISSUER OR THE GUARANTOR, IF ANY, TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE PROVISIONS OF THE INVESTMENT COMPANY ACT, SUCH PURCHASE OR OTHER TRANSFER WILL BE VOID *AB INITIO* AND WILL NOT BE HONOURED. ACCORDINGLY, ANY SUCH PURPORTED TRANSFEREE OR OTHER HOLDER WILL NOT BE ENTITLED TO ANY RIGHTS AS A SECURITYHOLDER AND THE ISSUER SHALL HAVE THE RIGHT TO FORCE THE TRANSFER OF ANY SUCH SECURITIES.**

Each Regulation S Global N&C Security and each Regulation S Global W&C Security will bear a legend in substantially the following form.

**NEITHER THE SECURITIES REPRESENTED HEREBY NOR THE GUARANTEE THEREOF, IF ANY, HAVE BEEN OR WILL BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER THE ISSUER NOR THE GUARANTOR, IF ANY, HAS BEEN OR WILL BE REGISTERED AS AN "INVESTMENT COMPANY" UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). NEITHER SUCH SECURITIES NOR ANY INTEREST OR PARTICIPATION THEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND UNDER CIRCUMSTANCES WHICH DO NOT REQUIRE THE ISSUER OR THE GUARANTOR, IF ANY, TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT. 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 UNITED STATES COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "CEA"), AND TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION (THE "CFTC") PURSUANT TO THE CEA.**

**IN PURCHASING THE SECURITIES REPRESENTED HEREBY, EACH HOLDER OF ANY BENEFICIAL INTEREST THEREIN WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO THE SECURITIES THAT (I) IT EITHER (A)(1) IS A QUALIFIED INSTITUTIONAL BUYER ("QIB") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") THAT IS ALSO A QUALIFIED PURCHASER AS DEFINED IN SECTION 2(A)(51)(A) OF THE INVESTMENT COMPANY ACT ("QP"), (2) WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE AND (3) IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL OF THE PRECEDING REQUIREMENTS OR (B) (1) IS NOT A "U.S. PERSON" AS DEFINED IN REGULATION S**

**UNDER THE SECURITIES ACT ("REGULATION S") AND IS ACQUIRING THE SECURITIES PURSUANT TO RULE 903 OR 904 OF REGULATION S OR PURCHASING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND (2) IS PURCHASING THE SECURITIES IN AN OFFSHORE TRANSACTION (WITHIN THE MEANING OF REGULATION S) AND (II) IT AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE SECURITIES OR ANY BENEFICIAL INTEREST THEREIN TO ANY PERSON EXCEPT TO A PERSON THAT (A) MEETS THE REQUIREMENTS OF THE PRECEDING CLAUSE (I) AND (B) AGREES NOT TO SUBSEQUENTLY TRANSFER THE SECURITIES OR ANY BENEFICIAL INTEREST THEREIN EXCEPT IN ACCORDANCE WITH THIS CLAUSE (II). IN THE EVENT OF ANY TRANSFER TO A PERSON DESCRIBED IN THE PRECEDING CLAUSE (I)(A), (1) THE TRANSFEREE WILL BE REQUIRED TO HAVE THE SECURITIES SO TRANSFERRED TO BE REPRESENTED BY AN INTEREST IN THE RULE 144A GLOBAL SECURITY (AS DEFINED IN THE AGENCY AGREEMENT); (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A RULE 144A TRANSFER CERTIFICATE (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND IS AVAILABLE FROM THE REGISTRAR, THE PRINCIPAL AGENT AND THE NEW YORK SECURITY AGENT, AS APPLICABLE), AND (3) THE TRANSFEREE WILL BE REQUIRED TO EXECUTE AN INVESTOR REPRESENTATION LETTER, CERTIFYING AS TO ITS STATUS AS A QIB THAT IS A QP. ANY RESALE OR OTHER TRANSFER OF THE SECURITIES EVIDENCED HEREBY MADE OTHER THAN IN COMPLIANCE WITH THE FOREGOING RESTRICTIONS SHALL NOT BE RECOGNISED BY THE ISSUER, THE GUARANTOR, IF ANY, THE REGISTRAR, THE PRINCIPAL AGENT, THE NEW YORK SECURITY AGENT OR ANY OTHER AGENT OF THE ISSUER, AS APPLICABLE.**

**EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY SECURITIES EVIDENCED HEREBY (OR ANY INTEREST THEREIN) WILL BE DEEMED BY SUCH PURCHASE OR ACQUISITION OF ANY SUCH SECURITIES (OR ANY INTEREST THEREIN) TO HAVE REPRESENTED AND WARRANTED, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER OR TRANSFEREE ACQUIRES THE SECURITIES (OR ANY INTEREST THEREIN) THROUGH AND INCLUDING THE DATE ON WHICH THE PURCHASER OR TRANSFEREE DISPOSES OF SUCH SECURITIES (OR ITS INTEREST THEREIN), THAT EITHER (I) IT IS NOT, IS NOT USING THE ASSETS OF AND SHALL NOT AT ANY TIME HOLD SUCH SECURITIES (OR ANY INTEREST THEREIN) FOR OR ON BEHALF OF A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) 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 U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH SECURITIES (OR ANY INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS.**

**EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY SECURITIES EVIDENCED HEREBY (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 THE 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.**

**THE PURCHASER ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THE SECURITIES EVIDENCED HEREBY ACKNOWLEDGES THAT IN THE EVENT THAT AT ANY TIME THE ISSUER DETERMINES OR IS NOTIFIED BY THE DEALER THAT SUCH PURCHASER WAS IN BREACH, AT THE TIME GIVEN OR DEEMED TO BE GIVEN, OF ANY OF THE REPRESENTATIONS OR AGREEMENTS SET FORTH IN THIS LEGEND OR OTHERWISE DETERMINES THAT ANY TRANSFER OR OTHER DISPOSITION OF ANY SECURITIES WOULD, IN THE SOLE DETERMINATION OF THE ISSUER, REQUIRE THE ISSUER OR THE GUARANTOR, IF ANY, TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE PROVISIONS OF THE INVESTMENT COMPANY ACT, SUCH PURCHASE OR OTHER TRANSFER WILL BE VOID *AB INITIO* AND WILL NOT BE HONOURED. ACCORDINGLY, ANY SUCH PURPORTED TRANSFEREE OR OTHER HOLDER WILL NOT BE ENTITLED TO ANY RIGHTS AS A SECURITYHOLDER AND THE ISSUER SHALL HAVE THE RIGHT TO FORCE THE TRANSFER OF ANY SUCH SECURITIES.**

## DESCRIPTION OF THE ISSUER

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

### HISTORY AND DEVELOPMENT

The Issuer, Nomura International Funding Pte. Ltd., was incorporated in Singapore under the Singapore Companies Act (Cap. 50) on 17 May 2012. The Issuer 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. The Issuer does not have any subsidiaries.

The registered office of the Issuer is at 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #36-01, Singapore 018983 (telephone number: +65 643 36288).

### DESCRIPTION OF THE NOMURA GROUP

The Issuer is a direct, wholly owned subsidiary of Nomura Holdings, Inc. (formerly known as The Nomura Securities Co., Ltd.). Nomura Holdings, Inc. is the ultimate holding company which manages financial operations for its subsidiaries (together the **Nomura Group**).

Nomura Group is a global financial services group dedicated to providing a broad range of financial services for individual, institutional, corporate and government clients.

Nomura Group offers a diverse line of competitive products and value-added financial and advisory solutions through its global headquarters in Tokyo, over 159 branches in Japan, and an international network in various countries; with regional headquarters in Hong Kong, London and New York.

Nomura Group's business activities include investment consultation and brokerage services for retail investors in Japan, and, on a global basis, brokerage services, securities underwriting, investment banking advisory services, merchant banking, and asset management.

### BUSINESS OVERVIEW

The Issuer's primary role is to support the Nomura Group's Global Wholesale Business and predominantly its fixed income and equities divisions which make up its Global Markets division.

The Issuer currently has one employee and outsources services to affiliates including primarily Nomura Singapore Limited. Further staff may be employed as appropriate to meet future needs. Those services which are outsourced include, amongst other things, the following services and functions: credit, finance, taxation, market risk management, information technology, legal, compliance, internal audit, disaster recovery and treasury.

The Issuer supports Nomura's Global Wholesale Business in macro, credit and equity derivatives as well as structured products and solutions. The Nomura Group's derivative and solutions business essentially deals with entering into transactions with equity, interest rate, foreign exchange rate, commodities, credit, cash and derivative products. The structured solutions business of the Nomura Group includes the purchase of structured credit assets (including receivables, leases, insurance contracts, structured notes, project finance debt, government and quasi-government backed assets and public finance initiative deals), the provision and purchase of bridge and warehouse financing, deposit and risk certificates, execution of funded transactions: i.e. structured credit. These businesses utilise a broad spectrum of financial instruments including notes and loans and traditional banking products such as relationship loans, leveraged loans, deposits, guarantees and letters of credit to meet clients' needs and to manage their risk exposure.

The Issuer conducts its business cross border from Singapore in the world's principal financial regions, with a focus on Europe, the United States and the Asia Pacific region.

As business opportunities arise, the Issuer may expand its business.

In particular the Issuer may, subject to obtaining the applicable licenses and permissions:

- expand the range of products and services it offers, and enter into new activities;
- broaden the scope of its client base, including new banking and financial institutions and corporate clients; and

- expand its regional coverage, particularly in Asia through branches and subsidiaries.

There are no recent events particular to the Issuer which are material to an evaluation of the Issuer's solvency and no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year. As the Issuer's primary role is to support the Nomura Group's Global Wholesale Business, as an entity it is not in direct competition with any other entities and as such there is currently no information to disclose in respect of its competitive position.

**MAJOR SHAREHOLDERS**

The Issuer has a total share capital of US$450,000,000 comprising of 230,000,000 ordinary shares. All issued shares are held by Nomura Holdings, Inc.. The issued capital of the Issuer has been fully paid up.

Although the Issuer is a direct, wholly owned subsidiary of Nomura Holdings, Inc., the Board of Directors operate in an independent capacity. Nonetheless, in order to minimise the risk of any abuse of control within the group, all members of the Nomura Group have to follow a Code of Ethics which contains compliance regulations designed to ensure that all members of the Nomura Group act in a lawful manner and in the best interests of the Nomura Group as a whole.

**MATERIAL INVESTMENTS AND PRINCIPAL FUTURE INVESTMENTS**

The Issuer has made no material investments as at the date of this Base Prospectus and its Board of Directors has made no firm commitments on such material investments in the future.

There are no principal future investments on which the Issuer's management bodies have already made firm commitments.

**SELECTED HISTORICAL FINANCIAL INFORMATION**

The financial summary set forth below as at and for the financial years ended 31 March 2020 and 31 March 2021 and the three months period ended 30 June 2021 has been derived from the audited financial statements of the Issuer as at and for the year ended 31 March 2021 and the unaudited condensed interim financial statements of the Issuer as at and for the three months ended 30 June 2021. This information should be read in conjunction with, and is qualified by reference to (i) the audited financial statements of the Issuer for the years ended 31 March 2020 and 31 March 2021 and notes thereon prepared in accordance with Singapore Financial Reporting Standards and (ii) the unaudited condensed interim financial statements of the Issuer as at and for the three months ended 30 June 2021, respectively, and the accounting policies adopted in respect thereof:

Extracts of the balance sheets of the Issuer for the financial years ended 31 March 2020, 31 March 2021 and the three months period ended 30 June 2021:

| | Three months period ended 30 June 2021 (unaudited) (USD'000) | Financial year ended 31 March 2020 (USD'000) | Financial year ended 31 March 2021 (USD'000) |
|---|---|---|---|
| **Assets** | 15,994,033 | 17,295,859 | 15,757,553 |
| **Liabilities** | 15,774,571 | 16,836,261 | 15,523,287 |
| **Net assets** | 219,462 | 459,598 | 234,266 |
| Share capital | 450,000 | 190,000 | 450,000 |
| (Accumulated losses) | (9,763) | (19,053) | (13,122) |
| Own credit reserve | (220,775) | 288,651 | (202,612) |
| Shareholder's equity | 219,462 | 459,598 | 234,266 |

Extracts of the statements of comprehensive income for the Issuer for the financial years ended 31 March 2020, 31 March 2021 and the three months periods ended 30 June 2020 and 30 June 2021:

| | Three months period ended 30 June 2020 (unaudited) | Three months period ended 30 June 2021 (unaudited) | Financial year ended 31 March 2020 | Financial year ended 31 March 2021 |
|---|---|---|---|---|
| | (USD'000) | (USD'000) | (USD'000) | (USD'000) |
| **Profit/(loss) before operating expenses** | 279 | 9,485 | (31,127) | 7,267 |
| Staff costs | (37) | (41) | (109) | (112) |
| Other operating expenses | (1,852) | (2,357) | (8,756) | (9,210) |
| Allowance for impairment | (720) | (372) | (550) | (598) |
| **(Loss)/profit before taxation** | (2,330) | 6,715 | (40,542) | (2,653) |
| **Taxation** | 389 | (1,149) | 6,927 | 426 |
| **(Loss)/profit for the period/year** | (1,941) | 5,566 | (33,615) | (2,227) |
| Other comprehensive (loss)/income | (131,093) | (18,163) | 171,868 | (491,263) |
| **Total comprehensive (loss)/income for the period/year** | (133,034) | (12,597) | 138,253 | (493,490) |

The financial statements of the Issuer for the financial years ended 31 March 2020 and 31 March 2021 have been audited by Ernst & Young LLP, One Raffles Quay, North Tower, Level 18, Singapore 048583 and contain an unqualified opinion from Ernst & Young LLP. Ernst & Young LLP is registered with ACRA (Accounting and Corporate Regulatory Authority) which is the regulatory body of the accounting professionals. In Singapore, Ernst & Young LLP is not required to be registered with a professional body, however, the partners and staff are members of ISCA (Institute of Singapore Chartered Accountants) and the partner in charge is a licensed public accountant registered with ACRA. None of the information in this Base Prospectus has been separately audited.

## ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### Board of Directors

A Board of Directors has responsibility for the overall management and direction of the business and affairs of the Issuer.

The table below contains the details of the members of the Board of Directors in office as at the date of this document, their role and the date of appointment[1].

| Name | Office | Date of Appointment | Other principal activities within Nomura Group and outside Directorships | Business Address |
|---|---|---|---|---|
| Alok Vimalkishore Tapadia | Director | 14 December 2018 | Head of Structured Fixed Income Trading, Asia ex-Japan<br>Director of Nomura Investments (Singapore) Pte. Ltd. | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |

[1] The appointment is for an indefinite time.

| | | | | |
|---|---|---|---|---|
| Kenichiro Asano | Director | 21 October 2019 | Global Treasurer and Head of Treasury Department of Nomura Holdings, Inc.<br>Head of Treasury Department of Nomura Securities Co., Ltd.<br>Chairman and Managing Director of Nomura Europe Finance N.V.<br>Representative Director of Nomura Global Finance Co., Ltd. | 2-2-2, Otemachi, Chiyoda-ku, Tokyo 100-8130, Japan |
| Kelvin Ho Teik Chye | Director | 1 April 2020 | Chief Executive Officer and Director of Nomura Singapore Limited<br>Director of Nomura Special Investments Singapore Pte. Ltd.<br>Director of Nomura Securities Malaysia Sdn Bhd<br>Director of Nomura Securities Singapore Pte. Ltd<br>Director of Nomura Trust Company (Singapore) Ltd.<br>Director of Nomura Trust Company (BVI) Limited<br>Director of Nomura Asia Investment (Singapore) Ltd.<br>Non-Executive Director of Workwell Leaders Ltd. | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |
| Christopher Michael Mason Darke | Director | 25 January 2021 | Director of Nomura Asia MB (Hong Kong) Limited<br>Director of Pacific Dawn Limited<br>Director of Pacific Crest Limited | 30/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong |

**Audit Committee**

The Issuer relies on the Nomura Asia Pacific Holdings Co., Ltd. (**NAPH**) Audit Committee to ensure an effective internal control environment is maintained within the Issuer and ensuring corporate objectives are achieved and are consistent with those of the Nomura Group.

As at the date of this document, the members of the Audit Committee are as follows:

| Name | Office | Date of Appointment to the Audit Committee | Other principal activities within Nomura Group and outside Directorships | Business Address |
|---|---|---|---|---|
| Michael Lim | Chairman of the NAPH Audit Committee | 1 July 2011 | Director and Chairman of Nomura Singapore Limited (Outside Director)<br>Non-Executive Director of Nomura Holdings, Inc. (Outside Director)<br>Director of Wah Hin & Company (Private) Limited<br>Member of Public Service Commission of Singapore<br>Non-Executive Director of FWD Singapore Pte. Ltd.<br>Non-Executive Director of FWD Life Insurance Public Company Limited<br>Non-Executive Director of FWD Fuji Life Insurance Co., Ltd.<br>Lead Independent Director of Chemoil Energy Limited | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |
| Vikas Sharma | Senior Managing Director, Asia | 1 April 2017 | Member of the Advisory Board of Tapmi School of Business, Jaipur<br>Senior Managing Director of Nomura Holdings, Inc.<br>Director of Nomura Singapore Limited<br>Director of Junar India Private Limited | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |
| Naoyuki Oguri | Corporate Auditor | 1 April 2021 | Director of Nomura Securities Co., Ltd.<br>Director of Capital Nomura Securities Public Co., Ltd | 2-2-2, Otemachi Chiyoda-ku, Tokyo 100-8130, Japan |
| Hisato Miyashita | Senior Advisor, Group Secretariat and Regulatory Affairs | 1 July 2021 | Employee of Nomura Holdings Inc. | 2-2-2, Otemachi Chiyoda-ku, Tokyo 100-8130, Japan |

**Executive Management Committee**

Day-to-day management of the Issuer is carried out by the Executive Management Committee, whose objective is to develop and oversee business and operational strategies and policies, and to ensure corporate objectives of the Issuer, in line with those of the Nomura Group, are achieved.

As at the date of this document, the members of the Executive Management Committee (**EMC**) are as follows:

| **Name** | **Position and role within Issuer if applicable** | **Other principal activities within Nomura Group and outside Directorships** | **Business Address** |
|---|---|---|---|
| Sharad Kochar | Chairman of EMC and Treasury Representative | Regional Head of Treasury, Asia ex-Japan<br><br>Global Head of Treasury Planning and Analysis<br><br>Director of Nomura Special Investments Singapore Pte. Ltd. | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |
| Desmond Koh Sio Wee | Member of EMC and Risk Representative | Head of Singapore Market Risk<br><br>Global Head of FX and EM Rates Market Risk Management | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |
| Alok Vimalkishore Tapadia | Director, Member of EMC and Representative from Global Markets (Asia ex Japan) | Head of Structured Fixed Income Asia ex Japan<br><br>Director of Nomura Investments (Singapore) Pte. Ltd. | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |
| April Chong | Member of EMC and Compliance Representative | Head of Compliance, Singapore and Southeast Asia<br><br>Co-Head of Global Markets Compliance, Asia | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |
| David Cummins | Member of EMC and Legal Representative | Head of Legal, Compliance and Controls, Nomura Australia<br><br>Co-Head of Legal, Asia<br><br>Director of Cummins Ryan Pty Ltd<br><br>Director of Warringah Master Builders Ski Club Limited | Level 41 Governor Phillip Tower 1 Farrer Place Sydney, NSW 2000 Australia |
| Kenichiro Asano | Director and Member of EMC | Global Treasurer and Head of Treasury Department of Nomura Holdings, Inc. | 2-2-2, Otemachi, Chiyoda-ku, Tokyo 100-8130, Japan |

| | | | |
|---|---|---|---|
| | | Head of Treasury Department of Nomura Securities Co., Ltd.<br><br>Chairman and Managing Director of Nomura Europe Finance N. V.<br><br>Representative Director of Nomura Global Finance Co., Ltd. | |
| Darren Liang | Member of EMC and Operations Representative | Head of Operations, Singapore<br><br>Head of Operations, Regional Offices | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |
| Kelvin Ho Teik Chye | Director and Member of EMC | Chief Executive Officer and Director of Nomura Singapore Limited<br><br>Director of Nomura Special Investments Singapore Pte. Ltd.<br><br>Director of Nomura Securities Malaysia Sdn Bhd<br><br>Director of Nomura Securities Singapore Pte. Ltd.<br><br>Director of Nomura Trust Company (Singapore) Ltd.<br><br>Director of Nomura Trust Company (BVI) Ltd.<br><br>Director of Nomura Asia Investment (Singapore) Ltd.<br><br>Non-Executive Director of Workwell Leaders Ltd. | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |
| Christopher Michael Mason Darke | Director and Member of EMC | Director of Nomura Asia MB (Hong Kong) Limited<br><br>Director of Pacific Dawn Limited<br><br>Director of Pacific Crest Limited | 30/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong |

**Risk Oversight Committee**

The Risk Oversight Committee of Nomura Asia Pacific Holdings Co., Ltd (the **ROC**) is responsible for the monitoring and control of market, credit, operational and liquidity risk issues relating to the Issuer as part of its wider risk monitoring remit.

As at the date of this document, the members of the Risk Oversight Committee are as follows:

| Name | Position and role within Issuer if applicable | Other principal activities within Nomura Group and outside Directorships | Business Address |
|---|---|---|---|
| Charles Denton | Chairman of ROC | Chief Risk Officer (Asia ex Japan) | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |
| Nagarajan Sankaranarayanan | Finance Representative and member of ROC | Chief Financial and Administrative Officer (Asia ex Japan)<br><br>Director of Nomura Asia Limited<br><br>Director of Nomura International (HK) Limited<br><br>Director of Nomura Singapore Limited<br><br>Director of Nomura Australia Limited<br><br>Director of Nomura Financial Products & Services, Inc.<br><br>Director of Nomura Financial Investment (Korea) Co., Ltd.<br><br>Director of Nomura Financial Advisory and Securities (India) Private Limited | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |
| Jonathan Wise | Representative from Legal function and member of ROC | General Counsel and Head of Asia Legal, Compliance and Controls, Asia | 30/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong |
| Rig Karkhanis | Member of ROC | Deputy Head of Global Markets<br><br>Head of Global Markets, AEJ<br><br>Senior Managing Director of Nomura Holdings, Inc. Director of Nomura Asia Investment (Fixed Income) Pte. Ltd.<br><br>Director of Nomura Singapore Limited | 10 Marina Boulevard #36-01 Marina Bay Financial Centre Tower 2 Singapore 018983 |

In addition the Issuer has delegated to the Nomura Holdings, Inc. Board, its committees and sub-committees the necessary authority, where appropriate, to review and approve certain day to day business, operations, risks, internal controls and transactions of the Issuer.

There are no conflicts of interest between any duties owed to the Issuer by the members of the Board of Directors, the Audit Committee, the Executive Management Committee and the Risk Oversight Committee and their private interests and/or other duties.

Any conflict of interest that should arise will be resolved by the Board of Directors in accordance with the Companies Act 2006. Pursuant to Section 156 of the Companies Act, Chapter 50 of Singapore, any director of a company who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the company shall as soon as practicable after the relevant facts have come to their knowledge, declare the nature of their interest at a meeting of the directors of the company.

## CORPORATE GOVERNANCE

The Issuer complies with the corporate governance regime of Singapore.

## DESCRIPTION OF THE NHI GUARANTOR

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

### INTRODUCTION

Nomura Holdings, Inc. (**NHI**), with Corporation Number 0100-01-034881, is a holding company of one of the leading financial services groups in Japan. NHI is the ultimate holding company of a group of companies and manages financial operations for those subsidiary companies (together the **Nomura Group**). The Issuer is a wholly owned subsidiary of NHI.

NHI (previously known as The Nomura Securities Co., Ltd.) 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. The registered head office of NHI is located at 13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8645, Japan, and the telephone number is +81-3-5255-1000. NHI's legal entity identifier (LEI) is 549300B3CEAHYG7K8164. NHI's constitutional documents (i.e., Articles of Incorporation) in effect as at the date of this Base Prospectus are dated 27 November 1925, as most recently amended on 24 June 2015. Further, NHI's commercial registration is up to date as at the date of this Base Prospectus.

Nomura Holdings, Inc.'s website is www.nomuraholdings.com. Information found on this website does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

NHI's business purpose is, according to Article 2 of NHI's Articles of Incorporation, by means of holding shares, to control and manage the business activities of domestic companies which engage in the following businesses and the business activities of foreign companies which engage in the business equivalent to the following businesses: (1) financial instruments business prescribed in the Financial Instruments and Exchange Law; (2) banking business prescribed in the Banking Law and trust business prescribed in the Trust Business Law; (3) any other financial services and any business incidental or related to such financial services; and (4) other than as prescribed in the items above, any other business ancillary or related to survey and research in connection with the economy, financial or capital markets, or infrastructure or undertaking the outsourcing thereof. NHI may conduct any other business incidental to its business activities described in this paragraph.

### HISTORY

NHI was the first Japanese securities company to develop its business internationally with the opening in 1927 of a representative office in New York. In Japan, NHI broadened the scope of its business when it began trading in equity securities in 1938 and when it organised the first investment trust in Japan in 1941.

On 1 October 2001, NHI adopted a holding company structure. In connection with this reorganisation, NHI changed its name from "The Nomura Securities Co., Ltd." to "Nomura Holdings, Inc." NHI continues to be listed on the Tokyo Stock Exchange, Inc. and other stock exchanges on which it was previously listed. A wholly-owned subsidiary of NHI assumed its securities business and is named "Nomura Securities Co., Ltd."

NHI has proactively engaged in establishing a governance framework to ensure transparency in its management. Among other endeavours, when NHI adopted a holding company structure and was listed on the New York Stock Exchange in 2001, NHI installed Outside Directors. In addition, in June 2003, NHI further strengthened and increased the transparency of its oversight functions by adopting the Company with Three Board Committees, a system in which management oversight and business execution functions are clearly separated.

In 2008, to pave the way for future growth, NHI acquired and integrated the operations of Lehman Brothers in Asia Pacific, Europe and the Middle East.

### CURRENT BUSINESS STRATEGY, MARKET TRENDS AND ACTIVITIES OF THE GUARANTOR

The Nomura Group is one of the leading financial services groups in Japan and it operates offices in countries and regions worldwide including Japan, the United States, the United Kingdom, Singapore and Hong Kong Special Administrative Region through its subsidiaries.

The Nomura Group's clients include individuals, corporations, financial institutions, governments and governmental agencies.

The Nomura Group's business consists of its Retail, Asset Management, Wholesale and newly established Merchant Banking divisions.

In its Retail segment, the Nomura Group provides investment consultation services mainly to individual clients in Japan. In its Asset Management segment, the Nomura Group develops and manages investment trusts, and provides investment advisory services. In its Wholesale segment, the Nomura Group engages in the sales and trading of debt and equity securities, derivatives, and currencies on a global basis, and provides investment banking services such as the underwriting of debt and equity securities as well as mergers and acquisitions and financial advice.

The Nomura Group established a Merchant Banking Division in January 2018. In the Merchant Banking Division, the Nomura Group has embarked on principal business to primarily provide equity to transactions such as business reorganisations and revitalisations, business succession as well as management buyouts.

As the ultimate holding company for the Nomura Group, NHI depends on dividends, distributions and other payments from subsidiaries to make payments on its obligations. There are no recent events particular to NHI which are to a material extent relevant to an evaluation of NHI's solvency and no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on NHI's prospects for at least the current financial year.

**MATERIAL INVESTMENTS AND PRINCIPAL FUTURE INVESTMENTS**

As at the date of this Base Prospectus, NHI has made no material investments since the date of its last published financial statements and there are no principal future investments on which NHI's management bodies have already made firm commitments.

**CAPITALISATION AND INDEBTEDNESS OF NHI**

The following table sets forth, on a U.S. GAAP basis, the consolidated capitalisation and indebtedness of NHI as of 31 March 2020 and 31 March 2021:

| | 31 March 2020 | 31 March 2021 |
|---|---|---|
| | (Millions of Yen) | |
| Short-term borrowings | 1,486,733 | 1,368,098 |
| Long-term borrowings | 7,775,665 | 7,975,012 |
| NHI Shareholders' equity: | | |
| Common stock | | |
| Authorised - 6,000,000,000 shares as of 31 March 2020 and 2021 | | |
| Issued - 3,493,562,601 shares as of 31 March 2020 and 3,233,562,601 shares as of 31 March 2021 | | |
| Outstanding - 3,038,587,493 shares as of 31 March 2020 and 3,063,155,434 shares as of 31 March 2021 | 594,493 | 594,493 |
| Additional paid-in capital | 683,232 | 696,122 |
| Retained earnings | 1,645,451 | 1,533,713 |
| Accumulated other comprehensive income (loss) | (26,105) | (38,144) |
| Total NHI shareholders' equity before treasury stock | 2,897,071 | 2,786,184 |
| Common stock held in treasury, at cost - 454,975,108 shares as of 31 March 2020 and 170,407,167 shares as of 31 March 2021 | (243,604) | (91,246) |
| Total NHI shareholders' equity | 2,653,467 | 2,694,938 |

| | | |
|---|---|---|
| Non-controlling interests | 77,797 | 61,513 |
| Total equity | 2,731,264 | 2,756,451 |
| Total capitalisation and indebtedness | 11,993,662 | 12,099,561 |

As of 31 March 2021, NHI had 3,233,562,601 issued shares, 3,063,155,434 outstanding shares and 170,407,167 shares held in treasury, at cost. As of 31 March 2021, the total NHI shareholders' equity was JPY 2,694,938 million. The issued capital of NHI has been fully paid up.

NHI enters into various guarantee arrangements in the form of standby letters of credit and other guarantees with third parties. The amount of potential future payments under these guarantee contracts outstanding was ¥2,351 million as of 31 March 2020 and ¥206,072 million as of 31 March 2021.

**SELECTED HISTORICAL FINANCIAL INFORMATION FOR NHI**

The financial summary set forth below as at and for the years ended 31 March 2020 and 2021 and the three months ended 30 June 2021 has been derived from the audited consolidated financial statements of NHI in NHI's annual reports for the years ended 31 March 2020 and 2021 and an English translation of NHI's unaudited Quarterly Securities Report for the three months ended 30 June 2021, each of which is incorporated by reference in this Base Prospectus. This information should be read in conjunction with, and is qualified by reference to, the consolidated financial statements of NHI and notes thereon prepared in accordance with U.S. GAAP for the years ended 31 March 2020 and 2021 and the three months ended 30 June 2021, respectively, and the accounting policies adopted in respect thereof:

Consolidated balance sheets of NHI as at 31 March 2020 and 2021 and as at 30 June 2021:

| | 31 March 2020 | 31 March 2021 | 30 June 2021 |
|---|---|---|---|
| | | (Millions of Yen) | |
| Total assets | 43,999,815 | 42,516,480 | 41,830,204 |
| Total equity | 2,731,264 | 2,756,451 | 2,804,320 |
| Total liabilities | 41,268,551 | 39,760,029 | 39,025,884 |

Consolidated statements of income of NHI for the years ended 31 March 2020 and 2021 and the three months ended 30 June 2020 and 2021:

| | 31 March | | 30 June | |
|---|---|---|---|---|
| | 2020 | 2021 | 2020 | 2021 |
| | | (Millions of Yen) | | |
| Total revenue | 1,952,482 | 1,617,235 | 514,049 | 405,172 |
| Interest expense | 664,653 | 215,363 | 53,302 | 51,897 |
| Net revenue | 1,287,829 | 1,401,872 | 460,747 | 353,275 |
| Total non-interest expenses | 1,039,568 | 1,171,201 | 278,936 | 274,742 |
| Income before income taxes | 248,261 | 230,671 | 181,811 | 78,533 |
| Income tax expense | 28,894 | 70,274 | 37,513 | 28,540 |
| Net income | 219,367 | 160,397 | 144,298 | 49,993 |
| Net income attributable to NHI shareholders | 216,998 | 153,116 | 142,516 | 48,487 |
| Return on equity[(1)] | 8.2% [(2)] | 5.7%[(2)] | 21.0%[(3)] | 7.1%[(3)] |

(1) This information is included because NHI believes that it provides a useful alternative measure of operating performance.

(2) Calculated as net income attributable to NHI shareholders divided by the average total NHI shareholders' equity at the beginning and the end of the respective fiscal year.

(3) Calculated as net income attributable to NHI shareholders (annualised) divided by the average total NHI shareholders' equity at the beginning and the end of the respective period.

The annual financial statements of NHI for the financial years ended 31 March 2020 and 2021 have been audited by Ernst & Young ShinNihon LLC, Tokyo Midtown Hibiya, 1-1-2, Yuraku-cho, Chiyoda-ku, 100-0006, Tokyo, Japan, and contain an opinion from Ernst & Young ShinNihon LLC. None of the information in this Base Prospectus has been separately audited.

Ernst & Young ShinNihon LLC is an independent registered public accounting firm and a member of the Japanese Institute of Certified Public Accountants.

NHI complies with the Japanese corporate governance regime and applicable capital adequacy requirements.

## RECENT DEVELOPMENTS

While the COVID-19 pandemic has impacted some of the critical accounting estimates and underlying assumptions used in the consolidated financial statements during the year ended 31 March 2021, no further significant adverse changes in these estimates occurred during the 3 months ended 30 June 2021 as a result of the COVID-19 pandemic.

## MANAGEMENT OF NHI

The Directors of NHI as at the date of this Base Prospectus are as follows (together with details of their principal directorships and other corporate offices held outside of NHI):

| **Position within NHI** | **Name** | **Principal directorships and other corporate offices held outside of NHI** |
|---|---|---|
| Director<br>Chairman of Board Directors | Koji Nagai | Director and Chairman of Nomura Securities Co., Ltd. |
| Director<br>President and Group CEO | Kentaro Okuda | Representative Director and President of Nomura Securities Co., Ltd. |
| Director<br>Deputy President | Tomoyuki Teraguchi | Representative Director and Deputy President of Nomura Securities Co., Ltd. |
| Director | Shoji Ogawa | Statutory Auditor of Nomura Financial Products & Services, Inc. |
| Outside Director | Kazuhiko Ishimura | Outside Director of TDK Corporation<br>Outside Director of IHI Corporation<br>President of the National Institute of Advanced Industrial Science and Technology |
| Outside Director | Takahisa Takahara | Representative Director, President & CEO of Unicharm Corporation |
| Outside Director | Noriaki Shimazaki | Outside Director of Calbee, Inc.<br>Director of Nomura Securities Co., Ltd. |

| | | |
|---|---|---|
| | | Outside Director of Loginet Japan Co., Ltd. |
| Outside Director | Mari Sono | Auditor of Waseda University |
| Outside Director | Laura Simone Unger | Independent Director of CIT Group Inc. |
| | | Independent Director of Navient Corporation |
| | | Independent Director of Nomura Holding America Inc. |
| | | Independent Director of Nomura Securities International, Inc. |
| | | Independent Director of Nomura Global Finance Products Inc. |
| Outside Director | Victor Chu | Chairman and Chief Executive Officer of First Eastern Investment Group |
| | | Chair of Council, University College London |
| | | Co-Chair, International Business Council of the World Economic Forum<br>Independent Director of Airbus SE |
| Outside Director | J. Christopher Giancarlo | Senior Counsel of Willkie Farr & Gallagher LLP |
| | | Independent Director of the American Financial Exchange |
| | | Independent Chairman of Common Securitization Solutions LLC |
| | | Independent Director of BlockFi Inc.<br>Principal of Digital Dollar Project |
| Outside Director | Patricia Mosser | Senior Research Scholar* |
| | | Director of the MPA Program in Economic Policy Management* |
| | | Director of Central Banking and Financial Policy* |
| | | *Positions at Columbia University, School of International and Public Affairs |

The business address of each Director is 13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo, Japan.

Among the above listed Directors, Kazuhiko Ishimura, Takahisa Takahara, Noriaki Shimazaki, Mari Sono, Laura Simone Unger, Victor Chu, J. Christopher Giancarlo and Patricia Mosser satisfy the requirements of an "outside director" under the Companies Act.

The following persons are the board committee chairmen, committee members and the Executive Officers of NHI as at the date of this Base Prospectus.

*Board Committee Chairmen and Members*

**1. Nomination Committee**

| | |
|---|---|
| Chairman | Kazuhiko Ishimura |
| | Takahisa Takahara |
| | Koji Nagai |

**2. Audit Committee**

| | |
|---|---|
| Chairman | Noriaki Shimazaki |
| | Mari Sono |
| | Shoji Ogawa |

**3. Compensation Committee**

| | |
|---|---|
| Chairman | Kazuhiko Ishimura |
| | Takahisa Takahara |
| | Koji Nagai |

*Executive Officers of NHI*

The Executive Officers of NHI as at the date of this Base Prospectus are as follows:

| | |
|---|---|
| Representative Executive Officer, President and Group CEO | Kentaro Okuda |
| Representative Executive Officer, Deputy President, Chief of Staff and Chief Compliance Officer (CCO) | Tomoyuki Teraguchi |
| Executive Managing Director, Head of China Committee and Chief Health Officer | Toshiyasu Iiyama |
| Executive Managing Director, Chief Financial Officer and Chief Administrative Officer | Takumi Kitamura |
| Executive Managing Director and Chief Risk Officer | Sotaro Kato |
| Executive Managing Director and Chief Strategy Officer | Toru Otsuka |

The business address of each Executive Officer is 13-1, Nihonbashi 1-chome Chuo-ku, Tokyo, Japan.

**Information Concerning NHI's Directors**

The Companies Act states that a Company with Three Board Committees (as defined below) must establish three committees; a nomination committee, an audit committee and a compensation committee. The members of each committee are chosen from the company's directors, and the majority of the members of each committee must be outside directors. At a Company with Three Board Committees, the board of directors is entitled to establish the basic management policy for the company, has decision-making authority over certain prescribed matters, and supervises the execution by the executive officers of their duties. Executive officers and representative executive officers appointed by a resolution adopted by the board of directors manage the business affairs of the company, based on a delegation of authority by the board of directors.

Since June 2003, NHI has adopted a corporate governance structure that separates management oversight functions from business execution functions (**Company with Three Board Committees**). Through this governance structure, NHI aims to strengthen management oversight, increase the transparency of NHI's management and expedite the decision-making process within the Nomura Group. An outline of NHI's Board of Directors, Nomination Committee, Audit Committee and Compensation Committee is provided below.

**Board of Directors**

NHI's Board of Directors consists of Directors who are elected at a general meeting of shareholders and NHI's Articles of Incorporation provide that the number of Directors shall not exceed twenty. The term of office of each Director expires upon the conclusion of the ordinary general meeting of shareholders with respect to the last fiscal year ending within one year after their appointment. Directors may serve any number of consecutive terms. From among its members, NHI's Board of Directors elects the Chairman. NHI's Board of Directors met eleven times during the fiscal year ended 31 March 2021. As a group, NHI's Directors attended 99 per cent. of the total number of meetings of NHI's Board of Directors during the year. NHI's Board of Directors has the authority to determine NHI's basic management policy and supervise the execution by the Executive Officers of their duties. Although NHI's Board of Directors also has the authority to make decisions with regard to NHI's business, most of this authority has been delegated to the Executive Officers by a resolution adopted by NHI's Board of Directors. There are no Directors' service contracts with NHI or any of its subsidiaries providing for benefits upon termination of employment.

**Nomination Committee**

NHI's Nomination Committee, in accordance with NHI's Regulations of the Nomination Committee, determines the details of any proposals concerning the election and dismissal of Directors to be submitted to general meetings of shareholders by NHI's Board of Directors. NHI's Nomination Committee met eight times during the fiscal year ended 31 March 2021. As a group, the member Directors attended all of the meetings of the Nomination Committee during the year. As of 21 June 2021, the members of the Nomination Committee are Koji Nagai, a Director not concurrently serving as an Executive Officer, and Outside Directors Kazuhiko Ishimura and Takahisa Takahara. Kazuhiko Ishimura is the Chairman of this Committee.

**Audit Committee**

NHI's Audit Committee, in accordance with NHI's Regulations of the Audit Committee, (i) audits the execution by the Directors and the Executive Officers of their duties and the preparation of audit reports and (ii) determines the details of proposals concerning the election, dismissal or non-reappointment of the accounting auditor to be submitted to general meetings of shareholders by NHI's Board of Directors. With respect to financial reporting, NHI's Audit Committee has the statutory duty to examine financial statements and business reports to be prepared by Executive Officers designated by NHI's Board of Directors and is authorised to report its opinion to the ordinary general meeting of shareholders.

NHI's Audit Committee met fifteen times during the fiscal year ended 31 March 2021. As a group, the member Directors attended all of the meetings of the Audit Committee during the year. As of 21 June 2021, the members of the Audit Committee are Shoji Ogawa (a full-time member of the Audit Committee) and Outside Directors, Noriaki Shimazaki and Mari Sono. Noriaki Shimazaki is the Chairman of this Committee.

**Compensation Committee**

NHI's Compensation Committee, in accordance with NHI's Regulations of the Compensation Committee, determines NHI's policy with respect to the determination of the details of each Director and Executive Officer's compensation. NHI's Compensation Committee also determines the details of each Director and Executive Officer's actual compensation. NHI's Compensation Committee met seven times during the fiscal year ended 31 March 2021. As a group, the member Directors attended all of the meetings of the Compensation Committee during the year. As of 21 June 2021, the members of the Compensation Committee are Koji Nagai, a Director not concurrently serving as an Executive Officer, and Outside Directors Kazuhiko Ishimura and Takahisa Takahara. Kazuhiko Ishimura is the Chairman of this Committee.

**Limitation of Director Liability**

In accordance with Article 33, Paragraph 2 of NHI's Articles of Incorporation and Article 426, Paragraph 1 of the Companies Act, NHI may execute agreements with Directors (excluding a person who serves as an executive director, etc.) that limit their liability to NHI for damages suffered by NHI if they acted in good faith and without gross negligence. Accordingly, NHI has entered into agreements to limit the Companies Act Article 423 Paragraph 1 liability for damages (Limitation of Liability Agreements) with each of the following Directors: Shoji Ogawa, Kazuhiko Ishimura, Takahisa Takahara, Noriaki Shimazaki, Mari Sono, Laura Simone Unger, Victor Chu, J. Christopher Giancarlo and Patricia Mosser. Liability under each such agreement is limited to either ¥20 million or the amount prescribed by laws and regulations, whichever is greater.

**Information Concerning NHI's Executive Officers**

Executive Officers of NHI are appointed by NHI's Board of Directors, and NHI's Articles of Incorporation provide that the number of Executive Officers shall not exceed forty-five. The term of office of each Executive Officer expires upon the conclusion of the first meeting of the Board of Directors convened after the ordinary general meeting of shareholders for the last fiscal year ending within one year after each Executive Officer's assumption of office. Executive Officers may serve any number of consecutive terms. NHI's Executive Officers have the authority to determine matters delegated to them by resolutions adopted by the Board of Directors and to execute business activities.

**Share Ownership**

The following table shows the number of shares owned by NHI's Directors and Executive Officers as of 31 May 2021. As of that date, none of them owned 1 per cent. or more of NHI's issued and outstanding shares. None of the shares referred to below have different voting rights.

*Directors*

| **Name** | **Number of Shares** |
|---|---|
| Koji Nagai | 328,228 |
| Kentaro Okuda | 189,416 |
| Tomoyuki Teraguchi | 171,128 |
| Shoji Ogawa | 31,784 |
| Kazuhiko Ishimura | - |
| Takahisa Takahara | 881 |
| Noriaki Shimazaki | 21,175 |
| Mari Sono | - |
| Laura Simone Unger | (1,000ADR)[(1)] |
| Victor Chu | - |
| J. Christopher Giancarlo | - |
| Patricia Mosser | - |
| Total | 742,612 |

[(1)] ADRs are not included in the total

***Executive Officers***

| **Name** | **Number of Shareholdings** |
|---|---|
| Kentaro Okuda | See above |
| Tomoyuki Teraguchi | See above |
| Toshiyasu Iiyama | 80,707 |
| Takumi Kitamura | 55,741 |
| Sotaro Kato | 5,714 |
| Toru Otsuka | 20,938 |
| Total | 163,100 |

As at the date of this Base Prospectus, there are no actual or potential conflicts of interest between any duties owed to NHI by the Directors, Executive Officers and the members of the Compensation Committee, the Nomination Committee and the Audit Committee and their private interests and/or other duties.

**PRINCIPAL SHAREHOLDERS AND SHARE CAPITAL**

To its knowledge, NHI is not directly or indirectly owned or controlled by another corporation, by any government or by any other natural or legal person severally or jointly. NHI knows of no arrangements the operation of which may at a later time result in a change of control of Nomura. Also as of 31 March 2021, there were 291 Nomura shareholders of record with addresses in the U.S., and those U.S. holders held

397,971,009 shares of NHI's common stock, representing 12.3 per cent. of Nomura's then issued common stock. As of 31 March 2021, there were 34,687,335 ADSs outstanding, representing 34,687,335 shares of NHI's common stock or 1.1 per cent. of Nomura's then issued common stock. NHI's major shareholders above do not have different voting rights.

Dividends paid by NHI for the past 5 years:

| | | |
|---|---|---|
| 2017 | - | JPY 20.00 per share |
| 2018 | - | JPY 20.00 per share |
| 2019 | - | JPY 6.00 per share |
| 2020 | - | JPY 20.00 per share |
| 2021 | - | JPY 35.00 per share |

## DESCRIPTION OF THE NSC GUARANTOR

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

### INTRODUCTION

NSC, with Corporation Number 0100-01-074037, was incorporated in Japan on 7 May 2001 and is a direct wholly-owned subsidiary of NHI. NSC is a securities and investment banking company and operates its securities business mainly in Japan. NSC does not have any subsidiaries. The registered head office of NSC is located at 13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8011, Japan, and the telephone number is +81-3-3211-1811. NSC's legal entity identifier (LEI) is XPSKD1VTEQPKCHBEKQ95.

Nomura Securities Co. Ltd.'s website is www.nomuraholdings.com/company/group/nsc. Information found on this website does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

NSC's business purpose is, according to Article 2 of NSC's Articles of Incorporation, to engage in the following businesses: (1) sale and purchase of securities, market transactions of derivatives or foreign market derivatives transactions and over-the-counter transactions of derivatives; (2) intermediary, brokerage or agency service for sale and purchase of securities and intermediary, brokerage or agency service for entrustment of sale and purchase of securities conducted in a financial instruments exchange market (including foreign financial instruments market); (3) underwriting and secondary distribution of securities; (4) dealing in public offering or secondary distribution of securities; (5) dealing in private placement of securities; (6) investment advisory and agency business and investment management business; (7) securities, etc. management business; (8) lending and borrowing of securities and any other business incidental to financial instruments business; (9) solicitation of life insurance and non-life insurance agency business; (10) money lending business; (11) bank agency business; (12) any other business not listed above which a financial instruments business operator is permitted to carry on under the Financial Instruments and Exchange Law; and (13) any other business incidental or related to any of the preceding items.

The total number of authorised shares for NSC is 400,000 shares of common stock and the number of issued shares of common stock was 201,410 as of 31 March 2021.

### HISTORY

In May 2001, prior to NHI's reorganisation into a holding company structure, NSC was established as a wholly-owned subsidiary of NHI.

In October 2001, NHI became a holding company for the Nomura Group and NSC assumed NHI's securities businesses.

In April 2002, Nomura Corporate Advisors Co., Ltd. integrated into NSC.

In June 2003, NSC adopted a committee-based corporate governance system.

In October 2008, NSC succeeded employment agreement of Lehman Brothers Japan Inc., etc. strengthening its wholesale businesses.

In November 2009, Joinvest Securities Co., Ltd. integrated into NSC.

In October 2011, Nomura Pension Support & Service Co., Ltd. integrated into NSC.

### SELECTED HISTORICAL FINANCIAL INFORMATION FOR NSC

Set out below is a financial summary for NSC, which has been derived from the audited non-consolidated annual financial statements of NSC as at and for the years ended 31 March 2020 and 2021 and an English translation of the unaudited non-consolidated financial information of NSC as at and for the three months ended 30 June 2021, each of which is incorporated by reference in this Base Prospectus. This information should be read in conjunction with, and is qualified by reference to, the financial statements and information of NSC and the notes thereon prepared in accordance with Japanese GAAP as at and for the years ended 31

March 2020 and 2021 and the three months ended 30 June 2021, respectively, and the accounting policies adopted in respect thereof:

Non-consolidated balance sheets of NSC as at 31 March 2020 and 2021 and as at 30 June 2021:

| | 31 March | | 30 June |
|---|---|---|---|
| | 2020 | 2021 | 2021 |
| | (Millions of Yen) | | |
| Total assets | 13,256,479 | 12,121,762 | 12,105,573 |
| Total net assets | 652,902 | 642,888 | 582,048 |
| Total liabilities | 12,603,577 | 11,478,874 | 11,523,525 |

Non-consolidated statements of income of NSC for the years ended 31 March 2020 and 2021 and the three months ended 30 June 2020 and 2021:

| | 31 March | | 30 June | |
|---|---|---|---|---|
| | 2020 | 2021 | 2020 | 2021 |
| | (Millions of Yen) | | | |
| Commissions | 349,831 | 407,788 | 85,004 | 93,651 |
| Net gains on trading | 165,217 | 165,788 | 49,434 | 35,894 |
| Interest and dividend income | 74,655 | 74,279 | 26,559 | 24,688 |
| Interest expenses | 69,174 | 70,227 | 24,333 | 20,338 |
| Total Selling, general and administrative expenses | 451,939 | 455,307 | 110,966 | 110,201 |
| Operating income | 68,592 | 122,322 | 25,698 | 23,694 |
| Income before income taxes | 71,387 | 122,239 | 25,897 | 28,096 |
| Net income | 51,060 | 85,617 | 18,186 | 31,429 |

The issued capital of NSC has been fully paid up.

The annual financial statements of NSC for the financial years ended 31 March 2020 and 2021 have been audited by Ernst & Young ShinNihon LLC, Tokyo Midtown Hibiya, 1-1-2, Yuraku-cho, Chiyoda-ku, Tokyo 100-0006 and contain an opinion from Ernst & Young ShinNihon LLC. None of the information in this Base Prospectus has been separately audited.

Ernst & Young ShinNihon LLC is an independent registered public accounting firm and a member of the Japanese Institute of Certified Public Accountants.

NSC complies with the Japanese corporate governance regime and applicable capital adequacy requirements.

There are no recent events particular to NSC which are to a material extent relevant to an evaluation of NSC's solvency and no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on NSC's prospects for at least the current financial year.

**MANAGEMENT OF NSC**

The Directors of NSC as at the date of this Base Prospectus are as follows (together with details of their principal directorships and other corporate offices held outside of NSC):

| Position at NSC | Name | Outside directorships and corporate offices |
|---|---|---|
| Director<br>Chairman of Board Directors | Koji Nagai | Director and Chairman of Board Directors of Nomura Holdings, Inc. |
| Representative Director<br>President | Kentaro Okuda | Director, Representative Executive Officer, President and Group CEO of Nomura Holdings, Inc. |
| Representative Director<br>Deputy President | Tomoyuki Teraguchi | Director, Representative Executive Officer, Deputy President, Chief of Staff and Chief Compliance Officer (CCO) of Nomura Holdings, Inc. |
| Representative Director<br>Deputy President | Satoshi Arai | Senior Managing Director of Nomura Holdings, Inc. |
| Representative Director<br>Deputy President | Yutaka Nakajima | Senior Managing Director of Nomura Holdings, Inc. |
| Representative Director<br>Deputy President | Toshiyasu Iiyama | Executive Managing Director of Nomura Holdings, Inc. |
| Director | Masahiro Goto | Senior Managing Director of Nomura Holdings, Inc. |
| Director | Takumi Kitamura | Executive Managing Director of Nomura Holdings, Inc. |
| Director | Sotaro Kato | Executive Managing Director of Nomura Holdings, Inc. |
| Director | Toru Otsuka | Executive Managing Director of Nomura Holdings, Inc. |
| Director | Shinichi Mizuno | - |
| Director | Noriaki Shimazaki | Outside Director of Nomura Holdings, Inc.<br>Outside Director of Loginet Japan Co., Ltd. |
| Outside Director | Nobuo Inada | - |
| Outside Director | Kaname Masuda (Registered Lawyer's name is Eiji Masuda) | Representative Partner of Masuda & Partners Law Office |
| Director | Takehisa Yanai | Outside Director of The Nomura Trust and Banking Co., Ltd. |
| Director | Atsuko Yamakawa | Outside Director of The Nomura Trust and Banking Co., Ltd. |
| Director | Naoyuki Oguri | - |

The business address of each Director is 13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo, Japan.

Among the above listed Directors, Nobuo Inada and Kaname Masuda are outside directors.

The following persons are the committee chairmen and committee members of NSC as at the date of this Base Prospectus.

**Committee Chairmen and Members**

***Audit and Supervisory Committee***

| | |
|---|---|
| Chairman | Noriaki Shimazaki |
| | Nobuo Inada |
| | Kaname Masuda |

Pursuant to the Companies Act of Japan and NSC's Articles of Incorporation, NSC's Audit and Supervisory committee is authorised to (i) audit the execution by the Directors of their duties and formulation of audit reports and (ii) determine the particulars of proposals concerning the election and dismissal of the independent auditors and the non-retention of such independent auditors to be submitted to a meeting of shareholders by NSC's Board of Directors.

As at the date of this Base Prospectus, there are no actual or potential conflicts of interest between any duties, owed to NSC by the members of the Board of Directors and the Audit and Supervisory Committee, and their private interests and/or other duties.

**MATERIAL INVESTMENTS AND PRINCIPAL FUTURE INVESTMENTS**

NSC has made no material investments since the date of its last published financial statements as at the date of this Base Prospectus. There are no principal future investments on which NSC's management bodies have already made firm commitments.

## TAXATION

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

**The following comments are of a general nature, are based on the Issuer's understanding of current law and practice and are included in this document solely for information purposes. These comments are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of a holder of a Security will depend for each issue on the terms of the Securities as specified in the Terms and Conditions, as completed and, in the case of Exempt Securities, amended by the applicable Final Terms under the law and practice at the relevant time. Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes. Prospective holders of Securities should consult their own tax advisers in all relevant jurisdictions to obtain advice about their particular tax treatment in relation to such Securities.**

### UNITED STATES FEDERAL INCOME TAXATION

The following summary describes certain U.S. federal income tax considerations that may be relevant to a U.S. holder (as defined below) who purchases a Security, but is not purported to be a complete analysis of all potential tax effects. This summary is based upon the U.S. Internal Revenue Code of 1986 (the **Code**), existing and proposed regulations promulgated thereunder, and published rulings and court decisions, all as in effect and existing on the date of this Base Prospectus and all of which are subject to change at any time with retrospective or prospective effect. The rules governing the U.S. federal income taxation of option transactions and other derivative financial instruments are complex and depend on a taxpayer's particular circumstances. Accordingly, this summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular investor in a Security. In particular, this summary deals only with holders of Securities who purchase in the initial offering at the applicable issue price and in whose hands the Securities, or the stock, debt, commodity or other property underlying the Securities would be capital assets for U.S. federal income tax purposes. In addition, this discussion assumes that the Securities that are treated as options for U.S. federal income tax purposes, when issued, are not significantly "in-the-money".

This summary also does not discuss the U.S. federal income tax treatment of a U.S. holder who is a member of a class of holders subject to special rules, such as a dealer in securities, commodities or derivative financial instruments, a trader in securities, commodities or derivative financial instruments that elects to use a mark-to-market method of accounting for securities or commodities holdings, a bank, a life insurance company, a tax-exempt organisation, entities that are treated for U.S. federal income tax purposes as partnerships or other pass-through entities, an investor who purchases a Security with respect to stock in a company that is treated as a passive foreign investment company (**PFIC**) for U.S. federal income tax purposes, an investor who purchases a Security and holds any other position (whether long or short, direct or indirect) in any asset underlying such Security, an investor who purchases a Security that is part of a hedging transaction or that has been hedged against currency risk, an investor who purchases a Security that is part of a straddle or conversion transaction for U.S. federal income tax purposes, an investor who purchases or sells Securities as part of a wash sale for U.S. federal income tax purposes, and a U.S. holder whose functional currency for U.S. federal income tax purposes is not the U.S. dollar.

As a consequence of the foregoing, it should be particularly noted that this summary does not address the special tax considerations that apply to an investment in a combination of Securities with respect to the same underlying assets. Further, this summary does not address U.S. federal estate, gift or alternative minimum tax consequences, non-U.S. state or local tax consequences, special tax accounting rules that may apply as a result of any item of gross income with respect to the Notes being taken into account on an applicable financial statement or the indirect effects on the holders of equity interests in a holder of a Security.

Any of the foregoing circumstances might substantially alter the tax consequences described below, and, in some instances, may require specific identification of positions in the relevant Security before the close of the day on which they are acquired. For example, if the straddle rules were to apply, a U.S. holder of a Security might be required to (i) recognise all or a portion of any gain on such Security that would otherwise be long-term or short-term capital gain, as ordinary income or, if applicable, short-term capital gain, (ii) defer all, or a portion, of any loss realised upon the sale, exchange, exercise, cancellation or lapse of such Security and (iii) capitalise any interest or carrying charges incurred by such U.S. holder with respect to such Security.

This summary does not address the material U.S. federal income tax consequences of every type of Security which may be issued under the Programme. Additional U.S. federal income tax consequences, if any, applicable to a particular Security may be set forth in the applicable Final Terms.

**The rules governing the taxation of option transactions and derivative financial instruments are complex and depend on a taxpayer's particular circumstances. U.S. holders are strongly urged to consult their tax advisers concerning the U.S. federal, state, local, foreign and other national tax consequences of the ownership and disposition of Securities in their particular circumstances. U.S. holders should also consult their tax advisers as to the possibility of changes of law affecting taxation of derivative financial instruments with contingent payments, including prepaid forward contracts. Prospective investors should consult their tax advisers regarding the U.S. federal, state, local and foreign tax consequences of acquiring, owning and disposing of the Securities in light of such investor's own circumstances, including such investor's status as a U.S. holder (as defined below), as well as any other estate, gift, or other tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.**

For purposes of this discussion, a **U.S. holder** means a beneficial owner of a Security that is:

(i) a citizen or individual resident of the United States, as defined in Section 7701(b) of the Code,

(ii) a corporation, including any entity treated as a corporation for U.S. federal income tax purposes, created or organised in or under the laws of the United States, any State thereof or the District of Columbia;

(iii) an estate the income of which is subject to U.S. federal income tax without regard to its source;

(iv) a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust, or (y) such trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person; or

(v) otherwise subject to U.S. federal income taxation on a net income basis in respect of the Security.

A **non-U.S. holder** is a beneficial owner of Securities that is not a U.S. holder.

If a partnership holds a Security, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners in partnerships holding a Security should consult their tax advisers regarding the U.S. federal income tax consequences of acquiring, owning, exchanging and disposing of the Securities.

The Issuer generally intends to treat N&C Securities issued under the Programme as debt, but other tax treatment may be indicated in the applicable Final Terms. Certain N&C Securities such as Index Linked N&C Securities, may be treated as equity or a derivative financial instrument for U.S. federal income tax purposes. The tax treatment of N&C Securities to which a treatment other than debt may apply may be discussed in the applicable Final Terms. The Final Terms for an issue of N&C Securities may specify with respect to the issue of N&C Securities to which it relates (and where relevant) the potential U.S. federal income tax consequences of the purchase, ownership and disposition of the N&C Securities.

Holders may be subject to a variety of U.S. tax consequences depending on the subject and the terms of the N&C Securities. Holders should consult their own advisers about the tax consequences of purchasing N&C Securities, particularly whether the N&C Securities being acquired could be treated for U.S. tax purposes as debt instruments or as another type of financial instrument.

**Classification of the Securities**

Depending on the terms of a Security, such Security could be treated as one or more of the following: (i) a prepaid forward contract (which, depending on the terms, may be subject to embedded options), (ii) a combination of a loan and a prepaid forward contract, (iii) an outright or constructive ownership interest in the property underlying such Security, (iv) an option or warrant, or (v) a debt instrument with or without contingent

payments. Additional U.S. federal income tax consequences applicable to a particular issuance of Securities may be set forth in the applicable Final Terms.

No ruling is being requested from the U.S. Internal Revenue Service (**IRS**) with respect to the Securities, and the treatment of the Securities described below is not binding on the IRS or the courts. As a result, significant aspects of the U.S. federal income tax consequences of an investment in the Securities are uncertain.

***Debt***

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Securities treated as debt for U.S. federal tax purposes.

*Payment of Interest*

Interest on a Security, including the payment of any additional amounts, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars ("foreign currency" interest on a **Foreign Currency Security**), other than interest on a **Discount Security** that is not "qualified stated interest" (each as defined below under "*Original Issue Discount —General*"), will be taxable to a U.S. holder as ordinary income at the time it is received or accrued, depending on the U.S. holder's method of accounting for tax purposes. Interest paid by the Issuer on the Securities and original issue discount (**OID**), if any, accrued with respect to the Securities (as described below under "*Original Issue Discount*") generally will constitute income from sources outside the United States subject to the rules regarding the foreign tax credit allowable to a U.S. holder. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of any payment of foreign taxes.

*Original Issue Discount*

*General*

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Securities issued with OID. The following summary does not discuss Securities that are characterised as contingent payment debt instruments for U.S. federal income tax purposes.

A Security, other than a Security with a term of one year or less, will generally be treated as issued with OID (a **Discount Security**) if the excess of the Security's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Security's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "**instalment obligation**") will be treated as a Discount Security if the excess of the Security's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Security's stated redemption price at maturity multiplied by the weighted average maturity of the Security. A Security's weighted average maturity is the sum of the following amounts determined for each payment on a Security (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Security's stated redemption price at maturity. Generally, the issue price of a Security will be the first price at which a substantial amount of Securities included in the issue of which the Security is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Security is the total of all payments provided by the Security that are not payments of "qualified stated interest." A qualified stated interest payment is generally any one of a series of stated interest payments on a Security that are unconditionally payable at least annually at a single fixed rate, or a variable rate (as described below under "*Variable Interest Rate Securities*"), applied to the outstanding principal amount of the Security. Solely for the purposes of determining whether a Security has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Security, and the U.S. holder will be deemed to exercise any put option that has the effect of increasing the yield on the Security. If a Security has *de minimis* OID, a U.S. holder must include the *de minimis* amount in income as stated principal payments are made on the Security, unless the U.S. holder makes an election to treat all interest as OID.

U.S. holders of Discount Securities must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Securities. The amount of OID includible in income by a U.S.

holder of Discount Securities is the sum of the daily portions of OID with respect to the Discount Securities for each day during the taxable year or portion of the taxable year on which the U.S. holder holds the Discount Securities. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Security may be of any length selected by the U.S. holder and may vary in length over the term of the Discount Security as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Security occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period (and pro rata to every day in the accrual period) equals the excess of (a) the product of the Discount Security's adjusted issue price at the beginning of the accrual period and the Discount Security's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Security allocable to the accrual period. The "adjusted issue price" of a Discount Security at the beginning of any accrual period is the issue price of the Security increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Security that were not qualified stated interest payments.

*Acquisition Premium*

A U.S. holder that purchases a Discount Security for an amount less than or equal to the sum of all amounts payable on the Security after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price and that does not make an election to treat all interest as OID, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. holder's adjusted basis in the Discount Security immediately after its purchase over the Discount Security's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Security after the purchase date, other than payments of qualified stated interest, over the Discount Security's adjusted issue price.

*Market Discount*

A Security, other than a Security with a term of one year or less, generally will be treated as purchased at a market discount (a **Market Discount Security**) if the Security's stated redemption price at maturity or, in the case of a Discount Security, the Security's "revised issue price", exceeds the amount for which the U.S. holder purchased the Security by at least 0.25 per cent. of the Security's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Security's maturity. If this excess is not sufficient to cause the Security to be treated as purchased at a market discount, then the excess constitutes "*de minimis* market discount". For this purpose, the "revised issue price" of a Security generally equals its issue price, increased by the amount of any OID that has accrued on the Security and decreased by the amount of any payments previously made on the Security that were not qualified stated interest payments.

Any gain recognised on the maturity or disposition of a Market Discount Security (including any payment on a Security that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Security. Alternatively, a U.S. holder of a Market Discount Security may elect to include market discount in income currently over the life of the Security. This election shall apply to all debt instruments with market discount acquired by the electing U.S. holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. holder of a Market Discount Security that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Security that is in excess of the interest and OID on the Security includible in the U.S. holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Security was held by the U.S. holder.

Market discount will accrue on a straight-line basis unless the U.S. holder elects to accrue the market discount on a constant-yield method. This election applies only to the Security with respect to which it is made and is irrevocable.

*Election to Treat All Interest as Original Issue Discount*

A U.S. holder may elect to include in gross income all interest that accrues on a Security using the constant-yield method described above under "*Original Issue Discount — General*" with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount, as adjusted by any amortisable bond premium (described below under "*Securities*

*Purchased at a Premium*") or acquisition premium. If a U.S. holder makes this election for the Security, then, when the constant-yield method is applied, the issue price of the Security will equal its cost, the issue date of the Security will be the date of acquisition, and no payments on the Security will be treated as payments of qualified stated interest. This election will generally apply only to the Security with respect to which it is made and may not be revoked without the consent of the IRS. However, if the Security has amortisable bond premium, the U.S. holder will be deemed to have made an election to apply amortisable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, held as of the beginning of the taxable year to which the election applies or any taxable year thereafter. If the election to apply the constant-yield method to all interest on a Security is made with respect to a Market Discount Security, the electing U.S. holder will be treated as having made the election discussed above under "*Market Discount*" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. holder.

*Variable Interest Rate Securities*

Securities that provide for interest at variable rates (**Variable Interest Rate Securities**) generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Security will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Security by more than a specified *de minimis* amount and (b) it provides for stated interest, paid or compounded at least annually, at current values of (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate.

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Security is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35, whether or not a variable rate is increased or decreased by a fixed rate. A variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Security.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). Despite the foregoing, a variable rate of interest on a Variable Interest Rate Security will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Security's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Security's term. A rate also will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer).

A qualified inverse floating rate is any objective rate which is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate.

If a Variable Interest Rate Security provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Security's issue date is intended to approximate the fixed rate (e.g. the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate – the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

A Variable Interest Rate Security that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Security is issued at a "true discount" (i.e., at a price below the Security's stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Security arising from true discount is allocated to an accrual period using the constant yield method described above.

In general, any other Variable Interest Rate Security that qualifies as a "variable rate debt instrument" will be converted into an equivalent fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Security. Such a Variable Interest Rate Security must be converted into an equivalent fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Security with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Security's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Security is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Security. In the case of a Variable Interest Rate Security that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Security provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Security as of the Variable Interest Rate Security's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Security is converted into an equivalent fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Security is converted into an equivalent fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the equivalent fixed rate debt instrument by applying the general OID rules to the equivalent fixed rate debt instrument and a U.S. holder of the Variable Interest Rate Security will account for the OID and qualified stated interest as if the U.S. holder held the equivalent fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the equivalent fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Security during the accrual period.

If a Variable Interest Rate Security, such as a Security the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Security will be treated as a contingent payment debt instrument as described below under "*Other Treatments - Contingent Payment Debt Instruments*".

*Short-Term Securities*

In general, an individual or other cash basis U.S. holder of a Security with a term of one year or less is not required to accrue OID (calculated as set forth below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. holders and certain other U.S. holders are required to accrue OID on Securities with a term of one year or less on a straight-line basis or, if the U.S. holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Security with a term of one year or less will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. holders who are not required and do not elect to accrue OID on Securities with a term of one year or less will be required to defer deductions for interest on borrowings allocable to Securities with a term of one year or less in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Security with a term of one year or less are included in such Security's stated redemption price at maturity. A U.S. holder may elect to determine OID on a Security with a term of one year or less as if such Security had been originally

issued to the U.S. holder at the U.S. holder's purchase price for the Security. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

*Securities Purchased at a Premium*

A U.S. holder that purchases a Security for an amount in excess of its principal amount, or for a Discount Security, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. holder's income each year with respect to interest on the Security will be reduced by the amount of amortisable bond premium allocable (based on the Security's yield to maturity) to that year. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. holder, and is irrevocable without the consent of the IRS. A U.S. holder that does not elect to take bond premium (other than acquisition premium as described above under "*Acquisition Premium*") into account currently will recognise a capital loss when the Security matures.

*Purchase, Sale and Retirement of Securities*

A U.S. holder's tax basis in a Security will generally be its cost, increased by the amount of any OID and market discount included in the U.S. holder's income with respect to the Security and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. holder's income with respect to the Security, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Security.

A U.S. holder will generally recognise gain or loss on the sale or retirement of a Security equal to the difference between the amount realised on the sale or retirement and the U.S. holder's tax basis in the Security. Except to the extent described above under "*Original Issue Discount—Market Discount*" or "*Original Issue Discount—Short-Term Securities*" or attributable to accrued but unpaid interest or changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Security will be capital gain or loss and generally will be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation and may be taxable at reduced rates in the case of a U.S. holder that is an individual, estate or trust, if the Securities are held for more than one year. The deductibility of capital losses is subject to limitations.

*Foreign Currency Securities*

*Interest*

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. holder, the part of the period within the taxable year).

Under the second method, the U.S. holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Security) denominated in, or determined by reference to, a foreign currency, the U.S. holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the

difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

*OID*

OID for each accrual period on a Discount Security that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. holder, as described above under "*Foreign Currency Securities—Interest*". Upon receipt of an amount attributable to OID (whether in connection with a payment on the Security or a sale of the Security), a U.S. holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

*Bond Premium*

Bond premium (including acquisition premium) on a Security that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency.

On the date bond premium offsets interest income, a U.S. holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Securities were acquired by the U.S. holder.

*Purchase, Sale and Retirement of Securities*

As discussed above under "*Purchase, Sale and Retirement of Securities*", a U.S. holder will generally recognise gain or loss on the sale or retirement of a Security equal to the difference between the amounts realised on the sale or retirement and its tax basis in the Security. A U.S. holder's tax basis in a Foreign Currency Security will be determined by reference to the U.S. dollar cost of the Security. The U.S. dollar cost of a Security purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Securities traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. holder (or an accrual basis U.S. holder that so elects), on the settlement date for the purchase.

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement or, in the case of Securities traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. holder (or an accrual basis U.S. holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Security equal to the difference, if any between the U.S. dollar values of the U.S. holder's purchase price for the Security (or, if less, the principal amount of the Security) (i) on the date of sale or retirement and (ii) the date on which the U.S. holder acquired the Security. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement.

*Disposition of Foreign Currency*

Foreign currency received as interest on a Security or on the sale or retirement of a Security will generally have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or retirement. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Securities or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

*Tax Return Disclosure Regulations*

Pursuant to U.S. Treasury regulations (the **Disclosure Regulations**), any taxpayer that has participated in a "reportable transaction" and that is required to file a U.S. federal income tax return must generally attach a disclosure statement disclosing such taxpayer's participation in the reportable transaction to the taxpayer's tax return for each taxable year for which the taxpayer participates in the reportable transaction. A penalty in the

amount of US$10,000 in the case of a natural person and US$50,000 in any other case may be imposed on any taxpayer that fails to file a reportable transaction disclosure statement. The Disclosure Regulations provide that, in addition to certain other transactions, a "loss transaction" constitutes a "reportable transaction." A "loss transaction" is any transaction resulting in the taxpayer claiming a loss under Section 165 of the Code in an amount equal to or in excess of certain threshold amounts. The Disclosure Regulations specifically provide that a loss resulting from a "Section 988 transaction" (as defined in Section 988(c)(1) of the Code relating to foreign currency transactions) will constitute a Section 165 loss. In the case of individuals or trusts, whether or not the loss flows through from an S corporation or partnership, if the loss arises with respect to a Section 988 transaction, the applicable threshold amount is US$50,000 in any single taxable year. Higher threshold amounts apply depending upon the taxpayer's status as a corporation, partnership, or S corporation, as well as certain other factors. It is important to note, however, that the Disclosure Regulations provide that the fact that a transaction is a reportable transaction shall not affect the legal determination of whether the taxpayer's treatment of the transaction is proper. Holders should consult their own tax advisers concerning the potential application of the Disclosure Regulations to the Securities.

***Options or Warrants***

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Securities treated as options or warrants for U.S. federal income tax purposes.

*Premium*

Premium paid by a U.S. holder for a Security will generally be treated as a non-deductible capital expenditure. As described in the following two sections, the amount of such premium will be taken into account upon the sale, transfer, cash settlement, or lapse of the Security.

*Sale, Transfer, Cash Settlement, or Lapse of Securities*

A U.S. holder who has purchased a Security will generally recognise capital gain or loss upon the sale, transfer, cash settlement or lapse of the Security in an amount equal to the difference between (i) the amount realised by the investor from such sale, transfer, settlement, or lapse and (ii) the amount of the premium that the investor paid for the Security. Such capital gain or loss will be long-term capital gain or loss if the Security was held for more than one year. Certain exceptions to such treatment are noted below and, if appropriate, may be addressed in the applicable Final Terms.

*Mark-to-Market Rules*

Under Section 1256 of the Code, special mark-to-market and character rules apply in the case of certain "non-equity" options and foreign currency contracts. Unless the Securities (other than Securities denominated in a currency other than the U.S. dollar) are listed on a "qualified board or exchange" for purposes of Section 1256 of the Code, however, these mark-to-market rules will not be applicable to U.S. holders of the Securities. Where relevant, the application of the Section 1256 of the Code rules to Securities denominated in a currency other than the U.S. dollar may be discussed in the applicable Final Terms.

***Other Treatments***

*Tax Treatment of Prepaid Forward Contracts (With or Without a Loan)*

If any Securities are treated as prepaid forward contracts (with or without a loan) for U.S. federal income tax purposes, the following description should apply to such Securities.

*Interest Payments*

Payments of interest (if any) will be taxable to a U.S. holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. holder's regular method of tax accounting).

*Cash Settlement, Sale, or Other Disposition of the Securities*

If the Securities are treated in whole or in part as prepaid forward contracts, upon the receipt of cash upon settlement of a Security or upon the sale or other disposition of such Security, a U.S. holder generally will recognise taxable gain or loss equal to the difference between the amount realised (generally, the amount of cash received) and such U.S. holder's tax basis in the Security. In general, a U.S. holder's tax basis in a Security will equal the amount that such U.S. holder paid to acquire the Security. Subject to the discussion below under

"*Constructive Ownership*," any such gain or loss generally will be long-term capital gain or loss if the Security was held for more than one year at the time of settlement or at the time of sale or other disposition.

*Constructive Ownership*

Some or all of the net long-term capital gain arising from certain "constructive ownership" transactions may be characterised as ordinary income, in which case an interest charge would be imposed on any such ordinary income. These rules have no immediate application to forward contracts in respect of most property underlying the Securities, because they are only applicable to the extent that the underlying property directly or indirectly includes shares of issuers treated as "pass-through" entities. For this purpose "pass-through entities" include regulated investment companies, real estate investment trusts, S corporations, partnership, trusts, common trust funds, PFICs, and real estate mortgage investment conduits. These rules, however, grant discretionary authority to the U.S. Treasury Department (the **Treasury**) to expand the scope of "constructive ownership" transactions to include forward contracts in respect of the stock of all corporations, in addition to forward contracts in respect of any debt instrument. The rules also separately direct the Treasury to promulgate regulations excluding a forward contract that does not convey "substantially all" of the economic return on any underlying asset from the scope of "constructive ownership" transactions. It is not possible to predict whether such regulations will be promulgated by the Treasury, or the form or effective date that any regulations that may be promulgated might take.

*Interest in the Underlying Property*

Depending on the terms of particular Securities, a U.S. holder could be treated as owning the property underlying those Securities for U.S. federal income tax purposes. In that event, for example, in the case of Index Linked Securities, the U.S. holder would be required to recognise appropriate amounts of capital gain on the disposition of any shares included in the underlying Index each time that the Index is rebalanced. In such a case, such U.S. holder also would be subject to tax on dividends on shares included in the Index in an amount equal to the gross dividends paid by the companies whose shares are included in the Index. In addition, any current expenses (including any withholding taxes) in respect of shares included in the Index would be treated as if made directly by the U.S. holder, and the deductibility of such expenses (or creditability of such withholding taxes) could be subject to certain limitations.

*Contingent Payment Debt Instruments*

If any Securities are treated as contingent payment debt instruments, the tax consequences to a U.S. holder would be determined under U.S. Treasury regulations governing contingent payment debt instruments (the **Contingent Payment Regulations**). The Contingent Payment Regulations are complex, but very generally apply the OID rules of the Code to a contingent payment debt instrument by requiring that OID be accrued by the U.S. holder every year at a "comparable yield" for the issuer of the instrument, determined at the time of issuance of the obligation. In addition, the Contingent Payment Regulations require that a projected payment schedule, which results in such a "comparable yield" be determined by the issuer. Further, a U.S. holder will be required to make adjustments to income accruals to account for differences between the actual payments received by the U.S. holder and the projected amounts of such payments. To the extent that the actual payments received by a U.S. holder exceed the projected payments on a contingent debt instrument in any taxable year, the owner of that instrument will recognise ordinary interest income for that taxable year equal to the amount of such excess. In addition, any gain realised on the sale, exchange or redemption of a contingent payment debt instrument will be treated as ordinary income. Any loss realised on such sale, exchange or redemption will be treated as an ordinary loss to the extent that the U.S. holder's OID inclusions with respect to the obligation exceed prior reversals of such inclusions required by the adjustment mechanism described above. Any loss realised in excess of such amount generally will be treated as a capital loss.

*Loan and One or More Options*

If any Securities are treated as a combination of a loan (or deposit) and one or more options, in general, payments of interest (if any) will be taxable to a U.S. holder as ordinary interest income at the time that such payments are accrued or are received (in accordance with the U.S. holder's regular method of tax accounting), while payments in respect of the options would be taxable in a manner similar to the taxation of corresponding payments under Securities treated as options, as described above under "*Options or Warrants*."

*Possible Alternative Tax Treatment*

If a Security is treated as a unit consisting of a loan and a forward contract, a U.S. holder could be required to accrue a significant amount of OID on a current basis during the period in which it holds the Security. Alternatively, it is possible that the Securities could be characterised for U.S. federal income tax purposes as debt instruments that are subject to the Contingent Payment Regulations (as more fully described above under "*Contingent Payment Debt Instruments*"), in which case, among other matters, a U.S. holder would be required to accrue income, as OID, at a "comparable yield" for the Issuer, on the purchase price. Furthermore, any gain realised with respect to the Securities would generally be treated as ordinary income.

It is also possible that future regulations or other IRS guidance would require a U.S. holder to accrue income on the Securities on a current basis. The IRS and the Treasury have issued proposed regulations that require the current accrual of income with respect to contingent non-periodic payments made under certain notional principal contracts. The preamble to the regulations states that the "wait and see" method of tax accounting does not properly reflect the economic accrual of income on such contracts, and requires a current accrual of income with respect to some contracts already in existence at the time the proposed regulations were released. While the proposed regulations do not apply to prepaid forward contracts, the preamble to the proposed regulations expresses the view that similar timing issues exist in the case of prepaid forward contracts. If the IRS published future guidance requiring current accrual of income with respect to contingent payments on prepaid forward contracts, it is possible that a U.S. holder could be required to accrue income over the term of the Securities.

*Securities Denominated in a Specified Currency Other Than the U.S. Dollar*

In general, except to the extent that the mark-to-market and character rules under Section 1256 apply (see "*Options or Warrants — Mark-to-Market Rules*" above), any gain or loss realised in respect of a Security denominated in a Specified Currency other than the U.S. dollar will be ordinary income or loss. Any such gain or loss generally must be recognised upon a sale, exchange, termination, rollover, settlement or exercise of such Security, as well as upon an offset of one contract against another in certain circumstances. In general, if a Security denominated in a Specified Currency other than the U.S. dollar is subject to Section 1256, a U.S. holder will be required to include mark-to-market gain or loss in respect of such Security at the end of each year (or upon transfer, termination, exercise, lapse or other disposition), with 40 per cent. of such gain or loss being short-term capital gain or loss and 60 per cent. of such gain or loss being long-term capital gain or loss.

If appropriate, additional U.S. federal income tax consequences applicable to Securities denominated in the Specified Currency other than the U.S. dollar may be set forth in the applicable Final Terms.

*Foreign Currency Rules*

Payments of premium, exercise price, sale proceeds, and cash settlement amounts in respect of Securities that are denominated in a currency other than the U.S. dollar will be subject to special U.S. tax rules regarding foreign currency transactions. U.S. holders should consult their tax advisers concerning the application of these rules in their particular circumstances.

*Notice 2008-2*

On 7 December 2007, the IRS released a notice that may affect the taxation of holders of the Securities. According to the notice, the IRS and the Treasury are actively considering whether the U.S. holder of an instrument such as the Securities should be required to accrue ordinary income on a current basis, and they are seeking taxpayer comments on the subject. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, U.S. holders of the Securities will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The IRS and the Treasury are also considering other relevant issues, including whether additional gain or loss from such Securities should be treated as ordinary or capital, whether non-U.S. holders of such Securities should be subject to withholding tax on any deemed income accruals, and whether the special "constructive ownership rules" of Section 1260 of the Code might be applied to such Securities. U.S. holders are urged to consult their tax advisers concerning the significance, and the potential impact, of the above considerations. The Issuer intends to continue treating the Securities for U.S. federal income tax purposes in accordance with the treatment described in this Base Prospectus unless and until such time as the Treasury and the IRS determine that some alternative treatment is more appropriate.

**Taxation of Non-U.S. Holders**

Subject to the discussion below under "*Information Reporting and Backup Withholding*", "*Foreign Account Tax Compliance Act*" and "*Hiring Incentives to Restore Employment Act*", non-U.S. holders generally should not be subject to U.S. federal income or withholding tax on any payments on the Securities and gain from the sale, redemption or other disposition of the Securities unless: (i) that payment and/or gain is effectively connected with the conduct by that non-U.S. holder of a trade or business in the U.S.; (ii) in the case of any gain realised on the sale or exchange of a Security by an individual non-U.S. holder, that holder is present in the U.S. for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met; or (iii) the non-U.S. holder is subject to tax pursuant to provisions of the Code applicable to certain expatriates.

Non-U.S. holders should consult their own tax advisers regarding the U.S. federal income and other tax consequences of owning Securities.

**Information Reporting and Backup Withholding**

The relevant Agent may be required to file information returns with the IRS with respect to payments made to certain U.S. holders of Securities. In addition, certain U.S. holders may be subject to backup withholding tax in respect of such payments if they do not provide their taxpayer identification numbers to the relevant Agent or otherwise comply with the applicable backup withholding requirements.

U.S. holders should consult their tax advisers regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom and the procedure for obtaining the exemption, if available. Backup withholding is not an additional tax. Any amounts withheld from a payment to a holder under the backup withholding rules will be allowed as a credit against the holder's United States federal income tax liability and may entitle the holder to a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing all required information. Non-U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. holders in order to avoid the application of such information reporting requirements and backup withholding.

**Foreign Financial Asset Reporting**

Certain U.S. holders that own "specified foreign financial assets" that meet certain U.S. dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Securities generally will constitute specified foreign financial assets subject to these reporting requirements unless the Securities are held in an account at certain financial institutions. U.S. holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Securities.

**Medicare Tax**

A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8 per cent. tax on the lesser of (1) the U.S. holder's "net investment income" for the relevant taxable year and (2) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between US$ 125,000 and US$ 250,000, depending on the individual's circumstances). A holder's net investment income will generally include its income from, including but not limited to, interest and dividends and its gains from the disposition of Securities, unless such income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities).

**FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Pursuant to certain provisions of the Code, commonly known as FATCA, withholding may be required on, among other things, (i) certain payments made by "foreign financial institutions" (**foreign passthru payments**) and (ii) dividend equivalent payments (as described below in "*U.S. Dividend Equivalent Withholding*"), in each case, to persons that fail to meet certain certification, reporting, or related requirements. The Issuer, the NHI Guarantor, the NSC Guarantor and the NIHK Guarantor are classified as foreign financial institutions for these purposes. A number of jurisdictions (including Hong Kong, Japan and the United Kingdom) have

entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGA**s), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. If withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or before the relevant grandfathering date would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. The grandfathering date for (A) Securities that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, and (B) Securities that give rise to a dividend equivalent pursuant to Section 871(m) of the Code and the U.S. Treasury regulations promulgated thereunder, is six months after the date on which obligations of its type are first treated as giving rise to dividend equivalents. If additional securities that are not distinguishable from such previously issued grandfathered Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

**U.S. DIVIDEND EQUIVALENT WITHHOLDING**

The U.S. Hiring Incentives to Restore Employment Act introduced Section 871(m) of the Code which treats a "dividend equivalent" payment as a dividend from sources within the United States. Under Section 871(m), such payments generally would be subject to a 30 per cent. U.S. withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the IRS. A "dividend equivalent" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) or (ii). The final U.S. Treasury regulations issued under Section 871(m) and applicable guidance (the **Section 871(m) Regulations**) require withholding on certain non-U.S. holders of the Securities with respect to amounts treated as attributable to dividends from certain U.S. securities. Under the Section 871(m) Regulations, only a Security that has an expected economic return sufficiently similar to that of the underlying U.S. security based on tests set forth in the Section 871(m) Regulations will be subject to the Section 871(m) withholding regime (making such Security a **Specified Security**). The Section 871(m) Regulations provide certain exceptions to this withholding requirement, in particular for instruments linked to certain broad-based indices.

Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified Security or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Security. If the underlying U.S. security or securities are expected to pay dividends during the term of the Specified Security, withholding generally will still be required even if the Specified Security does not provide for payments explicitly linked to dividends. Additionally, the Issuer may withhold the full 30 per cent. tax on any payment on the Securities in respect of any dividend equivalent arising with respect to such Securities regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a holder is eligible for a reduced tax rate under

an applicable tax treaty with the United States). A holder may be able to claim a refund of any excess withholding provided the required information is timely furnished to the IRS. Refund claims are subject to U.S. tax law requirements and there can be no assurance that a particular refund claim will be timely paid or paid at all. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

The Section 871(m) Regulations generally apply to Specified Securities issued on or after 1 January 2017. If the terms of a Security are subject to a "significant modification" (as defined for U.S. tax purposes), the Security generally would be treated as retired and reissued on the date of such modification for purposes of determining, based on economic conditions in effect at that time, whether such Security is a Specified Security. Similarly, if additional Securities of the same series are issued (or deemed issued for U.S. tax purposes, such as certain sales of Securities out of inventory) after the original issue date, the IRS could treat the issue date for determining whether the existing Securities are Specified Securities as the date of such subsequent sale or issuance. Consequently, a previously out of scope Security might be treated as a Specified Security following such modification or further issuance.

In addition, with respect to Securities that provide for net dividend reinvestment in respect of either an underlying U.S. security or an index that includes U.S. securities, all payments on the 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 calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer will be deemed to withhold, 30 per cent. of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

The applicable Final Terms or Pricing Supplement will indicate whether the Issuer has determined that Securities are Specified Securities and may specify contact details for obtaining additional information regarding the application of Section 871(m) to Securities. If Securities are Specified Securities, a non-U.S. holder of the Securities should expect to be subject to withholding in respect of any dividend-paying U.S. securities underlying those Securities. The Issuer's determination is binding on non-U.S. holders of the Securities, but it is not binding on the IRS. The Section 871(m) Regulations require complex calculations to be made with respect to Securities linked to U.S. securities and their application to a specific issue of Securities may be uncertain.

Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Securities.

## IRISH TAXATION

The following is a summary of the Irish withholding tax treatment of the Securities. The following applies only to persons who are the beneficial owners of Securities. This summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities. It does not deal with the Irish taxation implications of acquiring, holding, exercising or disposing or the settlement or redemption of the Securities. The summary is based upon the laws of Ireland in effect and the published practices of the Revenue Commissioners of Ireland, in each case at the date of this Base Prospectus. The Irish tax treatment of prospective investors depends on their individual circumstances and may be subject to change in the future. Prospective investors in the Securities should consult their own advisers as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Securities including, in particular, the effect of any state or local law taxes, if applicable.

### Withholding Tax

The Issuer is not incorporated in Ireland. Therefore, on the basis that the Issuer is not managed and controlled in Ireland, the Issuer is not resident in Ireland for the purposes of Irish tax. The Issuer will not be deemed to be resident or otherwise taxable in Ireland by virtue only of the fact that the Securities are offered to the public in Ireland.

Irish withholding tax applies to certain payments, including payments of:

(i) Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);

(ii) Irish source annual payments (annual payments are payments that are pure income-profit in the hands of the recipient); and

(iii) distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax.

Where applicable, Irish withholding tax applies to Irish source yearly interest and Irish source annual payments at the standard rate of Irish income tax (currently 20 per cent.). Where applicable, Irish dividend withholding tax applies to distributions at a rate of 25 per cent.

On the basis that the Issuer is not incorporated in Ireland, is not resident in Ireland for the purposes of Irish tax does not operate in Ireland through a branch or agency, nor are the Securities held in Ireland through a depositary, or otherwise located in Ireland, or secured on Irish property, then to the extent that payments of interest or annual payments arise on the Securities, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation, and so should not be subject to Irish withholding tax.

Accordingly, the Issuer should not be obliged to deduct any amounts on account of these Irish withholding taxes from payments made in connection with the Securities.

Separately, as long as the Securities are quoted on a stock exchange, a purchaser of the Securities should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Securities.

On the basis that the Securities are issued on arm's length terms, then payments on the Securities should not be regarded as annual payments for Irish tax purposes.

**Encashment Tax**

Interest or distributions on any Securities issued by the Issuer and paid:

(i) by a paying agent in Ireland; or

(ii) to an agent in Ireland on behalf of a person who holds the Securities,

will generally be subject to Irish withholding tax at a prescribed rate of 25 per cent. This is unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Securities entitled to the interest or distribution is not resident in Ireland for Irish tax purposes, and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland for Irish tax purposes. In addition, an exemption applies where the payment is made to a company where that company is beneficially entitled to that income and is or will be within the charge to corporation tax in respect of that income.

## LUXEMBOURG TAXATION

***The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject. Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.***

**Withholding Tax**

***Non-resident holders of Securities***

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident holders of Securities.

***Resident holders of Securities***

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest or similar income under the Securities coming within the scope of the Law will be subject to withholding tax at a rate of 20 per cent.

## SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the Inland Revenue Authority of Singapore (**IRAS**) or the Monetary Authority of Singapore (**MAS**) in force as at the date of this Base Prospectus and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis.

Neither these statements nor any other statements in this Base Prospectus should be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities.

The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (including without limitation a person holding the Financial Sector Incentive tax status) may be subject to special rules.

**Furthermore, there may be additional tax issues arising from complex structured products such as the Securities which have not been addressed in this section.**

Prospective holders of the Securities who are in doubt about their respective tax positions or any such tax implications of the purchase, ownership or transfer of any Securities or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional tax advisers.

***Interest and Other Payments***

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (**ITA**), the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is:

  (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or

  (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Payments (other than repayments of principal) by the Issuer in respect of N&C Securities are likely to fall within Section 12(6) of the ITA.

Whether payments by the Issuer in respect of W&C Securities fall within Section 12(6) of the ITA would depend on the terms and conditions of the relevant W&C Securities.

Payments within Section 12(6) of the ITA, where made to a person not known to the Issuer to be a tax resident in Singapore, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non tax resident persons other than non-tax-resident individuals is currently 17 per cent.. The applicable rate for non-tax-resident individuals is currently 22 per cent.. However, if the payment is derived by a person who is a non tax resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

Singapore-source interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost from debt securities and derived by individuals will be exempted from tax, except where such income is derived through a partnership in Singapore or is considered as gains or profits derived from the carrying on of a trade, business or profession.

However, as the Programme as a whole has been arranged by Nomura Singapore Limited which was at the material times a Financial Sector Incentive (Bond Market) Company (within the meaning of Section 13(16) of the ITA) (**FSI-BM**) a tranche of Notes or Certificates which are debt securities issued on or before 31 December 2023 (hereinafter called **Relevant Notes** or **Relevant Certificates**) will be "qualifying debt securities" for the purposes of the ITA to which the following treatments apply:

(a) if payments on the Relevant Notes or Relevant Certificates fall within Section 12(6) of the ITA, subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the Relevant Notes or Relevant Certificates within a prescribed period to the MAS, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes or Relevant Certificates of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived by a person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption shall not apply if the non-tax-resident person acquires Relevant Notes or Relevant Certificates using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, **Qualifying Income**) derived from the Relevant Notes or Relevant Certificates by a holder who is not tax resident in Singapore and

    (i) who does not have any permanent establishment in Singapore or

    (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes or Relevant Certificates are not obtained from the operation,

    are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the Relevant Notes or Relevant Certificates within a prescribed period to the MAS), Qualifying Income derived from the Relevant Notes or Relevant Certificates by any company or body of persons (as defined in the ITA), and not being the holder of the Financial Sector Incentive – Standard Tier or other special tax status, is subject to tax at a concessionary rate of 10 per cent.;

(c) if payments on the Relevant Notes or Relevant Certificates falls within Section 12(6) of the ITA, subject to:

    (i) the Issuer including in all offering documents relating to Relevant Notes and Relevant Certificates a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes and Relevant Certificates is not exempt from tax shall include such income in a return of income made under the ITA; and

(ii) the furnishing of a return on debt securities in respect of the Relevant Notes or Relevant Certificates within a prescribed period to the MAS,

Qualifying Income derived from the Relevant Notes or Relevant Certificates is not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

(a) if during the primary launch of Relevant Notes or Relevant Certificates, the Relevant Notes or Relevant Certificates are issued to less than four persons and 50 per cent. or more of the principal amount of the Relevant Notes or Relevant Certificates is beneficially held or funded, directly or indirectly, by related parties of the Issuer, Relevant Notes or Relevant Certificates would not qualify as "qualifying debt securities"; and

(b) even though Relevant Notes or Relevant Certificates are "qualifying debt securities", if at any time during the tenure of Relevant Notes or Relevant Certificates, 50 per cent. or more of the principal amount of Relevant Notes or Relevant Certificates is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from Relevant Notes or Relevant Certificates held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire the Relevant Notes or Relevant Certificates are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary tax rate described above.

The Issuer has however obtained a waiver of the related party condition described in paragraph (a) above from the Monetary Authority of Singapore in respect of the initial issue of any tranche of debt securities to Nomura International plc, Nomura Singapore Limited, Nomura International (Hong Kong) Limited, Nomura Securities International, Inc. (the **Nomura Dealers**) (i.e. debt securities under the programme will not be disqualified from being qualifying debt securities on the basis of the Nomura Dealers being the initial subscribers of the debt securities), provided that the debt securities will be on-sold by the Nomura Dealers to investors unrelated to the issuer within 30 days from the date of initial issuance, and the Nomura Dealers will not hold the debt securities for proprietary investment purposes.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where they and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that the Issuer is permitted to make payment of Qualifying Income in respect of Relevant Notes or Relevant Certificates without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from Relevant Notes or Relevant Certificates is not exempt from tax is required to include such income in a return of income made under the ITA.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

"**break cost**" means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**" means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

"**redemption premium**" means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where, on issue, Securities qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, the applicable Final Terms will contain the following legend:

*"Where any interest, discount income, prepayment fee, redemption premium or break cost (Relevant Income) from any [N&C Securities]/[W&C Securities] which constitute "qualifying debt securities" for Singapore income tax purposes (Relevant Securities) is derived by a person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using funds from that person's operations through the Singapore permanent establishment. Any person whose income (including Relevant Income) is not exempt from Singapore income tax is required to declare such income in a return of income under the Income Tax Act, Chapter 134 of Singapore."*

***Capital Gains***

Singapore imposes a tax on income but does not impose tax on gains that are considered capital in nature. There are no specific statutes or regulations which deal with the characterisation of whether a gain is income or capital and the question of whether a gain from the disposal of Securities, or the exercise or expiry of a Warrant is income or capital is a question of fact dependent on the holder's specific circumstances.

**Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.**

Holders of the Securities who apply or are required to apply Singapore Financial Reporting Standard 39 (**FRS 39**), Singapore Financial Reporting Standard 109 (**FRS 109**) or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) (**SFRS(I) 9**) (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "*Adoption of FRS 39, FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes*".

Holders of the Securities should consult their own professional tax advisers if they are in any doubt as to the treatment that would be applicable to them.

***Adoption of FRS 39, FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes***

Subject to certain "opt-out" provisions, Section 34A of the ITA requires taxpayers who adopt or are required to adopt FRS 39 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 39, subject to certain exceptions provided in that section. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement" to provide guidance on the Singapore income tax treatment of financial instruments.

FRS 109 or SFRS(I) 9 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who adopt or who are required to adopt FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions provided in that section. In contrast to the position under the FRS 39 tax regime, taxpayers will not have the choice to opt out from the FRS 109 tax regime. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Securities who may be subject to the tax treatment under the FRS 39 tax regime, FRS 109 or the SFRS(I) 9 tax regime should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

***Goods and Services Tax***

Under the Goods and Services Tax Act, Chapter 117A of Singapore (**GST Act**), the following are examples of exempt supplies not subject to Goods and Services Tax (**GST**) under the Fourth Schedule to the GST Act:-

(a) the exchange of currency (whether effected by exchange of bank notes, currency notes or coin, by crediting or debiting accounts, or otherwise) other than the supply of a note or a coin as a collector's item, investment article or item of numismatic interest;

(b) the issue, allotment or transfer of ownership of an equity security (i.e. any interest in or right to a share in the capital of a body corporate or any option to acquire any such interest or right);

(c) the issue, allotment, transfer of ownership, drawing, acceptance or endorsements of a debt security (i.e. any interest in or right to be paid money that is, or is to be, owing by any person or any option to acquire any such interest or right but excludes a contract of insurance and an estate or interest in land, other than an estate or interest as mortgagee or chargeholder);

(d) the renewal or variation of an equity security or debt security; or

(e) the provision or assignment of a derivative (i.e. a financial instrument that derives its value from an underlying financial asset, index or other investment, and includes options, swaps and credit default swaps) that does not lead to any delivery of goods or the supply of taxable services.

Holders of W&C Securities, in particular, should consult their own professional tax advisers regarding the Singapore GST consequences of their acquisition, holding, conversion or disposal of the W&C Securities.

***Special tax rules for negotiable certificates of deposit***

Notwithstanding the paragraphs above, under Section 10(12) of the ITA, where a person derives interest from a negotiable certificate of deposit or derives gains or profits from the sale thereof, their income shall be treated as follows:

(a) in the case of a financial institution, the interest and the gains or profits shall be deemed to be income from a trade or business under Section 10(1)(a) of the ITA;

(b) in any other case, the interest and the gains or profits shall be deemed to be income from interest under Section 10(1)(d) of the ITA subject to the following provisions:

  (i) if the interest is received by a subsequent holder of a certificate of deposit the income derived from such interest shall exclude the amount by which the purchase price exceeds the issued price of the certificate, except where that amount has been excluded in the computation of any previous interest derived by them in respect of that certificate; and

  (ii) where a subsequent holder sells a certificate after receiving interest therefrom the gains or profits shall be deemed to be the amount by which the sale price exceeds the issued price or the purchase price, whichever is the lower; and

(c) for the purposes of paragraph (b) above, where a subsequent holder purchases a certificate at a price which is less than the issued price and holds the certificate until its maturity, the amount by which the issued price exceeds the purchase price shall be deemed to be interest derived by them.

Holders of Certificates should consult their own professional tax advisers regarding the application of Section 10(12) of the ITA to their Singapore income tax consequences of their acquisition, holding or disposal of any negotiable certificates of deposit.

***Stamp Duty***

Stamp duty is generally not imposed on the issue or redemption for cash of Securities.

Where an instrument of transfer of stocks or shares (including funded debt) is executed in Singapore, or is executed outside Singapore but is brought into Singapore, the instrument would be subject to stamp duty of up to 0.2 per cent. of the amount or value of the consideration, or the value of the stocks or shares sold or transferred, whichever is higher. Transfers of securities on a scripless basis through the Central Depository (Pte) Limited are not subject to stamp duty. Transfers of stocks or shares by way of sale or gift of any stock issued by a company, corporation or body of persons incorporated, formed or established outside Singapore (other than stock registered in register kept in Singapore) are also exempt from stamp duty. Special rules apply to certain contracts or agreements for the sale of, or instruments of transfer of, equity interests in entities whose assets include significant Singapore residential property interests. A detailed description of these rules is beyond the scope of this tax section.

Prospective investors should consult their own professional advisers in respect of the Singapore stamp duty treatment of the issue, transfer or settlement of Securities, particularly where the Securities are capable of settlement by physical delivery.

***Estate Duty***

Estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

## OFFERING AND SALE

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

The Dealers, as applicable, have entered into an amended and restated Programme Agreement, dated on or about 7 October 2021 (as the same may be amended or supplemented, from time to time, in accordance with the terms thereof, the **Programme Agreement**), with the Issuer, the Guarantors and the NIHK Guarantor, which sets forth a basis upon which they may from time to time agree to purchase the Securities. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the issue of Securities under the Programme. In addition, the Issuer may, from time to time, issue Securities to parties other than a Dealer, on terms as it may agree from time to time.

In order to facilitate the offering of any Tranche of the Securities, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Securities during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Securities for their own account by selling more Securities than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Securities in the open market. In addition, such persons may stabilise or maintain the price of the Securities by bidding for or purchasing Securities in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Securities are reclaimed if Securities previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Securities at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Securities to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under UK laws and regulations stabilising activities may only be carried on by the Stabilising Manager named in the applicable Final Terms (or persons acting on its behalf) and only for a limited period following the Issue Date of the relevant Tranche of Securities.

No action has been or will be taken by the Issuer and the Guarantors that would permit a public offering of any Securities or possession or distribution of any offering material in relation to any Securities in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Securities, or distribution of any offering material relating to any Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer and the Guarantors. **In particular, each of the following restrictions will apply to Securities offered under the Programme. These restrictions are stated in some cases as restrictions agreed between the Issuer and the relevant Dealer. Notwithstanding this all such restrictions below apply directly to any dealing or transaction in Securities and all Securityholders and potential Securityholders or others transacting in or taking any action in relation to the Securities must comply with all such restrictions.**

### Selling Restrictions

### UNITED STATES

None of the Securities of any series, the related Guarantee (in the case of Guaranteed Securities), nor any Entitlements (if any) have been or will be registered under the Securities Act or any state securities laws. None of the Securities, the related Guarantee (in the case of Guaranteed Securities), nor any Entitlements (if any) have or will constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the United States Commodity Exchange Act of 1936, as amended (the **CEA**), and trading in the Securities, the related Guarantee (in the case of the Guaranteed Securities), and any Entitlements (if any) has not been approved or disapproved by the United States Commodity Futures Trading Commission (the **CFTC**) pursuant to the CEA. Unless a series of Securities is eligible for sale (a) in the United States to QIBs who are also QPs, or (b) to U.S. persons (as defined in Regulation S) who are QIBs that are also QPs and, in each case, who agree to purchase the 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, no Securities of any series, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. In addition, certain Securities (including, but not limited to, Permanent Global W&C Securities) may not at any time be offered, sold, transferred, pledged, delivered or exercised or redeemed, directly or indirectly, in the United States or to, or for the account or benefit of, or by, any U.S. person.

In the event that a series of Securities is so eligible for sale in the United States or to U.S. persons, any sale or transfer restrictions or certification requirements applicable to such Securities in addition to those set out in the applicable Conditions will be set out in the applicable Final Terms. Offers, sales, resales or deliveries of Securities of any series, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons would constitute a violation of United States securities laws unless made in compliance with the registration requirements of the Securities Act and any applicable state securities laws or pursuant to an exemption therefrom. Terms used in this paragraph and the preceding paragraph and not otherwise defined have the meanings given to them by Regulation S. The term "U.S. person" has the meaning given to it by Regulation S under the Securities Act, as amended, the term "United States person" has the meaning given to it by the United States Internal Revenue Code of 1986, as amended and the United States Treasury regulations promulgated thereunder and the term "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.

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 a United States person, except in certain circumstances permitted by U.S. Treasury regulations. The applicable Final Terms will specify whether the provisions of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (**TEFRA C**), the provisions of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (**TEFRA D**), or neither the provisions of TEFRA C nor TEFRA D (**TEFRA not applicable**) will apply to the issuance of Securities. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder. Further information is set out in the Programme Agreement.

In connection with any Securities which are offered or sold in offshore transactions for the account or benefit of non-U.S. persons (or for the account or benefit of non-U.S. Persons in the case of certain Securities (including, but not limited to, Permanent Global W&C Securities) that may not at any time be offered, sold, transferred, pledged, delivered or exercised or redeemed, directly or indirectly, in the United States or to, or for the account or benefit of, or by, any U.S. Person) outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Securities**) and any applicable state securities laws, each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Regulation S Securities within the United States or to, or for the account or benefit of, U.S. persons. In the case of certain Securities that may not at any

time be offered, sold, transferred, pledged, delivered or exercised or redeemed, directly or indirectly, in the United States or to, or for the account or benefit of, or by, any U.S. Person, each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Securities within the United States or to, or for the account or benefit of, U.S. Persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will have sent to any other Dealer to which it sells any Regulation S Securities a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Securities within the United States or to, or for the account or benefit of, U.S. persons. In the case of certain Securities that may not at any time be offered, sold, transferred, pledged, delivered or exercised or redeemed, directly or indirectly, in the United States or to, or for the account or benefit of, or by, any U.S. Person, each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will have sent to any other Dealer to which it sells any such Securities a confirmation or other notice setting forth the restrictions on offers and sales of such Securities within the United States or to, or for the account or benefit of, U.S. Persons. Unless otherwise defined herein, terms used in this paragraph have the meanings given to them by Regulation S.

An offer or sale of such Regulation S Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Any person purchasing Regulation S Securities shall be deemed to have agreed with the Issuer or the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, any Securities of such series so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person and (ii) it is not purchasing any Securities of such series for the account or benefit of any U.S. person.

Any person purchasing Securities of a series eligible for sale (a) in the United States to a QIB that is also a QP or (b) to any U.S. person who is a QIB and also a QP and, in each case, who agrees to purchase the Securities for its 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) provides an Investor Representation Letter substantially in the form set out in the Agency Agreement shall be deemed to have agreed with the Issuer that any resales of such Securities to, or for the account or benefit of, a U.S. person may be effected only to a QIB that is also a QP that has executed an Investor Representation Letter. See "*Notice to Purchasers and Holders of Securities and Transfer Restrictions*" on pages 742 to 750.

Each issuance of Exempt Securities shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Securities, which additional selling restrictions shall be set out in the applicable Final Terms. Each Dealer has agreed that it shall offer, sell and deliver such Securities only in compliance with such additional U.S. selling restrictions.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

If the applicable Final Terms or Pricing Supplement (as applicable) in respect of the Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Applicable" and neither a PRIIPs Compliant Sales Period nor a PRIIPs Retail Offer Jurisdiction is specified in the applicable Final Terms or Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the applicable Final Terms or Pricing Supplement in relation thereto to any retail investor in the EEA. To the extent that "Prohibition of Sales to EEA Retail Investors" is specified as "Applicable" and a PRIIPs Compliant Sales Period or any PRIIPs Retail Offer Jurisdiction is specified in the applicable Final Terms or Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or

otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the applicable Final Terms or Pricing Supplement in relation thereto to any retail investor in the EEA, other than in a PRIIPs Retail Offer Jurisdiction and during the specified PRIIPs Compliant Sales Period, if any.

For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the applicable Final Terms or Pricing Supplement specifies "Prohibition of Sales to EEA Retail Investors" as (i) "Not Applicable" or (ii) "Applicable" but a PRIIPs Compliant Sales Period or a PRIIPs Retail Offer Jurisdiction is specified in the applicable Final Terms or Pricing Supplement, in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may, where applicable, subject to the restrictions above relating to offering, selling or otherwise making available the Securities to retail investors in the EEA, make an offer of such Securities to the public in that Member State:

(a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

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

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression an **offer of Securities to the public** in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and

the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities; and

- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

**UNITED KINGDOM**

***Prohibition of sales to UK Retail Investors***

If the applicable Final Terms or Pricing Supplement (as applicable) in respect of the Securities specifies "Prohibition of Sales to UK Retail Investors" as "Applicable" and a UK PRIIPs Compliant Sales Period is not specified in the applicable Final Terms or Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the applicable Final Terms or Pricing Supplement in relation thereto to any retail investor in the UK. To the extent that "Prohibition of Sales to UK Retail Investors" is specified as "Applicable" and a UK PRIIPs Compliant Sales Period is specified in the applicable Final Terms or Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the applicable Final Terms or Pricing Supplement in relation thereto to any retail investor in the UK, other than during the specified UK PRIIPs Compliant Sales Period.

For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (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**); or

  (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (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 the UK Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Final Terms or Pricing Supplement specifies "Prohibition of Sales to UK Retail Investors" as (i) "Not Applicable" or (ii) "Applicable" but a UK PRIIPs Compliant Sales Period is specified in the applicable Final Terms or Pricing Supplement, in relation to the UK, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the UK except that it may, where applicable, subject to the restrictions above relating to offering, selling or otherwise making available the Securities to retail investors in the UK, make an offer of such Securities to the public in the UK:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA.

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

***Other regulatory restrictions***

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

(a) in relation to any Securities having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer.

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not, apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

**BELGIUM**

This Base Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Financial Services and Markets Authority as a prospectus relating to Securities with a maturity of less than 12 months qualifying as money market instruments within the meaning of the Prospectus Regulation and the Belgian Prospectus Law (as defined below). Accordingly, no action will be taken and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall refrain from taking any action that would require the publication of a prospectus pursuant to the Belgian law of 11 July 2018 on the offering of investment instruments to the public and the admission of investment instruments to trading on a regulated market (the **Belgian Prospectus Law**).

Bearer securities (including, without limitation, definitive securities in bearer form and securities in bearer form underlying the Securities) shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.

In the case of Fund Linked Securities, if the relevant underlying funds are not registered in Belgium with the Belgian FSMA in accordance with the Belgian law of 3 August 2012 on the collective investment undertakings satisfying the conditions set out in Directive 2009/65/EC and undertakings for investment in receivables, as amended or replaced from time to time (the **UCITS Law**) or the Belgian law of 19 April 2014 on alternative collective investment undertakings and their managers, as amended or replaced from time to time (the **AIFM Law**), as applicable, then such Fund Linked Securities cannot be offered in Belgium unless (i) Cash Settlement applies or (ii) if the underlying fund is a UCITS within the meaning of Directive 2009/65/EC, the Fund Linked Securities are offered to qualified investors only or to fewer than 150 natural or legal persons (other than qualified investors). The shares and other securities issued by these funds cannot be offered publicly in Belgium.

Other than in respect of Securities for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, the offering may not be advertised and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver the Securities and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Securities to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time.

**DENMARK**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Securities directly or indirectly in Denmark by way of a public offering, unless in compliance with, as applicable, the Prospectus Regulation, the Danish Consolidated Act no. 1767 of 27 November 2020 on Capital Markets, as amended, and Executive Orders issued thereunder and in compliance with Executive Order No. 1580 of 17 December 2018, as amended, supplemented or replaced from time to time, issued pursuant to the Danish Consolidated Act no. 1447 of 11 September 2020 on Financial Business, as amended.

**FRANCE**

**EACH DEALER HAS REPRESENTED AND AGREED, AND EACH FURTHER DEALER APPOINTED UNDER THE PROGRAMME WILL BE REQUIRED TO REPRESENT AND AGREE, THAT IT UNDERTAKES TO COMPLY WITH APPLICABLE FRENCH LAWS AND REGULATIONS IN FORCE REGARDING THE OFFER, THE PLACEMENT OR THE SALE OF THE SECURITIES AND THE DISTRIBUTION IN FRANCE OF THE BASE PROSPECTUS OR ANY OTHER OFFERING MATERIAL RELATING TO THE SECURITIES.HUNGARY**

In addition to the rules applicable to the EEA as described above, in connection with any private placement in Hungary, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) all written documentation prepared in connection with a private placement in Hungary will clearly indicate that it is a private placement, (ii) it will ensure that all investors receive the same information which is material or necessary to the evaluation of the relevant Issuer's current market, economic, financial and legal situation and its expected development, including that which was discussed in any personal consultation with an investor, and (iii) the following standard wording will be included in all such written communication:

"PURSUANT TO SECTION 18 OF ACT CXX OF 2001 ON THE CAPITAL MARKETS, THIS [*NAME OF DOCUMENT*] WAS PREPARED IN CONNECTION WITH A PRIVATE PLACEMENT IN HUNGARY.".

**IRELAND**

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

(a) it has not offered, sold, underwritten or placed and will not offer, sell, underwrite or place or do anything in respect of any Securities otherwise than in conformity with the provisions of the 2017 Prospectus Regulation and the European Union (Prospectus) Regulations 2019 (S.I. 380/2019)(as amended), the provisions of the Companies Act 2014 of Ireland (as amended the **CA 2014**), including (but not limited to) any rules issued under Section 1363 of the CA 2014 by the Central Bank of Ireland, the Central Bank Acts 1942 to 2018 of Ireland (as amended), any codes of conduct made under Section 117(1) of the Central Bank Act 1989 of Ireland (as amended) and any regulations made pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended);

(b) it has not offered, sold or placed and will not offer, sell or place or otherwise act in Ireland in respect of the Securities, otherwise than in conformity with the provisions of the Market Abuse Regulation

(EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules issued under Section 1370 of the CA 2014 by the Central Bank of Ireland;

(c) it has complied and will comply with all applicable provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. 375/2017) (as amended), and is operating within the terms of its authorisation to do so for the purposes of Directive 2014/65/EU (as amended) of the European Parliament and of the Council of 15 May 2014 and it has complied and will comply with any applicable codes of conduct or practice issued in connection therewith and the provisions of the Investor Compensation Act 1998 (as amended); and

(d) in connection with offers or sales of Securities, it has only issued or passed on, and will only issue or pass on, any document received by it in connection with the issue of the Securities to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

**ITALY**

Unless specified in the relevant Final Terms that a non-exempt offer may be made in Italy, the offering of the Securities has not been registered pursuant to Italian securities legislation and, accordingly no Securities may be offered, sold or delivered, nor may copies of this Base Prospectus (including Final Terms) or of any other document relating to the Securities be distributed in Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the **PD Regulation**) and any applicable provision of Italian laws and regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the PD Regulation Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Securities or distribution of copies of the Base Prospectus or any other document relating to the Securities in Italy under (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Legislative Decree No. 58 of 24 February 1998, as amended (the **Italian Financial Services Act**), CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**); and

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

*Please note that in accordance with Article 100-bis of the Italian Financial Services Act, to the extent it is applicable, where no exemption from the rules on public offerings applies, Securities which are initially offered and placed in Italy or abroad to qualified investors only, but in the following year are regularly ("sistematicamente") distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the Securities for any damages suffered by the investors.*

**POLAND**

No permit has been obtained from the Polish Financial Supervisory Authority (the **Polish FSA**) in relation to the issue of any Securities or the Base Prospectus. Securities cannot be offered or sold in the Republic of Poland (**Poland**) by way of a Public Offer (as defined below), unless it is done in compliance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus

to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the **Prospectus Regulation**), the Act on Public Offering and on the Conditions Governing the Introduction of Financial Instruments to an Organised Trading System and Public Companies dated 29 July 2005 (as amended) and any other applicable laws and regulations enacted under these acts or in substitution thereof from time to time.

For the purpose of this provision, the term "Public Offer" means an 'offer of securities to the public' as defined under the Prospectus Regulation, ie a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities.

The conduct of a Public Offer in Poland as well as subscription or sale relating to such Public Offer require an intermediation of a licenced investment firm, except for certain Public Offers exempted from the prospectus obligation. Each Securities dealer acknowledges and each further Securities dealer appointed under the Programme will be required to acknowledge that the sale to or acquisition and holding of the Securities by residents of Poland may be subject to additional requirements and restrictions imposed by Polish law, beyond the restrictions and requirements provided by generally applicable provisions of European Union law, including under foreign exchange regulations.

**PORTUGAL**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Securities may only be offered by any such Dealer to the public in the Portuguese Republic under circumstances which are deemed to be a public offer (*oferta pública*) under the Portuguese Securities Code (*Código dos Valores Mobiliários*, **PSC**) enacted by Decree Law no. 486/99 of November 13, as amended from time to time, subject to the fulfilment of the requirements and provisions applicable to public offerings in Portugal.

In particular, no offering materials will be publicly distributed in Portugal by any such Dealer and no publicity or marketing activities related to Securities will be conducted in Portugal by any such Dealer unless the provisions relating to public offerings of securities and Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products in Portugal (if applicable) are duly complied with.

In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that: (i) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold or delivered and will not directly or indirectly take any action, offer, advertise, invite to subscribe, gather investment intentions, sell, re-sell, re-offer or deliver any Securities in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the PSC, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having a permanent establishment located in Portuguese territory, as the case may be, or in circumstances which could qualify the issue of Securities as an issue in the Portuguese market except in accordance with all applicable laws and regulations; (ii) all offers, sales and distributions by it of Securities have been and will only be made in Portugal in circumstances that, pursuant to the PSC or other securities legislation or regulations, qualify as a private placement of Securities (*oferta particular*) except if such offers, sales and distributions qualify as and follow the requirements applicable to a public offer (*oferta pública*) pursuant to the aforementioned provisions; (iii) it has not distributed, made available or caused to be distributed and will not distribute, make available or cause to be distributed in Portugal this Base Prospectus or any other offering material relating to Securities except in accordance with all applicable laws and regulations; and (iv) it will comply with all provisions of the PSC, of the Commission Delegated Regulation (EU) No 2019/980 and of any Portuguese securities laws and regulations that may be applicable to it in respect of any offer or sale of Securities by it in Portugal or to individuals or entities resident in Portugal or having a permanent establishment located in Portuguese territory (or to whom Portuguese securities laws and regulations otherwise apply), as the case may be, including the publication of a prospectus, when applicable, or commencing a prospectus recognition procedure with the Portuguese Securities Commission (*Comissão do Mercado de Valores Mobiliários*, **CMVM**), and/or filing with the CMVM and disclosing to investors a key

information document under the applicable European and Portuguese regulatory provisions on packaged retail and insurance-based investment products when applicable.

**ROMANIA**

The Securities may not be offered or sold, directly or indirectly, in Romania and neither the Base Prospectus, the Final Terms nor any other offering material or advertisement in connection with the Securities may be distributed or published in Romania, except under circumstances that will result in compliance with any applicable laws, rules and regulations of Romania, including Regulation (EU) 2017/1129, as amended from time to time, Law No. 24/2017 on issuers of financial instruments and market operations, Regulation No. 5/2018 on issuers of financial instruments and market operations, implementing norms and decisions issued or approved by the Romanian Financial Supervisory Authority and all implementing regulations issued by the Romanian Financial Supervisory Authority or by the European Commission. Each purchaser of the Securities must observe all applicable laws and regulations in Romania, including the Law No. 126/2018 regarding financial instruments (as amended or supplemented), Law No. 24/2017 on the issuers of financial instruments and market operations (as amended or supplemented), as well as all applicable EU legislation.

Any offer, sale or delivery of the Securities or distribution of copies of the Base Prospectus (including the applicable Final Terms) or any other document relating to the Securities in Romania must comply with any other applicable laws and regulations or requirement imposed by the Romanian Financial Supervisory Authority, National Bank of Romania as well as any other relevant Romanian public authority, including, where applicable, conducting the public offers through 'intermediaries' (or a syndicate of intermediaries) authorised to provide financial investment services.

Please note that any subsequent sale or distribution of the Securities on the secondary market in Romania must be made in compliance with the public offer and the prospectus requirement rules and a new assessment of the application of any exemption from the requirement to prepare and publish a prospectus must be made.

**SPAIN**

In addition to the "Prohibition of sales to EEA retail investors" selling restriction as stated above, each Dealer has acknowledged and agreed that when the offer is not strictly addressed to qualified investors (as disclosed in the Prospectus Regulation) in the Kingdom of Spain, any offer, sale or delivery of the Securities, must be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Kingdom of Spain in accordance with the Royal Legislative Decree 4/2015 of 23 October 2015, approving the restated text Law 24/1988 of 28 July 1998 on the Securities Market (*Ley del Mercado de Valores*) (the **Spanish Securities Market Law**).

The Securities may not be sold or distributed, nor may any subsequent resale of the Securities be carried out in Spain, except in compliance with the provisions of the Spanish Securities Market Law.

**SWEDEN**

Each Dealer has confirmed, represented and agreed and each further Dealer appointed under the Programme will be required to confirm, represent and agree that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell any Securities or distribute any draft or final document in relation to any such offer, invitation or sale in Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Regulation (EU) 2017/1129 (the **Prospectus Regulation**). However, to the extent such Dealer intends to make a Non-exempt Offer, such offer will be made in accordance with the requirements in the Prospectus Regulation.

**SWITZERLAND**

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

(a) it has only made and will only make an offer of Securities to the public in Switzerland, other than pursuant to an exemption under Article 36(1) FinSA or where such offer does not qualify as a public offer in Switzerland, if the applicable Final Terms in respect of any Securities published according to Article 64 FinSA specify "Swiss Non-exempt Offer" as applicable, in the "Swiss Offer Period" specified in the applicable Final Terms; or

(b) it has not offered and will not offer, directly or indirectly, Securities to the public in Switzerland, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in Switzerland, this Base Prospectus, the applicable Final Terms or any other offering material relating to the Securities, other than pursuant to an exemption under Article 36(1) FinSA or where such offer or distribution does not qualify as a public offer in Switzerland.

For these purposes "**public offer**" refers to the respective definitions in Article 3(g) and (h) FinSA and as further detailed in the implementing Financial Services Ordinance (**FinSO**).

If Securities qualifying as debt instruments with a "derivative character" (as such expression is understood under FinSA) are offered to private clients within the meaning of FinSA in Switzerland a key information document under Article 58 FinSA (*Basisinformationsblatt für Finanzinstrumente*) or Article 59(2) FinSA in respect of such Securities must be prepared and published. Other than where the applicable Final Terms specifies the "Prohibition of Offer to Private Clients in Switzerland" to be (i) "Not Applicable" or (ii) "Applicable" but a period(s) of time is specified therein, with respect to such period(s), the Securities may not be offered or sold to private clients within the meaning of FinSA in Switzerland.

The Securities do not constitute a participation in a collective investment scheme in the meaning of the CISA and are not subject to the supervision by, the FINMA and investors in the Securities will not benefit from the specific investor protection under the CISA.

**JAPAN**

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948, as amended, the **FIEA**) and each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

**HONG KONG SPECIAL ADMINISTRATIVE REGION**

Each Dealer has acknowledged and agreed, and each further Dealer appointed under the Programme will be required to acknowledge and agree, that neither this Base Prospectus nor any applicable Final Terms have been authorised by the Hong Kong Securities and Futures Commission. Each Dealer has further represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities (except for Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap 571) of Hong Kong) (the **SFO**) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the

securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

**INDONESIA**

The Securities have not been and will not be, registered with the Financial Services Authority of Indonesia (the OJK), and therefore, the Securities may not be offered or sold within Indonesia or to Indonesian citizens wherever they are domiciled in a manner which constitutes a public offer under Law No. 8 of 1995 on Capital Markets and the implementing regulations. Accordingly, the Dealers and the Arranger have represented and agreed that they will not, directly or indirectly, expressly or implicitly:

(a) offer the Securities to more than 100, or sell the Securities to more than 50, parties in Indonesia and/or Indonesian citizens wherever they are domiciled; and

(b) offer the Securities by way of mass media, including any newspaper, magazine, film, television, radio or other electronic media or any letter, brochure or other printed medium, distributed to more than 100 parties in Indonesia and/or to Indonesian citizens wherever they are domiciled.

**TAIWAN**

The Securities may not be sold or offered in Taiwan and may only be offered and sold to Taiwan resident investors (i) outside Taiwan for purchase by such investors outside Taiwan or (ii) in Taiwan through licensed financial institutions to the extent permitted under relevant Taiwan laws or regulations. No other offer or sale in Taiwan is permitted.

**MALAYSIA**

No approval from the Securities Commission Malaysia is or will be obtained, nor will any prospectus be filed or registered with the Securities Commission Malaysia for the offering of the Securities in Malaysia. This Base Prospectus and the Final Terms do not constitute and are not intended to constitute an invitation or offer for subscription or purchase of the Securities, nor may this Base Prospectus and the Final Terms or any other offering material or document relating to the Securities be published or distributed, directly or indirectly, to any person in Malaysia unless such invitation or offer falls within (i) Schedule 5 of the Capital Markets and Services Act 2007 (the **CMSA**), (ii) Schedule 6 (or Section 229(1)(b)) and Schedule 7 (or Section 230(1)(b)) of the CMSA and (iii) Schedule 8 (or Section 257(3)) of the CMSA or such other applicable exemption contained within any legislation succeeding the CMSA subject to any law, order, regulation or official directive of Bank Negara Malaysia, Securities Commission Malaysia and/or any other regulatory authority from time to time.

**THAILAND**

The Final Terms and the Base Prospectus have not been approved by or filed or registered with the Securities and Exchange Commission or any other regulatory authorities of the Kingdom of Thailand. Accordingly, the Securities may not be offered or sold, nor may the Final Terms and this Base Prospectus be distributed, directly or indirectly, to any person in Thailand except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the Thai government and regulatory authorities in effect at the relevant time.

**SINGAPORE**

The Final Terms and the Base Prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Final Terms and the Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities at any time be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the

SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor;

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

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

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

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

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

**PEOPLE'S REPUBLIC OF CHINA (PRC)**

The Securities may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the **PRC**) in contravention of any applicable laws.

In addition, in the case of Securities that are linked to PRC Securities (as defined below), the Securities may not be offered, sold or delivered, directly or indirectly, in the PRC to any Domestic Investor as defined in the Administrative Rules of Securities Accounts of China Securities Depository and Clearing Corporation Limited or to any person which is the trustee for a Trust (as defined below), or to any person which pays or will pay for the Securities any amounts which involved or will involve moneys financed by or sourced from any Domestic Investor in contravention of the laws and regulations of the PRC.

**PRC Securities** means any shares, bonds, warrants or other securities listed on any stock exchange in the PRC, securities investment funds quoted in Renminbi or any other financial instruments in which a Qualified Foreign Institutional Investor may from time to time invest under the laws and regulations of the PRC. The term **Domestic Investor** is defined in the Administrative Rules of Securities Accounts of China Securities Depository and Clearing Corporation Limited and includes the following:

(i) PRC citizens resident in the PRC;

(ii) PRC citizens resident outside the PRC who are not permanent residents of another country or permanent residents of Hong Kong, Macau or Taiwan; and

(iii) Legal persons registered in the PRC.

**Legal persons registered in the PRC** mean entities incorporated or organised in the PRC.

**PRC citizens** used in the rules mean persons holding a resident identification card of the PRC and do not include persons who are permanent residents of Hong Kong, Macau or Taiwan.

**Renminbi** means the lawful currency of the PRC.

**A Trust** means a trust the interests in which are majority-owned by, and the management decision over which is controlled by, one or more Domestic Investor(s). For the avoidance of doubt, in the case only where a Trusts'

investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to control such entity for the purposes of this definition by reason only of it being able to control the decision-making in relation to the entity's financial, investment and/or operating policies.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Issuer does not represent 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 the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Securities or distribution of this document in the PRC. Accordingly, the Securities are not being offered or sold within the PRC by means of this Base Prospectus or any other document. Neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

**THE PHILIPPINES**

The Securities being offered or sold pursuant to this Base Prospectus have not been and will not be registered with the Securities and Exchange Commission of the Philippines (the **PSEC**) for public offering in the Philippines under the Securities Regulation Code (the **SRC**). Any future offer or sale of the Securities is subject to the registration requirement under the SRC unless such offer or sale qualifies as an exempt transaction. Any offers of the Securities in the Philippines are limited to qualified buyers pursuant to Section 10.1(l) of the SRC and Rule 10.1.3 of the 2015 implementing rules and regulations of the SRC. The Issuer has not obtained and will not obtain confirmation from the PSEC that the offer and sale of such Securities within the Philippines qualifies as an exempt transaction. In the event of an offer or sale of the Securities to a primary institutional lender pursuant to Rule 10.1.4 of the 2015 implementing rules and regulations of the SRC, prospective investors should observe the transfer restrictions set out in such rule. These restrictions provide that, among others, the Securities shall only be negotiated or assigned to another primary institutional lender or the Development Bank of the Philippines with respect to private development banks in relation to their rediscounting privileges; provided further that in the case of non-banks without underwriting licenses, such negotiation or assignment shall be through banks or non-banks licensed to be an underwriter or a securities dealer; provided finally, that in no case shall said instrument be negotiated or assigned to non-qualified investors.

**REPUBLIC OF KOREA**

The Securities have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act (the **FSCMA**). The Securities may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Law) except pursuant to the applicable laws and regulations of Korea, including the FSCMA, the Foreign Exchange Transaction Law and the decrees and regulations thereunder. Furthermore, the Securities may not be resold to Korean residents unless the purchaser of the Securities complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the Securities.

**RUSSIAN FEDERATION**

Each Dealer has severally and not jointly, nor jointly and severally, agreed that the Securities will not be offered, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian Law.

**AUSTRALIA**

This document and the offer of the Programme or the Securities is only made available in Australia to persons to whom a disclosure document such as a prospectus or other disclosure document is not required to be given under either Chapter 6D or Chapter 7.9 of the Corporations Act 2001 (Cth). This document is not a prospectus, product disclosure statement or any other type of formal disclosure document for the purposes of Australian Law, and is not required to, and does not, contain all the information which would be required in a product disclosure statement or prospectus under Australian law.

This document is only provided on the condition that the information in and accompanying this document is strictly for the use of prospective investors and their advisers only. Neither this document nor any extract or conclusion from this document in relation to the Programme or the Securities has been or will be lodged with the Australian Securities and Investments Commission (**ASIC**) or the ASX Limited or any other regulatory body or agency in Australia. The persons referred to in this document may not hold Australian financial services licences. No cooling off regime applies to an acquisition of the Securities. Under no circumstances is this document to be used by a retail client for the purpose of making a decision about a financial product.

This document contains general advice only and does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making an investment decision in relation to this document, you should assess whether the acquisition of the Securities is appropriate in light of your own financial circumstances or seek professional advice.

An investor may not offer, transfer or offer to transfer Securities to any person located in, or a resident of, Australia, unless the person is a person to whom a disclosure document such as a prospectus or product disclosure statement is not required to be given under either Chapter 6D or Chapter 7.9 of the Corporations Act 2001 (Cth). There may be restrictions on the offer for re-sale of any Securities in Australia for a period of 12 months after their issue. Because of these restrictions, investors are advised to consult legal counsel prior to making any offer for re-sale of Securities in Australia.

**NEW ZEALAND**

This document and the offer of the Programme or the Securities is only made available in New Zealand to "wholesale investors" as such term in defined in clause 3(2) of schedule 1 of the Financial Markets Conduct Act 2013 (**FMC Act**). This document is only provided on the condition that the information in and accompanying this document is strictly for the use of such "wholesale investors" in their capacity as prospective investors.

This document and the information contained in or accompanying this document is not, and is under no circumstances to be construed as, an offer of financial products to any person who requires disclosure under Part 3 of the FMC Act. This document is not a product disclosure statement or any other disclosure document for the purposes of the FMC Act, and is not required to, and does not, contain all the information which would be required in a product disclosure statement or other disclosure document under the FMC Act.

Neither this document nor any extract or conclusion from this document in relation to the Programme or the Securities has been or will be lodged, registered, filed with or reviewed or approved by any New Zealand regulatory authority or under or in accordance with the FMC Act. Under no circumstances is this document or the information in or accompanying this document to be used by a "retail investor" (as such term is defined in the FMC Act) for the purpose of making a decision about the Programme or the Securities.

The Securities referred to in this document are not being issued with a view to being offered for sale in New Zealand. There may be restrictions on the offer for re-sale of any Securities in New Zealand for a period of 12 months after their issue. Any offer or sale of any Securities by a holder of Securities to a person in New Zealand may be made only in accordance with the FMC Act to a person who is a "wholesale investor".

**CANADA**

The Securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal, that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Securities must be made in

accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus or the applicable accompanying Final Terms or Prospectus Supplement (including any amendments thereto) contain a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (**NI 33-105**), any underwriters, dealers or agents are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

**ARGENTINA**

The Securities have not been and will not be authorised by the Comisión Nacional de Valores (the **CNV**) for public offer in Argentina and therefore may not be offered or sold to the public at large or to sectors or specific groups thereof by any means, including but not limited to personal offerings, written materials, advertisements, the internet or the media, in circumstances which constitute a public offering of securities under Argentine Law No. 17,811, as amended (the **Argentine Public Offering Law**).

The Argentine Public Offering Law does not expressly recognise the concept of private placement.

Notwithstanding the foregoing, pursuant to the general rules on public offering and the few existing judicial and administrative precedents, the following private placement rules have been outlined:

(i) target investors should be qualified or sophisticated investors, capable of understanding the risk of the proposed investment.

(ii) investors should be contacted on an individual, direct and confidential basis, without using any type of massive means of communication.

(iii) the number of contacted investors should be relatively small.

(iv) investors should receive complete and precise information on the proposed investment.

(v) any material, brochures, documents, etc, regarding the investment should be delivered in a personal and confidential manner, identifying the name of the recipient. Likewise, any distributed material is intended solely for the use of the intended recipient(s) and the distributed material's contents may not be reproduced, redistributed, or copied, in whole or in part for any purpose without the express authority of an agent. The aforementioned documents or materials should contain a statement expressly stating such circumstances and prohibitions.

(vi) the documents or information mentioned in item (v) should contain a legend or statement expressly stating that the offer is a private offer not subject to the approval or supervision of the CNV, or any other regulator in Argentina.

(vii) the aforementioned documents or materials should also contain a statement prohibiting the re-sale or re-placement of the relevant securities within the Argentine territory or their sale through any type of transaction that may constitute a public offering of securities pursuant to Argentine law.

(viii) the investment in the Securities from Argentina has to comply with applicable Argentine foreign exchange regulation in place in Argentina. Any potential investor intending to invest in the Securities from Argentina shall request, before deciding on such investment, legal advice to ensure that the investment in the Securities is in compliance with applicable Argentine foreign exchange regulation.

**BRAZIL**

The Securities have not been and will not be registered with the "*Comissão de Valores Mobiliários*" – the Brazilian Securities and Exchange Commission (**CVM**) and accordingly, the Securities may not and will not be sold, promised to be sold, offered, solicited, advertised and/or marketed within the Federal Republic of Brazil, except in circumstances that cannot be construed as a public offering or unauthorised distribution of

securities under Brazilian laws and regulations. The Securities are not being offered into Brazil. Documents relating to an offering of the Securities may not be supplied or distributed to the public in Brazil nor be used in connection with any offer for subscription or sale of the Securities to the public in Brazil.

**CHILE**

None of the Dealers or the Securities have been registered with the Superintendencia de Valores y Seguros de Chile (*Chilean Securities and Insurance Commission*) pursuant to Ley No. 18,045, Ley de Mercado de Valores (the "Chilean Securities Act"), as amended, and, accordingly, the Securities have not been and will not be offered or sold within Chile or to, or for the account of benefit of persons in Chile except in circumstances which have not resulted and will not result in a public offering and/or securities intermediation in Chile within the meaning of the Chilean Securities Act.

None of the Dealers is a bank or a licensed broker in Chile, and therefore each Agent has not and will not conduct transactions or any business operations in any of such qualities, including the marketing, offer and sale of the Securities, except in circumstances which have not resulted and will not result in a "public offering" as such term is defined in Article 4 of the Chilean Securities Act, and/or have not resulted and will not result in the intermediation of securities in Chile within the meaning of Article 24 of the Chilean Securities Act and/or the breach of the brokerage restrictions set forth in Article 39 of Decree with Force of Law No. 3 of 1997.

The Securities will only be sold to specific buyers, each of which will be deemed upon purchase:

(i) to be a financial institution and/or an institutional investor or a qualified investor with such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Securities;

(ii) to agree that it will only resell the Securities in the Republic of Chile in compliance with all applicable laws and regulations; and that it will deliver to each person to whom the Securities are transferred a notice substantially to the effect of this selling restriction;

(iii) to acknowledge receipt of sufficient information required to make an informed decision whether or not to invest in the Securities; and

(iv) to acknowledge that it has not relied upon advice from any Agent and/or us, or its or our respective affiliates, regarding the determination of the convenience or suitability of Securities as an investment for the buyer or any other person; and has taken and relied upon independent legal, regulatory, tax and accounting advice.

**COLOMBIA**

The Securities have not been registered in the National Securities Registry of Colombia (*Registro Nacional de Valores y Emisores*) kept by the Colombian Financial Superintendency (*Superintendencia Financiera de Colombia*) or in the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). In the event such registry is to take place, all applicable Colombian laws will be complied with.

Until such time when the proper procedures contained in Colombian law for the registry and public offering of the Securities in Colombia takes place (if such registry/offer is conducted), the Securities shall not be marketed, offered, sold or distributed in Colombia or to Colombian residents in any manner that would be characterised as a public offering, as such is defined in article 6.1.1.1.1 et seq. of Decree 2555/2010, as amended from time to time.

Therefore, not having yet complied at this time with the Colombian laws applicable to registry of foreign securities or public offerings, the Securities cannot be offered for sale within Colombian territory or to Colombian residents, by any given means, that may be considered as being addressed to an undetermined number of persons or to one-hundred (100) or more persons, including but not limited to: (i) any written material or other means of communication, such as subscription lists, bulletins, pamphlets or advertisements with the purpose of selling the Securities; (ii) any offer or sale of the Securities at offices or branches open to the public; (iii) use of any oral or written advertisements, letters, announcements, notices or any other means of communication that may be perceived to be addressed to an undetermined number of persons with the

purpose of selling the Securities; or (iv) use (a) non-solicited emails or (b) email distributions lists with the purpose of selling the Securities.

If the Securities are to be marketed within Colombian territory or to Colombian residents, regardless of the number of persons to which said marketing is addressed to, any such promotion or advertisement of the Securities must be made through a representative office, or through a local broker-dealer (*sociedad comisionista de valores*) provided such entity has entered into a correspondent agreement, in accordance with Decree 2555/2010, as amended from time to time, unless one or more of the legal exceptions contained in Decree 2555/2010 apply as relevant.

**EL SALVADOR**

The Securities may not be offered to the general public in El Salvador, and according to Article 2 of the Ley de Mercado de Valores (**Securities Market Law**) of the Republic of El Salvador, Legislative Decree number 809 dated 16 February 1994, published on the Diario Oficial (Official Gazette) number 73-BIS, Number 323, dated 21 April 1994, and in compliance with the aforementioned regulation, each Dealer has represented and agreed that it will not make an invitation for subscription or purchase of the Securities to indeterminate individuals, nor will it make known this Base Prospectus or any supplement thereto in the territory of El Salvador through any mass media communication such as television, radio, press, or any similar medium, other than publications of an international nature that are received in El Salvador, such as internet access or foreign cable advertisements, which are not directed to the Salvadoran public. The offering of the Securities has not been registered with an authorised stock exchange in the Republic of El Salvador. Any negotiation for the purchase or sale of notes in the Republic of El Salvador shall only be negotiated on an individual basis with determinate individuals or entities in strict compliance with the aforementioned Article 2 of the Securities Market Law, and shall in any event be effected in accordance with all securities, tax and exchange control of the Dominican Republic, Central America, and United States Free Trade Agreements, and other applicable laws or regulations of the Republic of El Salvador.

**GUATEMALA**

The Securities have not been and will not be registered with the Registro del Mercado de Valores y Mercancias and are not being publicly offered in Guatemala. Accordingly, the Securities may not be sold, promised to be sold, offered, solicited, advertised or marketed within Guatemala except in circumstances that cannot be construed to be a public offering in Guatemala.

**MEXICO**

The Securities have not been, and will not be, registered with the Mexican National Registry of Securities maintained by the Mexican National Banking and Securities Commission nor with the Mexican Stock Exchange and therefore, may not be offered or sold publicly in the United Mexican States. Any term sheet and the accompanying prospectus may not be publicly distributed in the United Mexican States. The Securities may be privately placed in Mexico among institutional and qualified investors, pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law.

**PANAMA**

The Securities have not been and will not be registered with the National Securities Commission of the Republic of Panama under Decree Law No. 1 of 8 July 1999 (the **Panamanian Securities Law**) and may not be publicly offered or sold within Panama, except in certain limited transactions exempt from the registration requirements of the Panamanian Securities Law. The Securities do not benefit from the tax incentives provided by the Panamanian Securities Law and are not subject to regulation or supervision by the National Securities Commission of the Republic of Panama.

**PERU**

The Securities have not been registered in Perú with the *Registro Público del Mercado de Valores* (Securities Market Public Registry), administered by the *Superintendencia del Mercado de Valores* (Peruvian securities market public authority), and may not be offered within the Peruvian territory by the Issuer, the Dealers, or any person acting on behalf of the formerly mentioned entities, except in circumstances, if any, that will not

result in a public offering of securities or unauthorised securities intermediation (*intermediación de valores*) within the meaning of the Peruvian *Ley del Mercado de Valores* (Securities Market Law), which unified text has been approved through Supreme Decree 093-2002-EF, as amended, or in circumstances that will require the accomplishment of any registration or other requirement under Peruvian securities legislation. Notwithstanding the above, if applicable, application for registration of the Securities with the *Registro de Instrumentos de Inversión y de Operaciones de Cobertura de Riesgo Extranjeros* (Foreign Investment Instruments and Hedging Transactions Registry) of the *Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones* (Peruvian banking, insurance and pension fund private administrators public authority) will be filed with the mentioned public institution under Section 55 of Title VI of the *Compendio de Normas de Superintendencia Reglamentarias del Sistema Privado de Administración de Fondos de Pensiones* (Compendium of Regulations for the Private Pension Fund System approved by the Superintendency). Peruvian Pension Funds may only purchase the Securities after the mentioned registration has become effective.

**VENEZUELA**

The Securities have not been registered with the Venezuelan Office of the Superintendent of National Securities (*Superintendencia Nacional de Valores*) and may not be publicly offered in Venezuela. No document related to the offering of the Securities shall be interpreted to constitute a public offer of securities in Venezuela.

Investors wishing to acquire the Securities may use only funds located outside of Venezuela, which are not of mandatory sale to the Central Bank of Venezuela (*Banco Central de Venezuela*) or are not otherwise subject to restrictions or limitations under the exchange control regulation currently in force in Venezuela.

**UNITED ARAB EMIRATES (EXCLUDING THE DUBAI INTERNATIONAL FINANCIAL CENTRE)**

Each Dealer has represented and agreed, and each Dealer appointed under the Programme will be required to represent and agree, that the Securities to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

**DUBAI INTERNATIONAL FINANCIAL CENTRE**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Securities to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the **DFSA**); and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

**QATAR**

Neither this Base Prospectus nor any applicable Final Terms is or shall be intended to constitute an offer, sale or delivery of Securities to the public under the laws of the state of Qatar including the rules and regulations of Qatar Financial Centre Authority (**QFCA**) or the Qatar Financial Centre Regulatory Authority (**QFCRA**) or equivalent laws of the Qatar Central Bank (**QCB**). Neither this document nor the Securities have been registered with, or reviewed or approved by the QFCA, the QFCRA, the QCB or the Qatar Financial Markets Authority (**QFMA**). The information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect of shares, units in a collective investment scheme, or other securities in the State of Qatar or the QFC.

This Base Prospectus or any applicable Final Terms is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

No transaction will be concluded in the State of Qatar or the QFC and any enquiries regarding this Base Prospectus or any applicable Final Terms should be made to the Issuer's office in London.

**KUWAIT**

The Securities have not been licensed for offering, marketing, promotion or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government department or agency. The offering, marketing, promotion or sale of the Securities in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010 Concerning Establishment of Capital Markets Authority and Organisation of Securities Activity, which govern the issuance, offering, marketing and sale of securities in the State of Kuwait. No private or public offering of the Securities is being made in the State of Kuwait, and no agreement relating to the sale of the Securities will be concluded in the State of Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Securities in the State of Kuwait.

**ISRAEL**

The Securities are only being offered in the state of Israel based on an exemption under the Israeli Securities Law, 1968 (**Israeli Securities Law**). The Securities are being offered only to investors listed in the First Schedule of the Securities Law (**Israeli Sophisticated Investors**), who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority. Accordingly, the offering of the Securities do not constitute an offer made to the public in Israel within the meaning given to it in the Israeli Securities Law.

The Securities have not been registered and a prospectus was not issued under the Israeli Securities Law. Neither the Securities nor this Base Prospectus nor any advertising material about the Securities have been approved by any Israeli authority. No action has been or will be taken in the State of Israel that would permit a public offering of the Securities or distribution of this Base Prospectus or any offering material in connection with the Securities to the public in Israel. This Base Prospectus and any advertising material about the Securities are not intended to serve, and should not be treated as Investment Advice as defined under the Investment Advice Law. Accordingly, the content of this Base Prospectus does not replace and should not serve as substitution for Investment Advice services that take into account the special characteristics and needs of each investor. The Issuer does not hold a license under the Investment Advice Law, nor does it carry the insurance as required of a licensee thereunder.

This Base Prospectus may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any investor who purchases the Securities is purchasing such securities and notes for its own benefit and account and not with the aim or intention of distributing or offering such Securities to other parties (other than, in the case of an offeree which is an Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the First Schedule of the Securities Law, where such offeree is purchasing Securities for another party which is a Sophisticated Investor).

It is the responsibility of any person wishing to invest in the Securities to satisfy himself as to the full observance of the laws of the state of Israel in connection with any such investment, including obtaining any governmental or other consent, if required. In making an investment decision with regard to the Securities, investors must only rely on their own examination of the Securities, including the merits and risks involved, and should seek advice from appropriate advisors with respect to the legal, accounting, tax and financial ramifications of purchasing the Securities.

Any Israeli Investor, which is not a Sophisticated Investor, must immediately return this document to the Issuer.

**GENERAL**

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

None of the Issuer, the Guarantors and the Dealers represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

## GENERAL INFORMATION

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

### 1. Authorisation

The establishment and operation of the Programme and issue of Securities was duly authorised by resolutions of the Directors of the Issuer on 1 August 2013 and the update and operation of the Programme was duly authorised by resolutions of the Directors of the Issuer on 1 October 2021. The issuance of N&C Securities under the Programme was duly authorised by a decision of the Executive Managing Director and Chief Financial Officer of the NHI Guarantor dated 6 October 2021. The giving of the Guarantee by the NHI Guarantor with respect to the N&C Securities was duly authorised by a decision of the Executive Managing Director and Chief Financial Officer of the NHI Guarantor dated 6 October 2021. The giving of the Guarantee by the NSC Guarantor with respect to the N&C Securities was duly authorised by a decision of the Director and Senior Corporate Managing Director (Finance and Middle Office) of the NSC Guarantor dated 6 October 2021. The giving of the Guarantee by the NHI Guarantor with respect to W&C Securities will be authorised on a case by case basis by an executive officer of the NHI Guarantor authorised by the NHI Guarantor's Executive Management Board in advance of the issue of each series of Guaranteed W&C Securities and the date of such authorisation will be disclosed in the applicable Final Terms.

### 2. Approval, Listing and Admission to Trading

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.

Application has been made to the Luxembourg Stock Exchange (the **LuxSE**) for Non-Exempt Securities issued under the Programme to be admitted to trading on the LuxSE's regulated market (which is a regulated market for the purposes of the Markets in Financial Instruments Directive) 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 (which is not a regulated market within the meaning of the Markets in Financial Instruments Directive) and to be listed on the Official List of the LuxSE. 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, or any other market or no market. It is expected that each series of Securities which is to be admitted to the Official List and to trading on the LuxSE's regulated market or Euro MTF market will be admitted separately as and when issued, subject only to the issue of a Global Security or Securities initially representing the Securities of such series. The admission of the Programme in respect of Securities is expected to be granted on or before 11 October 2021.

### 3. Documents Available

In accordance with the Prospectus Regulation, copies of the following documents listed at 3.1 below and, when published, the following documents listed at 3.2 and 3.3 below will be available on https://www.nomuranow.com/portal/site/nnextranet/en/regulatory-disclosures/, free of charge:

3.1 the Articles of Association (with an English translation thereof, where applicable), of each of the Issuer and the Guarantors;

3.2 a copy of this Base Prospectus; and

3.3 any future prospectuses, offering circulars, information memoranda and supplements.

Copies of the Agency Agreement will be available for inspection at the registered office of the Principal Agent.

If the 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.bourse.lu). If the Securities are Exempt Securities and are to be listed on the Euro MTF market, the applicable Pricing Supplement will be published on the website of the LuxSE (www.bourse.lu). Otherwise, the applicable Pricing Supplement for Exempt Securities will be obtainable by a Securityholder holding one or more Securities and such Securityholder must produce evidence satisfactory to the Issuer and the Principal Agent as to its holding of such Securities and identity.

In addition, copies of the Agency Agreement, each Guarantee and each Deed of Covenant may be provided by email to a Securityholder following their prior written request to the relevant Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Agent).

**4. Clearing Systems**

Information relating to the form of the Securities and the relevant Clearing Systems is set out in "*Form of the Securities*" on pages 142 – 147 of this Base Prospectus.

The address of Euroclear Bank SA/NV is 1 Boulevard du Roi Albert II B-1210 Brussels.

The address of Clearstream, Luxembourg is Clearstream Banking, 42 avenue JF Kennedy, L-1855 Luxembourg.

The address of Euroclear Sweden AB is Box 191, SE-101 23 Stockholm.

The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

**5. Independent auditors and Financial Statements**

The current independent auditors of the Issuer are Ernst & Young LLP, One Raffles Quay, North Tower, Level 18, Singapore 048583, who have audited the Issuer's financial statements for each of the two financial years ended 31 March 2020 and 31 March 2021. On 19 June 2012 the Issuer appointed Ernst & Young LLP as independent auditing firm for an unlimited period. Ernst & Young LLP is registered with ACRA (Accounting and Corporate Regulatory Authority) which is the regulatory body of the accounting professionals. In Singapore, Ernst & Young LLP is not required to be registered with a professional body, however, the partners and staff are members of ISCA (Institute of Singapore Chartered Accountants) and the partner in charge is a licensed public accountant registered with ACRA.

The independent auditors of the NHI Guarantor are Ernst & Young ShinNihon LLC, an independent registered public accounting firm, who have audited the NHI Guarantor's financial statements for each of the two financial years ended 31 March 2020 and 31 March 2021.

The independent auditors of the NSC Guarantor are Ernst & Young ShinNihon LLC, an independent auditor, who have audited the NSC Guarantor's financial statements for each of the two financial years ended 31 March 2020 and 31 March 2021.

Ernst & Young LLP has not been engaged to perform and has not performed, since the date of its audit report incorporated by reference herein, any procedures on the financial statements of the Issuer addressed in that report. Ernst & Young LLP also has not performed any procedures relating to this Base Prospectus.

None of the information contained in this Base Prospectus, other than the financial statements of the Issuer for each of the two financial years ended 31 March 2020 and 31 March 2021, the financial statements of the NHI Guarantor for each of the two financial years ended 31 March 2020 and 31 March 2021, and the financial statements of the NSC Guarantor for each of the two financial years ended 31 March 2020 and 31 March 2021, each of which are incorporated by reference herein, has been audited by Ernst & Young LLP or Ernst & Young ShinNihon LLC, which have no material interests in the Issuer.

## 6. Significant Change

There has been no significant change in the financial performance or position of the Issuer since 30 June 2021.

There has been no significant change in the financial performance or position of the NHI Guarantor or the Nomura Group since 30 June 2021.

There has been no significant change in the financial performance or position of the NSC Guarantor since 30 June 2021.

## 7. Material Adverse Change

There has been no material adverse change in the prospects of the Issuer since 31 March 2021.

There has been no material adverse change in the prospects of the Guarantors since 31 March 2021.

## 8. Litigation

The Nomura Group is involved in a number of actions and proceedings, which are either ordinary routine actions and proceedings and proceedings incidental to its business or not material to the Nomura Group. Based upon the information currently available to the Nomura Group and on the advice received from its legal counsel, the NHI Guarantor and the NSC Guarantor believe that the ultimate resolution of such actions and proceedings will not, in the aggregate, have any material adverse effect on the Nomura Group's financial condition or results of operations nor so far as the NHI Guarantor and the NSC Guarantor are aware are any such proceedings pending or threatened. However, an adverse outcome in certain of these matters could have a material adverse effect on the Nomura Group's consolidated results of operations or cash flows in a particular quarter or annual period.

Save for the matters set out in the NHI Guarantor's Form 20-F for the year ended 31 March 2020 at pages F-131 to F-136, the NHI Guarantor's Form 20-F for the year ended 31 March 2021 at pages F-134 to F-139 the Nomura Group is not and has not been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the NHI Guarantor and the NSC Guarantor are aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position or profitability of the NHI Guarantor, the NSC Guarantor and/or their subsidiaries.

The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position or profitability of the Issuer.

## 9. Dividends paid by the Issuer during the last five financial years

The Issuer has not paid any dividends during the last five financial years.

## 10. Conditions for determining price

The price and amount of Securities to be issued under the Programme will be determined by the Issuer and any Dealer at the time of issue in accordance with prevailing market conditions.

## 11. Dealers transacting with the Issuer and the Guarantors

Certain of the 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, the Guarantors and their affiliates in the ordinary course of business.

## 12. Post-issuance Information

The Issuer does not intend to provide any post-issuance information, except if required by any applicable laws and regulations.

## 13. Yield

The initial yield for any issue of Fixed Rate N&C Securities or Zero Coupon N&C Securities shall be specified in the relevant Final Terms. The initial yield for Fixed Rate N&C Securities is calculated as the rate of interest that, when used to discount each scheduled payment of interest and principal under the Securities from the respective scheduled payment dates for each such payment back to the Issue Date, yields amounts that sum to the Issue Price. The initial yield for Zero Coupon N&C Securities is calculated as the rate of interest that, when used to discount the principal payment under the Securities from the scheduled Maturity Date back to the Issue Date, yields an amount that is the Issue Price.

The initial yield is calculated at the Issue Date on the basis of the Issue Price and on the assumption that the Securities are not subject to early cancellation and, in the case of Credit Linked Securities, that no Credit Event occurs. It is not an indication of future yield.

## SCHEDULE 1

## PART 1

## FORM OF PRICING SUPPLEMENT FOR EXEMPT N&C SECURITIES

[*Date*]

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt N&C Securities issued under the Programme (other than Preference Share Linked N&C Securities)*

[**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**); (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

[1] Legend to be included on front of the Pricing Supplement 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 Pricing Supplement. 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.

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 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 (Chapter 289) 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.*

**[The Base Prospectus [expires/will be updated] on [●] October 2022 [and the Issuer intends that the Base Prospectus will be immediately updated thereafter]. The updated base prospectus will be available on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) and at https://www.nomuranow.com/portal/site/nnextranet/en/regulatory-disclosures/.]**[3]

**NOMURA INTERNATIONAL FUNDING PTE. LTD.**

**[Legal entity identifier (LEI): [ ]]**

**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 and delivery obligations- by [Nomura Holdings, Inc.][Nomura Securities Co., Ltd.][Nomura International (Hong Kong) Limited]]**

[The Securities may constitute a 'securitisation' within the meaning of Regulation 2017/2402/EU (the Securitisation Regulation) and, if so, the Issuer relies on the exemption in Article 6(6) of the Securitisation Regulation.][*Insert if applicable in respect of certain Credit Linked Securities*]

## PART A – CONTRACTUAL TERMS

[Subject as provided in the section titled "*Prohibition of Sales to EEA Retail Investors*" above, any][4][Any] person making or intending to make an offer of the N&C Securities may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the

[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] Include in respect of issues of N&C Securities for which the offer spans an update to the Base Prospectus.

[4] Include if the "Prohibition of Sales to EEA Retail Investors" legend is included and the related "Prohibition of Sales to EEA Retail Investors" selling restriction is specified to be "Applicable".

Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the N&C Securities described herein. This document must be read in conjunction with the base prospectus dated 7 October 2021 [as supplemented by the supplement[s] dated [*insert relevant date[s]*] (the **Base Prospectus**)]. 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 this Pricing Supplement and the Base Prospectus.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Base Prospectus [dated [5 August 2013][1 August 2014][31 July 2015][16 September 2016][15 September 2017][14 September 2018][11 July 2019][17 April 2020][22 February 2021] which are incorporated by reference in the Base Prospectus]. Any reference in the Conditions, the Agency Agreement or the relevant Global N&C Security to "relevant Final Terms" or "applicable Final Terms" should be read as a reference to "relevant Pricing Supplement" or "applicable Pricing Supplement" in relation to the Exempt Securities represented by this Pricing Supplement.

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 this Pricing Supplement, save as where otherwise expressly provided.

[These N&C Securities are Swedish N&C Securities.][*This paragraph need only be included if the Pricing Supplement relates to Swedish N&C Securities.*]

[These N&C Securities are Swiss N&C Securities.][*This paragraph need only be included if the Pricing Supplement relates 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 which are not applicable can be deleted). Italics denote directions for completing the Pricing Supplement*]

[*In the case of N&C Securities which are guaranteed by Nomura International (Hong Kong) Limited as the NIHK Guarantor, specify that these are NIHK Guaranteed Securities, provide details of the terms and nature of the NIHK Guarantee, disclosure on the NIHK Guarantor, tax disclosure, selling restrictions and a copy of the guarantee within this Pricing Supplement*]

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

[*Insert any specific additional risk factors*]

*No person has been authorised to give any information or make any representation not contained in or not consistent with this Pricing Supplement, or any other information supplied in connection with the N&C Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer[, the Guarantor] or any Dealer.*

*By investing in the N&C Securities each investor represents that*:

*(a) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the N&C Securities and as to whether the investment in the N&C Securities is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer[, the Guarantor] or any Dealer as investment advice or as a recommendation to invest in the N&C Securities, it being understood that information and explanations related to the terms and conditions of the N&C Securities shall not be considered to be investment advice or a recommendation to invest in the N&C*

*Securities. No communication (written or oral) received from the Issuer[, the Guarantor] or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the N&C Securities.*

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

*(c) Status of Parties. [Neither/None of] the Issuer[, the Guarantor] [nor/and] any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the N&C Securities.*

| | | |
|---|---|---|
| 1. | Issuer: | Nomura International Funding Pte. Ltd. |
| 2. | Guaranteed N&C Securities: | [Yes/No] |
| | [Guarantor: | [Nomura International (Hong Kong) Limited] [Nomura Holdings, Inc.] [Nomura Securities Co., Ltd.]<br>(*Include in the case of Guaranteed N&C Securities only*)] |
| 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, Chapter 134 of Singapore |

[*If the Securities will qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, insert*:

***Where any interest, discount income, prepayment fee, redemption premium or break cost (Relevant Income) from any N&C Securities which constitute "qualifying debt securities" for Singapore income tax purposes (Relevant Securities) is derived by a person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using funds from that person's operations through the Singapore permanent establishment. Any person whose income (including Relevant Income) is not exempt from Singapore income tax is required to declare such income in a return of income under the Income Tax Act, Chapter 134 of Singapore.***]

| | | | |
|---|---|---|---|
| 4. | (i) | Series Number: | [ ] |
| | (ii) | Tranche Number: | [ ]<br>[*If fungible with an existing Series, include details of that Series, including the date on which the N&C Securities become fungible.*] |
| | (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 41 below, which is expected to occur on or about [*insert date*]][Not Applicable] |
| 5. | Specified Currency or Currencies: | | [ ] [*NB for Swedish N&C Securities insert: SEK, € 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)*][5] |
| 8. | (i) | Specified Denominations: | [ ]<br>[*For N&C Securities offered in the Republic of Korea insert if required:* For so long as the Securities remain outstanding, the Specified Denomination stipulated herein shall remain the same during the period from and including the Issue Date, to and including the date one (1) year following the Issue Date.]<br>*(N.B. Where multiple denominations above the minimum specified denomination are being used the following sample wording should be followed:*<br>"[*€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: | [ ]<br>*(If only one Specified Denomination, insert the Specified Denomination*<br>*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): | [[ ] in each year up to and including the Maturity Date][6]/[*specify other*]/[See item 20(i) below *(if Floating Rate N&C Securities)*]/[See item 23(ii) below (*if Reference Item Linked Interest N&C Securities*)]/[Not Applicable]<br>(*NB: Amend appropriately in the case of irregular coupons*)] |
| | (iv) | Coupon Calculation Basis: | [Per Calculation Amount][Aggregate Nominal Amount][Not Applicable]<br>(*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*) |

5 Not applicable in the case of Conditional Interest N&C Securities.

6 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."

| | | |
|---|---|---|
| 10. | Trade Date: | [ ] |
| 11. | Maturity Date: | [*For Fixed Rate N&C Securities* – [*specify date*]]/<br>[*For Floating Rate N&C Securities insert* – The Coupon Payment Date falling on or nearest to [*specify month and year*]][7]/[*For Reference Item Linked N&C Securities:* [*specify*] *and in the case of 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 Condition 7 and Credit Linked Condition 8 (*include for Credit Linked N&C Securities*)]]<br><br>(*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]<br><br>[*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]<br>[[ ] month [*LIBOR/EURIBOR/specify other rate*]] +/- [ ] per cent. Floating Rate]<br>[Zero Coupon]<br>[Index Linked Interest]<br>[Equity Linked Interest]<br>[FX Linked Interest]<br>[Commodity Linked Interest]<br>[Fund Linked Interest]<br>[Inflation Linked Interest]<br>[Non-Interest bearing]<br>[*specify other*]<br><br>[(further particulars specified below)] |
| (ii) | Payment of interest on early redemption: | [Applicable/Not Applicable] |
| 14. | Redemption/Payment Basis: | [Redemption at par]<br><br>[*Insert if Final Redemption Amount is other than par*: See item [27] below]<br><br>[Index Linked Redemption]<br>[Equity Linked Redemption]<br>[FX Linked Redemption]<br>[Commodity Linked Redemption]<br>[Fund Linked Redemption]<br>[Inflation Linked Redemption]<br>[Credit Linked Redemption]<br>[Short Price Payout Linked Redemption]<br>[Partly Paid]<br>[Instalment] |

[7] 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.

| | | | |
|---|---|---|---|
| | | | [*specify other*] |
| 15. | (i) | Change of Coupon Basis or Redemption/ Payment Basis: | [Applicable/Not Applicable]<br>[*Specify details of any provision for change of N&C Securities into another Coupon Basis, Redemption/Payment Basis or cross-refer to paragraphs 19, 20 and 22 below if details are included there*] |
| | (i) | Conditions on payments: | [Not Applicable][*Insert relevant conditions, including, if applicable, in relation to payments to sanctioned entities*]<br>(*N.B. Conditions on payments should not be inserted without prior consultation with legal counsel*) |
| 16. | Put/Call Options: | | [Investor Put]<br>[Issuer Call]<br>[(further particulars specified below)]<br>[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]<br>*(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] [*specify other*] (*If payable other than annually, consider amending Condition 6*)<br>(*Not applicable in the case of a flat coupon amount; in which case consider disapplying interest accrual provisions in relation to any Early Redemption Amount.*) |
| | (ii) | Fixed Coupon Amount(s) applicable to N&C Securities in definitive form: | [[ ] per Calculation Amount/Not Applicable][8] |
| | (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]<br>(*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)<br>Actual/Actual<br>Actual/Actual (ISDA)<br>Actual/365 (Fixed) [9]<br>Actual/365 (Sterling) |

[8] 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".

[9] 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"

[9] Applicable to Renminbi denominated Fixed Rate N&C Securities

| | | | |
|---|---|---|---|
| | | | Actual/360<br>30/360 (ICMA)<br>30/360<br>360/360<br>Bond Basis<br>30E/360<br>Eurobond Basis<br>30E/360 (ISDA)<br>1/1<br>Calculation/252<br>RBA Bond Basis]<br>[*specify other*]<br><br>(*NB*: *Actual/Actual (ICMA) is normally only appropriate for Fixed Rate N&C Securities denominated in euros*) |
| | (v) | Determination Date(s): | [[ ] in each year]/[Not Applicable]<br><br>(*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*) |
| | (vi) | Other terms relating to the method of calculating interest for Fixed Rate N&C Securities that are Exempt N&C Securities: | [None/*Give details*] |
| 20. | Floating Rate N&C Securities | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Specified Period(s)/Specified Coupon Payment Dates: | [ ][, subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to any adjustments, as the Business Day Convention in (ii) below is specified to be Not Applicable] |
| | (ii) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*][Not Applicable] |
| | (iii) | Manner in which the Rate of Interest and Coupon Amount is to be determined: | [Screen Rate Determination/ISDA Determination/Range Accrual/*specify other*] |
| | (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]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |

| | |
|---|---|
| Reference Rate: | [[ ] month]<br>[LIBOR/ EURIBOR/Compounded Daily SONIA / Compounded Daily SOFR / Compounded Daily €STR] |
| Observation Method: | [Not Applicable/Lag/Shift] |
| Observation Look-Back Period: | [ ]/ [Not Applicable] [Unless otherwise agreed with the [Principal Agent] / [Calculation Agent], [ ] [London Banking Days] / [U.S. Government Securities Business Days][TARGET2 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 GBP LIBOR*: First London Banking Day of each Coupon Period]<br><br>[*Insert for USD LIBOR*: Second London Banking Day prior to the start of each Coupon Period]<br><br>[*Insert for Euro LIBOR or EURIBOR*: Second TARGET2 System Business Day prior to the start of each Coupon Period]<br><br>[*Insert for SONIA–non Index Determination:* Second London Banking Day prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period)]<br><br>[*Insert for SONIA – Index Determination:* The day falling the Relevant Number of London Banking 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*]]<br><br>[*Insert for SOFR–non Index Determination:* Second 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)]<br><br>[*Insert for SOFR – Index Determination:* The day falling the Relevant Number of 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) and **Relevant Number** means [*insert number being two or greater*]]<br>[Insert for *€STR*: Second TARGET2 System Business Day prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period)] |
| Relevant Screen Page: | [ ]<br>(*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: | |
| | ISDA Definitions: | [2006 ISDA Definitions/2021 ISDA Definitions]<br>(*The 2021 ISDA Definitions should not be selected before their effective date of 4 October 2021 and confirmation from Structuring should be obtained*) |
| | Floating Rate Option: | [ ]<br>(*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*)) |
| | Designated Maturity: | [ ][Not Applicable]<br>(*A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate*) |
| | Reset Date: | [ ]<br>(*In the case of a LIBOR or EURIBOR based option, the first day of the Coupon Period*) |
| | Compounding/ Averaging/Index: | [Applicable/Not Applicable]<br>(*Specify as Applicable if the Calculated Rate Style is identified as "Compounded Floating Rate Option" in the Floating Rate Matrix*)<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | Compounding Method: | [OIS Compounding]<br>[Compounding with Lookback<br>Compounding with Lookback Period: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]<br>[Compounding with Observation Period Shift<br>Compounding with Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)<br>[Observation Period Shift Additional Business Days: [●]/[Not Applicable]]]<br>Set-in-Advance: [Applicable/Not Applicable]]<br>[Compounding with Lockout<br>Compounding with Lockout Period: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]<br>[Lockout Period Business Days: [●]/[Applicable Business Days]]] |
| | Averaging Method: | [Applicable/Not Applicable]<br>[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:] [[ ]/Not Applicable] |
| | | [[ ] Lockout Period Business Days] |
| | | [Lockout Period Business Days:] [[ ] [Applicable Business Days]] |
| | Daily Capped Rate and/or Daily Floored Rate: | [Applicable/Not Applicable] |
| | | (*If not applicable, delete the Daily Capped Rate and Daily Floored Rate prompts immediately below*) |
| | | [Daily Capped Rate:] [[ ]%] |
| | | [Daily Floored Rate:]] [[ ]%] |
| | Index provisions: | [Applicable/Not Applicable] |
| | | (*If not applicable, delete the Index Method prompt immediately below*) |
| | Index Method: | [Standard Index Method/Compounded Index Method/ Compounded Index Method with Observation Period Shift][Not Applicable] |
| | | [Set-in-Advance:] [Applicable] [Not Applicable] |
| | | [Observation Period Shift:] [[ ]Observation Period Shift Business Days] |
| | | [Observation Period Shift Additional Business Days:]][[ ]/Not Applicable] |
| (vii) | Linear Interpolation: | [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)] |
| (viii) | Margin(s): | [+/-] [ ] per cent. per annum |
| (ix) | Minimum Rate of Interest: | [[ ] per cent. per annum]/[Not Applicable] |
| (x) | Maximum Rate of Interest: | [[ ] per cent. per annum]/[Not Applicable] |
| (xi) | Day Count Fraction: | [Actual/Actual<br>Actual/Actual (ISDA)<br>Actual/365 (Fixed)<br>Actual/365 (Sterling)<br>Actual/360<br>30/360<br>360/360<br>Bond Basis<br>30E/360 |

| | | | |
|---|---|---|---|
| | | | Eurobond Basis<br>30E/360 (ISDA)<br>1/1<br>Calculation/252<br>RBA Bond Basis]<br>[*specify other*] |
| | (xii) | Additional Business Centre(s), fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate N&C Securities that are Exempt N&C Securities, if different from those set out in the Terms and Conditions: | [ ] |
| 21. | Zero Coupon N&C Securities | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Accrual Yield: | [ ] per cent. per annum |
| | (ii) | Reference Price: | [ ] |
| | (iii) | Any other formula/basis of determining amount payable for Zero Coupon N&C Securities that are Exempt N&C Securities: | [ ] |
| | (iv) | Day Count Fraction in relation to Early Redemption Amounts: | [30/360]<br>[Actual/360]<br>[Actual/365] |
| 22. | Dual Currency Interest N&C Securities | | [Applicable/Not Applicable]<br>(*If applicable, insert formula/manner for determining rate or amount of interest payable*) |
| 23. | Reference Item Linked Interest N&C Securities | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[*If applicable:*<br>The provisions of Annex [●] of the Terms and Conditions (*Additional Terms and Conditions for* [*insert applicable reference item*] *Linked Securities*) shall apply. Also see item [●] below for specific provisions relating to [*insert applicable reference item*] Linked Securities.] (*Complete as applicable for relevant reference item*)] |
| | (i) | Formula for calculating interest rate including back up provisions: | [ ] |

| | | |
|---|---|---|
| (ii) | Specified Period(s)/Specified Coupon Payment Dates: | [ ] [, subject to adjustment in accordance with the Business Day Convention set out in (iii) below, is not subject to any adjustment as the Business Day Convention is (iii) below as specified to be Not Applicable]<br><br>(*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: | [ ] |
| (iv) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]/[Not Applicable] |
| (v) | Additional Business Centre(s): | [ ]/[Not Applicable] |
| (vi) | Minimum Rate of Interest: | [[ ] per cent. per annum]/[Not Applicable] |
| (vii) | Maximum Rate of Interest: | [[ ] per cent. per annum]/[Not Applicable] |
| (viii) | Day Count Fraction: | [Actual/Actual<br>Actual/Actual (ISDA)<br>Actual/365 (Fixed)<br>Actual/365 (Sterling)<br>Actual/360<br>30/360 (ICMA)<br>30/360<br>360/360<br>Bond Basis<br>30E/360<br>Eurobond Basis<br>30E/360 (ISDA)<br>1/1<br>Calculation/252<br>RBA Bond Basis]<br>[*Specify other*]/<br>[Not Applicable] |
| (ix) | Conditional Interest N&C Securities: | [Yes/No]<br><br>(*N.b. Conditional interest provisions may only apply to Equity Linked N&C Securities and Index Linked N&C Securities*) |

**PROVISIONS RELATING TO REDEMPTION**

| | | |
|---|---|---|
| 24. | Issuer Call: | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br><br>[*If Applicable and Short Price Payout N&C Securities also apply insert the following language:* Short Price Payout N&C Securities Issuer Call applies] |
| (i) | Optional Redemption Date(s): | [ ] |

(ii) Optional Redemption Amount(s) of each N&C Security and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount]/[*insert alternative method (if any) of calculation*]

(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 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*)

25. 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 and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount]/[*insert alternative method (if any) of calculation*]

(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 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*)

26. Other redemption events:

(i) Redemption for tax reasons under Condition

| | | | |
|---|---|---|---|
| | 8.2: | | |
| | Notice period required for redemption for tax reasons under Condition 8.2: | | |
| | (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*) |
| (ii) | 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*) |
| (iii) | 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*) |

| | | | |
|---|---|---|---|
| | (iv) | Inconvertibility Event under Condition 8.13 | [Applicable/Not Applicable] |
| 27. | Final Redemption Amount of each N&C Security: | | [[ ] per Calculation Amount/See provisions in paragraph [*specify relevant paragraph*] below]<br><br>(*For Non Exempt Redemption N&C Securities cross refer to the relevant paragraph(s) below and complete the relevant sections in those paragraphs*) |
| 28. | Early Redemption Amount(s): | | [*Specify the relevant provision of Condition 8.7 that should apply or specify other*] (*N.B. to be specified per Calculation Amount or number of security units, as applicable. Consider the provisions of Conditions 8.7 and 8.8*)<br><br>*(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.)* |
| 29. | Exchange Rate: | | [Applicable/Not Applicable]<br><br>[*If "Applicable", insert details*] *(N.B. if relevant, provide applicable fallbacks)* |

**PROVISIONS RELATING TO REFERENCE ITEM LINKED SECURITIES**

| | | | |
|---|---|---|---|
| 30. | Index Linked N&C Securities: | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br><br>[The provisions of Annex 1 of the Terms and Conditions (*Additional Terms and Conditions for Index Linked Securities*) shall apply.] |
| | (i) | Index/Index Basket/ Proprietary Index/Mixed Basket: | [*Insert the name of each Index and, if relevant, insert weightings of each Index in the Index Basket*]<br><br>[The [ ] Index is a multi-exchange Index] |
| | | Index Sponsor(s): | [ ] |
| | (ii) | Index Currency(ies): | [ ] (*In the case of an Index Basket or a Mixed Basket, specify Index Currency for each Index*) |
| | (iii) | Final Redemption Amount: | [[ ] per Calculation Amount]<br><br>[Short Price Payout N&C Securities Condition 1 applies] |
| | (iv) | Averaging: | Averaging [applies/does not apply] to the N&C Securities. [The Averaging Dates [in relation to the [*specify relevant value, level or price*]] are [ ].] [*complete and repeat as necessary*]<br><br>[In the event that an Averaging Date is a Disrupted Day, [Omission/ Postponement/ Modified Postponement] will apply.] |
| | (v) | Weighting: | The weighting to be applied to each item comprising the Basket is [ ].<br><br>(*N.B. Only applicable in relation to Index Linked N&C Securities relating to a Basket*) |
| | (vi) | Exchange(s): | [ ] |

| | | |
|---|---|---|
| (vii) | Related Exchange: | [ ]/[All Exchanges]/[Hedging Exchanges] |
| (viii) | Scheduled Trading Day: | [Single Index Basis]<br>[All Indices Basis]<br>[Per Index Basis]<br>[Index Business Day]<br>(*N.B. Index Business Day applies only in the case of a Proprietary Index*) |
| (ix) | Exchange Business Day: | [Single Index Basis]<br>[All Indices Basis]<br>[Per Index Basis]<br>(*N.B. needs to follow Scheduled Trading Day selection*) |
| (x) | Valuation Date(s): | [ ] (*Include Initial Valuation Date, if applicable, Final Valuation Date and any other valuation dates*) |
| (xi) | Initial Valuation Date: | [ ] |
| (xii) | Final Valuation Date: | [ ] |
| (xiii) | Valuation Time | [ ] |
| (xiv) | Final Level: | [Index Linked Condition 1 applies]/[*Insert calculation method*]<br>(*N.B. The second option is applicable where provisions in Index Linked Conditions are not appropriate*) |
| (xv) | Observation Date(s): | [ ] |
| (xvi) | Observation Period: | [ ] |
| (xvii) | Disruption Cut-Off Date: | [The date [ ] Scheduled Trading Days [after the Valuation Date, Averaging Date or Observation Date or other relevant date, as the case may be/prior to the next succeeding day on which payment or delivery is to be made under the N&C Securities], all as more fully set out in the Index Linked Conditions.][*Specify other*] |
| (xviii) | Disrupted Day: | [Index Linked Condition 1 applies]/[If a Valuation Date, an Averaging Date or an Observation Date, as the case may be, is a Disrupted Day, the relevant level or price will be calculated [*insert calculation method*]]<br>(*N.B. The second option is applicable where provisions in Index Linked Conditions are not appropriate*)<br>[If an Autocall Observation Date is a Disrupted Day, the relevant level or price will be calculated [*insert calculation method*]]<br>(*N.B. Only applicable when Autocall Provisions apply*) |
| (xix) | Additional Disruption Events: | The following Additional Disruption Events apply to the N&C Securities:<br>[Change in Law]<br>[Hedging Disruption]<br>[Increased Cost of Hedging] |

| | | | |
|---|---|---|---|
| (xx) | Index Replacement Criteria: | | [ ][See Index Linked Condition 5] |
| (xxi) | Knock-In, Knock-Out Provisions: | | [Applicable/Not Applicable]<br>(*If not applicable, delete remaining sub-paragraphs of this paragraph*) |
| | (a) | Knock-In Determination Day: | [ ] |
| | (b) | Knock-In Event: | [ ] |
| | (c) | Knock-In Level: | [ ] |
| | (d) | Knock-In Period Beginning Date: | [ ] |
| | (e) | Knock-In Period Ending Date: | [ ] |
| | (f) | Knock-In Valuation Time: | [ ] |
| | (g) | Knock-Out Determination Day: | [ ] |
| | (h) | Knock-Out Event: | [ ] |
| | (i) | Knock-Out Level: | [ ] |
| | (j) | Knock-Out Period Beginning Date: | [ ] |
| | (k) | Knock-Out Period Ending Date: | [ ] |
| | (l) | Knock-Out Valuation Time: | [ ] |
| | (m) | Knock-In/Knock-Out Determination Day consequences of a Disrupted Day: | [Omission][Postponement] |
| | (n) | Knock-In/Knock-Out intraday valuation consequences of disruption: | [Omission][Materiality] |
| | (o) | Additional Knock-In/Knock-Out Determination Day Disrupted | [ ] |

| | | | |
|---|---|---|---|
| | | Day provisions: | |
| (xxii) | Autocall Provisions: | | [Applicable/Not Applicable]<br>(*If not applicable, delete remaining sub-paragraphs of this paragraph*) |
| | (a) | Autocall Event: | [ ] |
| | (b) | Autocall Observation Date: | [ ] |
| | (c) | Barrier Percentage: | [ %] |
| | (d) | Strike Level Adjustment Percentage: | [ %] |
| (xxiii) | Trigger Event: | | [Applicable/Not Applicable] |
| | (a) | Trigger Event: | The following Trigger Events apply to the N&C Securities:<br>Trigger Event (Closing Observation.)<br>Trigger Event (Intraday Observation)<br>[*specify other*] |
| | (b) | Trigger Event Observation Date: | [Index Linked Condition 8 applies]/[ ]<br>(*N.B. The second option is applicable where provisions in the Additional Terms and Conditions for Index Linked Securities are not appropriate*) |
| | (c) | Trigger Event Valuation Time: | [ ] |
| | (d) | Trigger Percentage: | [ %] |
| | (e) | Trigger Event Observation Date consequences of a Disrupted Day: | [Omission][Postponement] |
| | (f) | Trigger Event intraday valuation consequences of disruption: | [Omission][Materiality] |
| | (g) | Additional Trigger Event Observation Date Disrupted Day provisions: | [ ] |
| (xxiv) | Mandatory Early Termination: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) | Mandatory Early Termination Amount | [Index Linked Condition 8 applies]/[ ]<br>(*N.B. The second option is applicable where provisions of Index Linked Conditions are not appropriate*) |

| | | | |
|---|---|---|---|
| | (b) | Mandatory Early Termination Calculation Amount: | [ ] |
| | (c) | Mandatory Early Termination Date: | [ ] |
| | (d) | Mandatory Early Termination Events: | [ ] |
| | (e) | Mandatory Early Termination Level: | [ ] |
| | (f) | Mandatory Early Termination Rate: | [ ] |
| | (g) | Mandatory Early Termination Valuation Date: | [ ]<br>*(N.B. Specify if consequences of a Disrupted Day are other than as provided in the Index Linked Conditions)* |
| | (h) | Mandatory Early Termination Valuation Time: | [ ] |
| (xxv) | Provisions for Short Price Payout Securities: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[The provisions of Annex 11 of the Terms and Conditions (*Additional Terms and Conditions for Short Price Payout Securities)* shall apply.] |
| | (a) | Barrier Price: | [ ] (*NB: in case of an Index Basket or Mixed Basket, specify in relation to each relevant Index*) |
| | (b) | Short Price Observation Period: | [ ] |
| | (c) | Short Price Observation Period consequences of a Disrupted Day: | [Omission/Postponement] |
| | (d) | Dividend Amount Percentage: | [ ] |
| | (e) | Other provisions: | [*Insert*/Not Applicable] |
| (xxvi) | Futures Price Valuation: | | [Applicable/Not Applicable] |
| | (a) | Exchange-traded Contract: | [ ] (*Provide details of the Index to which the contract relates, the delivery month of such contract and the Futures or Options Exchange on which it is traded*) |
| (xxvii) | Other terms or special | | [Not Applicable]/[ ] |

conditions:

| | | | |
|---|---|---|---|
| 31. | Equity Linked N&C Securities: | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br><br>[The provisions of Annex 2 of the Terms and Conditions *(Additional Terms and Conditions for Equity Linked Securities)* shall apply.] |
| | (i) | Share(s)/Share Basket/ Mixed Basket: | [ ]<br><br>(*Insert description of the relevant share(s), in each case including the name of the relevant share issuer, listing venue and the relevant ISIN or other such security identification code and, in the case of Physical Delivery N&C Securities, any information in relation to share rights and conversion procedure additional to that set out in Annex 8 of the Terms and Conditions*)<br><br>(*N.B. in the case of Physical Delivery N&C Securities, where any relevant share is not listed on a regulated market or equivalent, comprehensive information in relation to the relevant share issuer as set out in Appendix VIII of the Rules and Regulations of the Luxembourg Stock Exchange should be included*) |
| | (ii) | Equity Currency(ies): | [ ] (*In the case of a Share Basket or a Mixed Basket, specify Equity Currency for each Share*) |
| | (iii) | Final Redemption Amount: | [[ ] per Calculation Amount][Short Price Payout N&C Securities Condition 1 applies] [Equity Linked Condition 18 applies – *i.e. if Exchangeable Equity Linked N&C Securities*] |
| | (iv) | Averaging: | Averaging [applies/does not apply] to the N&C Securities. [The Averaging Dates [in relation to the [*specify relevant value, level or price*]] are [ ].] [*complete and repeat as necessary*]<br><br>[In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.] |
| | (v) | Scheduled Trading Day: | [Single Share Basis]<br><br>[All Share Basis]<br><br>[Per Share Basis] |
| | (vi) | Weighting: | The weighting to be applied to each item comprising the Basket is [ ].<br><br>(*N.B. Only applicable in relation to Equity Linked N&C Securities relating to a Basket*) |
| | (vii) | Exchange(s): | [ ] |
| | (viii) | Related Exchange: | [ ]/[All Exchanges]/[Hedging Exchanges] |
| | (ix) | Exchange Business Day: | [Single Share Basis]<br><br>[All Share Basis]<br><br>[Per Share Basis]<br><br>(*N.B. needs to follow Scheduled Trading Day selection*) |
| | (x) | Final Price: | [Equity Linked Condition 6 applies]/[*Insert calculation* |

| | | |
|---|---|---|
| | | *method*] |
| | | (*N.B. The second option is applicable where provisions in Additional Terms and Conditions for Equity Linked Securities are not appropriate*) |
| (xi) | Valuation Date(s): | [ ] (*Include Initial Valuation Date, if applicable, Final Valuation Date and any other valuation dates*) |
| (xii) | Initial Valuation Date: | [ ] |
| (xiii) | Final Valuation Date: | [ ] |
| (xiv) | Valuation Time: | [Equity Linked Condition 6 applies]/[ ] |
| (xv) | Observation Date(s): | [ ] |
| (xvi) | Observation Period: | [ ] |
| (xvii) | Disruption Cut Off Date: | [The date [ ] Scheduled Trading days [after the Valuation Date, Averaging Date or Observation Date or other relevant date, as the case may be/prior to the next succeeding day on which payment or delivery is to be made under the N&C Securities], all as more fully set out in the Equity Linked Conditions.]][*Specify other*] |
| (xviii) | Disrupted Day: | [Equity Linked Condition 6 applies]/[If a Valuation Date, an Averaging Date or an Observation Date, as the case may be, is a Disrupted Day, the relevant price will be calculated [*insert calculation method*]]. |
| | | (*N.B. The second option is applicable where provisions in Equity Linked Conditions are not appropriate*) |
| (xix) | Options Exchange Adjustment: | [Applicable/Not Applicable] |
| (xx) | Share Substitution: | [Applicable/Not Applicable] |
| | | [If Applicable: Share Substitution Criteria is [ ]] |
| (xxi) | 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: [ ]] |
| (xxii) | Knock-In, Knock-Out Provisions: | [Applicable/Not Applicable] |
| | | (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) Knock-In Determination Day: | [ ] |

| | | | |
|---|---|---|---|
| | (b) | Knock-In Event: | [ ] |
| | (c) | Knock-In Price: | [ ] |
| | (d) | Knock-In Period Beginning Date: | [ ] |
| | (e) | Knock-In Period Ending Date: | [ ] |
| | (f) | Knock-In Valuation Time: | [ ] |
| | (g) | Knock-Out Determination Day: | [ ] |
| | (h) | Knock-Out Event: | [ ] |
| | (i) | Knock-Out Price: | [ ] |
| | (j) | Knock-Out Period Beginning Date: | [ ] |
| | (k) | Knock-Out Period Ending Date: | [ ] |
| | (l) | Knock-Out Valuation Time: | [ ] |
| | (m) | Knock-In/Knock-Out Determination Day consequences of a Disrupted Day: | [Omission][Postponement] |
| | (n) | Knock-In/Knock-Out intraday valuation consequences of disruption: | [Materiality][Omission] |
| | (o) | Additional Knock-In/Knock-Out Determination Day Disrupted Day provisions: | [ ] |
| (xxiii) | Autocall Provisions: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) | Autocall Event: | [ ] |
| | (b) | Autocall Observation Date: | [ ] |

| | | | |
|---|---|---|---|
| | (c) | Barrier Percentage: | [ ] per cent. |
| | (d) | Strike Level Adjustment Percentage: | [ ] per cent. |
| (xxiv) | Trigger Event: | | [Applicable/Not Applicable]<br>[*If not applicable, delete the remaining sub-paragraphs of this paragraph*] |
| | (a) | Trigger Event: | The following Trigger Events apply to the N&C Securities:<br>[Trigger Event (Closing Observation)]<br>[Trigger Event (Intraday Observation)]<br>[*specify other*] |
| | (b) | Trigger Event Observation Date: | [ ]<br>[Equity Linked Condition 8 applies]/[ ] (*N.B. The second option is applicable where provisions in the Additional Terms and Conditions for Equity Linked Securities are not appropriate*) |
| | (c) | Trigger Event Valuation Time: | [ ] |
| | (d) | Trigger Percentage: | [ ] per cent. |
| | (e) | Trigger Event Observation Date consequences of a Disrupted Day: | [Omission][Postponement] |
| | (f) | Trigger Event intraday valuation consequences of disruption: | [Omission][Materiality] |
| | (g) | Additional Trigger Event Observation Date Disrupted Day provisions: | [ ] |
| (xxv) | Mandatory Early Termination: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) | Mandatory Early Termination Amount: | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Equity Linked Securities are not appropriate*) |
| | (b) | Mandatory Early Termination Calculation Amount: | [ ] |

| | | | |
|---|---|---|---|
| | (c) | Mandatory Early Termination Date: | [ ] |
| | (d) | Mandatory Early Termination Event(s): | [ ] |
| | (e) | Mandatory Early Termination Rate: | [ ] |
| | (f) | Mandatory Early Termination Valuation Date: | [ ] |
| | (g) | Mandatory Early Termination Valuation Time: | [ ] |
| (xxvi) | GDR/ADR Linked N&C Securities: | | [Applicable/Not Applicable] |
| | [*If applicable insert*: | | Partial Lookthrough [Applicable/Not Applicable]<br>Full Lookthrough [Applicable/Not Applicable]] |
| (xxvii) | Provisions for Short Price Payout Securities: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[The provisions of Annex 11 of the Terms and Conditions (*Additional Terms and Conditions for Short Price Payout Securities)* shall apply.] |
| | (a) | Barrier Price: | [ ] (*NB: in case of Share Basket or Mixed Basket, specify in relation to each relevant Share*) |
| | (b) | Short Price Observation Period: | [ ] |
| | (c) | Short Price Observation Period consequences of a Disrupted Day: | [Omission/Postponement] |
| | (d) | Dividend Amount Percentage: | [ ] |
| | (e) | Other provisions: | [*Insert*/Not Applicable] |
| (xxviii) | Provisions for Exchangeable Equity Linked N&C Securities: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) | Exchangeable Optional Redemption | [Equity Linked Condition 17 applies] [*Specify other*] |

| | | | |
|---|---|---|---|
| | | Amount: | |
| | (b) | Exchange Formula: | *[Insert provisions and if more than one Specified Denomination make clear Exchange Formula in respect of each Specified Denomination.]* |
| (xxix) | Other terms or special conditions: | | [Not Applicable]/[ ] |
| 32. | FX Linked N&C Securities: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[The provisions of Annex 3 of the Terms and Conditions (*Additional Terms and Conditions for FX Linked Securities)* shall apply.] |
| (i) | Currency Price: | | [ ]<br>(*N.B. Complete only if different from definition contained in Annex 3 of the Terms and Conditions (Additional Terms and Conditions for FX Linked Securities*)) |
| (ii) | FX Price Source(s): | | [ ]<br>Specified Currency/[Settlement Currency]: [ ]<br>[*Insert as required for each Currency Pair:*<br>[*insert Currency Pair*]: [ ]] |
| (iii) | Reference Exchange Rate: | | [units of Relevant Currency]<br>[per unit of Relevant Currency] |
| (iv) | Specified Financial Centre: | | [ ] |
| (v) | Final Redemption Amount: | | [ ] per Calculation Amount |
| (vi) | Price Materiality Percentage: | | [ ] per cent. |
| (vii) | Primary Rate: | | [ ] |
| (viii) | Secondary Rate: | | [ ] |
| (ix) | Settlement Rate Option: | | [ ] |
| (x) | Averaging: | | Averaging [applies/does not apply] to the N&C Securities. [The Averaging Dates are [ ].] |
| (xi) | Valuation Date(s): | | [ ] |
| (xii) | Valuation Time: | | [ ] |
| (xiii) | Weighting: | | The weighting to be applied to each item comprising the Basket to ascertain the Currency Price is [ ].<br>(*N.B. Only applicable in relation to FX Linked N&C Securities relating to a Basket*) |
| (xiv) | Disruption Event: | | The following Disruption Events apply to the N&C Securities:<br>[Change in Law] |

| | | | |
|---|---|---|---|
| | | | [Dual Exchange Rate]<br>[General Inconvertibility]<br>[General Non-Transferability]<br>[Hedging Disruption Event]<br>[Illiquidity]<br>[Material Change in Circumstance]<br>[Nationalisation]<br>[Price Materiality]<br>[Price Source Disruption] |
| | (xv) | Consequence of a Disruption Event: | The following fallback provisions apply to the N&C Securities:<br>[Calculation Agent Determination of Settlement Rate]<br>[Fallback Reference Price]<br>[Settlement Postponement]<br>[Termination] |
| | (xvi) | Maximum Days of Disruption: | [ ] |
| | (xvii) | Other terms or special conditions: | [Not applicable]/[ ] |
| 33. | Commodity Linked N&C Securities: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[The provisions of Annex 4 of the Terms and Conditions (*Additional Terms and Conditions for Commodity Linked Securities)* shall apply.] |
| | (i) | Relevant Commodity, Commodity Index, Basket of Commodities/Commodity Indices (including weighting): | [Relevant Commodity: [●]]<br>[Commodity Index: [●]]<br>[Basket of Commodities/Commodity Indices:<br>[●] (*Include weighting)*] |
| | (ii) | Pricing Date(s): | |
| | | (a) Strike Date(s): | [●], subject to adjustment in accordance with the Commodity Business Day Convention] / [Not Applicable] |
| | | (b) Valuation Date(s): | [●], subject to adjustment in accordance with the Commodity Business Day Convention] / [Not Applicable] |
| | | (c) Observation Date(s): | [●], subject to adjustment in accordance with the Commodity Business Day Convention] / [Not Applicable] |
| | (iii) | Common Pricing: | [Applicable/ Inapplicable] (*Include only if Basket of Commodities/Commodity Indices*) |
| | (iv) | Additional Disruption Events: | [As per the Commodity Linked Conditions]<br>[*Specify any other applicable Additional Disruption Events*] |

| | | |
|---|---|---|
| (v) | Other terms or special conditions: | [Not applicable]/[ ] |

*Provisions in respect of Relevant Commodities (set out in relation to each Relevant Commodity)*

| | | |
|---|---|---|
| (vi) | Commodity Reference Price: | [●] (*if applicable, specify Exchange*) |
| (vii) | Specified Price: | [●] |
| (viii) | Delivery Date | [●] / [Not Applicable]<br>[*specify whether price based on spot market, First Nearby Month, Second Nearby Month, etc.; and set out all relevant provisions if Rolling Provisions apply]* |
| (ix) | Price Source(s): | [●] / [Not Applicable] |
| (x) | Commodity Market Disruption Events: | [As per the Commodity Linked Conditions]<br>[Other (s*pecify*)] |
| (xi) | Additional Commodity Market Disruption Events: | [Not Applicable] / [[●] (*specify*)] |
| (xii) | Disruption Fallback(s): | [As per the Commodity Linked Conditions]<br>[Other (*Specify any other applicable additional Disruption Fallback(s)*] |
| | (a) Fallback Reference Price: | [●] / [Not Applicable] |
| | (b) Additional Provisions for Trading Disruption: | [*If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption applies*] / [Not Applicable] |
| | (c) Preceding election: | [Applicable (*Delayed Publication or Announcement and Postponement shall not apply*) / Not Applicable] |
| (xiii) | Commodity Business Day: | As per the Commodity Linked Conditions]<br>[Other (*specify*)] |
| (xiv) | Commodity Business Day Convention: | [*Following / Modified Following / Proceeding*] |

*Provisions in respect of Commodity Indices (set out in relation to each Commodity Index)*

| | | |
|---|---|---|
| (xv) | Index Reference Price: | [●] [*Specify: Closing Level; Settlement Price; etc. (as such term is used in the terms of the applicable Commodity Index)*] / [Not Applicable] |
| (xvi) | Index Sponsor: | [●] |
| (xvii) | Specified Price for Index | [●] [*Settlement Price / Other*] |

| | | | |
|---|---|---|---|
| | | Components: | |
| | (xviii) | Price Source: | [*Specify in relation to Index Components*] |
| | (xix) | Commodity Market Disruption Events: | [As per the Commodity Linked Conditions][Other (*specify*)] |
| | | Additional Commodity Market Disruption Events: | [Not Applicable / [●] (s*pecify*) (*including applicability of proprietary index provisions, if relevant, and consider in particular consistency with roll provisions of the Index*)] |
| | (xx) | Disruption Fallback(s): | [As per the Commodity Linked Conditions]<br><br>[Other (*Specify any other applicable additional Disruption Fallback(s), including applicability of proprietary index provisions, if relevant, and consider in particular consistency with roll provisions of the Index)*] |
| | | (a) Additional Provisions for Trading Disruption: | [*If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption applies*] / [Not Applicable] |
| | | (b) Preceding election: | [Applicable (*Delayed Publication or Announcement and Postponement shall not apply*) / Not Applicable] |
| | (xxi) | Index Business Day: | [As per the Commodity Linked Conditions]<br><br>[Other (*specify)*] |
| | (xxii) | Index Business Day Convention: | [*Following / Modified Following / Preceding*] |
| 34. | Fund Linked N&C Securities: | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br><br>The provisions of Annex 5 of the Terms and Conditions (*Additional Terms and Conditions for Fund Linked Securities)* shall apply. |
| | (i) | Fund/Fund Basket/Mixed Basket: | [ ]<br><br>(*Insert description including the ISIN or other identification code and trading venue, if applicable*)<br><br>[[The [ ] Fund is an Exchange Traded Fund or ETF] (*Include for ETFs*) |
| | (ii) | Weighting: | [The weighting to be applied to each item comprising the Basket to ascertain the relevant performance is [ ]][Not Applicable]<br><br>(*N.B. only relevant in relation to Fund Linked N&C Securities relating to a Fund Basket or Mixed Basket. Otherwise, specify "Not Applicable"*) |
| | (iii) | Final Redemption Amount: | [ ] per Calculation Amount |
| | (iv) | Final Price: | [Determined in accordance with the provisions of Annex 5 of the Terms and Conditions (*Additional Terms and Conditions for* |

| | | |
|---|---|---|
| | | *Fund Linked Securities)*][*other*] |
| (v) | Fund Currency(ies): | [ ] (*In the case of a Fund Basket or a Mixed Basket, specify Fund Currency for each Fund Interest or Fund Share, as applicable*) |
| *Provisions relating to Fund Linked N&C Securities other than ETFs* | | |
| (vi) | Fund Interest(s): | [ ] |
| (vii) | Fund Adviser: | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |
| (viii) | Fund Administrator: | [ ] |
| (ix) | Relevant Holding as at Initial Fixing Date: | [A number of Fund Interests equal to the Calculation Amount divided by the Initial Price]<br>[*other*]<br>(*N.B. Only applicable where required for determination of Final Price and consider currency exchange. Also include provisions and procedures for adjusting due to any anticipated changes in the number of Fund Interests (e.g. due to equalisations or fees adjustments)*) |
| (x) | Key Personnel: | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |
| (xi) | Scheduled Fund Publication Date(s): | [ ] |
| (xii) | Initial Price: | [Determined in accordance with the provisions of Annex 5 of the Terms and Conditions (*Additional Terms and Conditions for Fund Linked Securities)*][*other*] |
| (xiii) | Fund Valuation Date(s): | [ ] (*Include Initial Fund Valuation Date, if applicable, Final Fund Valuation Date and any other fund valuation dates*) |
| (xiv) | Initial Fund Valuation Date: | [ ] |
| (xv) | Final Fund Valuation Date: | [ ] |
| (xvi) | Fund Business Day: | [As per the Fund Linked Conditions]<br>(*N.B. Only applicable where required for determination of the NAV Trigger Period*) |
| (xvii) | Related Agreement Termination: | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |
| (xviii) | NAV Trigger Event | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |
| (xix) | NAV Trigger Percentage | [ ] |
| (xx) | NAV Trigger Period | [ ] |

| | | |
|---|---|---|
| (xxi) | Fund Replacement following Fund Event: | [Applicable/Not Applicable] |
| (xxii) | Delay Period: | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |
| (xxiii) | Other terms or special conditions: | [ ] |

*Provisions relating to ETF Linked N&C Securities*

| | | |
|---|---|---|
| (xxiv) | Averaging: | [The Averaging Date(s) [*in relation to the [specify relevant value, level or price*]] are [ ]/Not Applicable] [*complete and repeat as necessary*] |
| (xxv) | Valuation Date(s): | [ ] (*Include Initial Valuation Date, if applicable, Final Valuation Date and any other valuation dates*) |
| (xxvi) | Initial Valuation Date: | [ ] |
| (xxvii) | Final Valuation Date: | [ ] |
| (xxviii) | Disruption Cut-off Date: | [The date [●] Scheduled Trading Day[s] prior to the Maturity Date][ ] |
| (xxix) | Exchange: | [ ] |
| (xxx) | Related Exchange: | [ ]/[All Exchanges]/[Hedging Exchanges] |
| (xxxi) | Exchange Business Day: | [Applicable/Not Applicable]<br>[Single ETF Basis]<br>[All ETF Basis]<br>[Per ETF Basis] |
| (xxxii) | Scheduled Trading Day: | [Applicable/Not Applicable]<br>[Single ETF Basis]<br>[All ETF Basis]<br>[Per ETF Basis] |
| (xxxiii) | Additional Disruption Events: | The following Additional Disruption Events apply to the N&C Securities:<br>[Change in Law]<br>[Fund Hedging Disruption]<br>[Increased Cost of Hedging] |
| (xxxiv) | Underlying Index: | [ ] |
| (xxxv) | Valuation Time: | [Fund Linked Condition 7 applies][ ] |
| (xxxvi) | Options Exchange Adjustment: | [Applicable/Not Applicable] |
| (xxxvii) | Fund Share Substitution: | [Applicable/Not Applicable]<br>[*If applicable, insert*:<br>Fund Share Substitution Criteria: [As per the Fund Linked Conditions [*specify other*]]] |

| | | | |
|---|---|---|---|
| (xxxviii) | Knock-In, Knock-Out Provisions: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) | |
| (a) | Knock-In Determination Day: | [ ] | |
| (b) | Knock-In Event: | [ ] | |
| (c) | Knock-In Price: | [ ] | |
| (d) | Knock-In Period Beginning Date: | [ ] | |
| (e) | Knock-In Period Ending Date: | [ ] | |
| (f) | Knock-In Valuation Time: | [ ] | |
| (g) | Knock-Out Determination Day: | [ ] | |
| (h) | Knock-Out Event: | [ ] | |
| (i) | Knock-Out Price: | [ ] | |
| (j) | Knock-Out Period Beginning Date: | [ ] | |
| (k) | Knock-Out Period Ending Date: | [ ] | |
| (l) | Knock-Out Valuation Time: | [ ] | |
| (m) | Knock-In/Knock-Out Determination Day consequences of a Disrupted Day: | [Omission][Postponement] | |
| (n) | Knock-In/Knock-Out intraday valuation consequences of disruption: | [Materiality][Omission] | |
| (o) | Additional Knock-In/Knock-Out Determination Day Disrupted Day provisions: | [ ] | |

| | | | |
|---|---|---|---|
| (xxxix) | Trigger Event: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) | Trigger Event: | The following Trigger Events apply to the N&C Securities:<br>[Trigger Event (Closing Observation)]<br>[Trigger Event (Intraday Observation)]<br>[*specify other*] |
| | (b) | Trigger Event Observation Date: | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |
| | | Trigger Event Valuation Time: | [ ] |
| | (c) | Trigger Percentage: | [ %] |
| | (d) | Trigger Event Observation Date consequences of a Disrupted Day: | [Omission][Postponement] |
| | (e) | Trigger Event intraday valuation consequences of disruption: | [Materiality][Omission] |
| | (f) | Additional Trigger Event Observation Date Disrupted Day provisions: | [ ] |
| (xl) | Mandatory Early Termination: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) | Mandatory Early Termination Amount: | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |
| | (b) | Mandatory Early Termination Calculation Amount: | [ ] |
| | (c) | Mandatory Early Termination Date: | [ ] |
| | (d) | Mandatory Early Termination Event(s): | [ ] |
| | (e) | Mandatory Early | [ ] |

| | | | |
|---|---|---|---|
| | | Termination Rate: | |
| | (f) | Mandatory Early Termination Valuation Date: | [ ] |
| | (g) | Mandatory Early Termination Valuation Time: | [ ] |
| (xli) | | Other terms or special conditions: | [ ] |

35. Inflation Linked N&C Securities: [Applicable/Not Applicable]

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

The provisions of Annex 6 of the Terms and Conditions (*Additional Terms and Conditions for Inflation Linked Securities)* shall apply.

| | | |
|---|---|---|
| (i) | Index/Basket of Indices/Index Sponsor(s): | [ ] |
| (ii) | Reference Month(s) | [ ] |
| (iii) | Final Redemption Amount: | [ ] per Calculation Amount |
| (iv) | Related Bond: | [Applicable/Not Applicable]<br>The Related Bond is: [ ] [Fallback Bond]<br>The End Date is: [ ] |
| (v) | Related Bond Redemption Event: | [Applicable/Not Applicable] |
| (vi) | Fallback Bond: | [Applicable/Not Applicable] |
| (vii) | Determination Date(s): | [ ] |
| (viii) | Cut-Off Date: | [ ] |
| (ix) | Acceleration upon Rebasing of Index: | [Applicable/Not Applicable] |
| (x) | End Date: | [ ] |
| (xi) | Index Description: | [ ] |
| (xii) | Other terms or special conditions: | [ ] |

| | | | |
|---|---|---|---|
| 36. | Credit Linked N&C Securities: | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br><br>[The provisions of [Condition [22.2.10][22.2.15] [22.2.16] and] Annex 7 (*Additional Terms and Conditions for Credit Linked Securities (2003 ISDA Credit Derivatives Definitions Version)* shall apply.][The provisions of Annex 15 of the Terms and Conditions – *Additional Terms and Conditions for Credit Linked Securities (2014 ISDA Credit Derivatives Definitions Version)* shall apply.] |
| | (i) | Final Redemption Amount: | [[ ] per Calculation Amount] [See Condition 22.2.10/22.2.16]<br><br>[*If the Securities are Tranched Zero Recovery Credit Linked N&C Securities insert and compete the following:*<br><br>Tranche Attachment Level: [ ] per cent.<br><br>Tranche Detachment Level: [ ] per cent.<br><br>Tranche Width: [ ] per cent. (*N.b. this is equal to the Tranche Detachment Level minus the Tranche Attachment Level*)] |
| | (ii) | Settlement Method: | [Auction Settlement/Cash Settlement/Physical Delivery/Not Applicable (See Condition [22.2.10][22.2.15][22.2.16])]]<br><br>(*N.b. if the Securities are Zero Recovery Basket Credit Linked N&C Securities, Zero Recovery Single Name Credit Linked N&C Securities or Tranched Zero Recovery Credit Linked N&C Securities specify "Not Applicable", and include the appropriate cross reference to Condition 22.2.10, or 22.2.15 or 22.2.16 as applicable*)<br><br>[*If Physical Delivery applies, insert*:<br><br>The provisions of Annex 8 of the Terms and Conditions (*Additional Terms and Conditions for Physical Delivery N&C Securities)* shall apply in addition to [Annex 7][Annex 15] of the Terms and Conditions.] |
| | (iii) | Calculation Agent City: | [London]/[ ] |
| | (iv) | Reference Entity(ies) [and relevant Weighting Percentages]: | [ ][*Specify. If applicable set out in a Table which may be annexed to this Pricing Supplement and in this case state: "The entities specified in the Table annexed to this Pricing Supplement" or specify by reference to a relevant credit index*]<br><br>[*If the Securities are Tranched Zero Recovery Credit Linked N&C Securities or Zero Recovery Basket Credit Linked N&C Securities linked to a credit index insert and complete as applicable:*<br><br>The Reference Entities and their relevant weighting percentages comprising the Index as at the Trade Date<br><br>**Index** means, [ ]<br><br>**Index Publisher** means, [ ]<br><br>**Index Sponsor** means, [ ]] |

| | | |
|---|---|---|
| (v) | Reference Obligation(s): | [Standard Reference Obligation: [Applicable][Not Applicable]]<br><br>[*If Standard Reference Obligation is specified, insert and complete as applicable:* Seniority Level: [Senior Level][Subordinated Level]]<br><br>[*If the Securities are Tranched Zero Recovery Credit Linked N&C Securities or Zero Recovery Basket Credit Linked N&C Securities insert:*<br><br>Standard Reference Obligation: Applicable if specified in the [Index/Table] for a Reference Entity only<br><br>Seniority Level: As specified in the [Index/Table] for a Reference Entity]<br><br>(*N.b. "Standard Reference Obligation" should not be elected if Annex 7 applies*) |
| | [The obligation[s] identified as follows: | [ ]] |
| | Primary Obligor: | [ ] |
| | Guarantor: | [ ] |
| | Maturity: | [ ] |
| | Coupon: | [ ] |
| | CUSIP/ISIN: | [ ] |
| | Trading venue(s) (if applicable): | [ ] |
| (vi) | All Guarantees: | [Applicable/Not Applicable/See Physical Settlement Matrix]<br><br>[*Insert and complete if Annex 7 applies:* Provisions relating to Qualifying Guarantee and Underlying Obligation: [Applicable/Not Applicable]] |
| (vii) | Credit Events: | [See Physical Settlement Matrix]<br><br>[Bankruptcy]<br><br>[Failure to Pay]<br><br>[Grace Period Extension: [Applicable/Not Applicable/See Physical Settlement Matrix]]<br><br>[*If Applicable insert*:<br><br>Grace Period: [ ]]<br><br>[Obligation Default]<br><br>[Obligation Acceleration]<br><br>[Repudiation/Moratorium]<br><br>[Restructuring]<br><br>– Provisions relating to Restructuring Credit Event: Credit Linked Condition 14 [Applicable/Not Applicable]<br><br>– Provisions relating to Multiple Holder Obligation: Credit Linked Condition 15 [Applicable/Not Applicable] |

– [*Insert and complete if Annex 7 applies:* Restructuring Maturity Limitation and Fully Transferable Obligation [Applicable/Not Applicable]]

– [*Insert and complete if Annex 7 applies:* Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [Applicable/Not Applicable]]

– [*Insert and complete if Annex 15 applies:* Mod Mod R [Applicable/Not Applicable]]

– [*Insert and complete if Annex 15 applies:* Mod R [Applicable/Not Applicable]]

[Governmental Intervention]

[*other*]

Default Requirement: [ ]

Payment Requirement: [ ]

Credit Event Backstop Date Amendment: [Applicable/Not Applicable]

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

[*If Applicable*:

Public Source(s): [As defined in Credit Linked Condition 13]/[ *specify other* ]

Specified Number: [2]/[*specify other*]]

(ix) Obligation(s):

Obligation Category: [See Physical Settlement Matrix]

(*select one only*) [Payment]

[Borrowed Money]

[Reference Obligations 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*] |
| (x) | Excluded Obligation(s): | [None]/[*specify other*] |
| (xi) | Accrual of Interest upon Credit Event: | [Applicable/Not Applicable/Accrual of Interest Unaffected]<br>*N.b. If Condition 22.2.10 or 22.2.16 applies, this item (xi) and item (xxv) below should be specified as "Not Applicable"*) |
| (xii) | Merger Event: | Credit Linked Condition 12 [Applicable/Not Applicable]<br>[*If Applicable*:<br>Merger Event Redemption Amount: [ ]<br>Merger Event Redemption Date:[ ]] |
| (xiii) | Unwind Costs: | [Standard Associated Costs/*other*/Not Applicable] |
| (xiv) | Provisions relating to Monoline Insurer as Reference Entity: | Credit Linked Condition 16 [Applicable/Not Applicable/See Physical Settlement Matrix] |
| (xv) | Provisions relating to LPN Reference Entities: | Credit Linked Condition 18 [Applicable/Not Applicable/See Physical Settlement Matrix] |
| (xvi) | 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])] |
| (xvii) | Credit Event Redemption Date: | [Subject to Credit Linked Condition 11 (*Settlement Suspension*), [the later of ] [(a) [ ] Business Days following the latest of] [the date falling [ ] 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] [and (b) the Scheduled Maturity Date]/[Not Applicable] |
| (xviii) | Valuation Date: | [Applicable/Not Applicable]<br>[Single Valuation Date:<br>[ ] Business Days]<br>[Multiple Valuation Dates:<br>[ ] Business Days; and each [ ] Business Days thereafter<br>Number of Valuation Dates: [ ]] |
| (xix) | Valuation Time: | [11 a.m. London time]/[ ]/[Not Applicable] |
| (xx) | Indicative Quotations: | [Applicable/Not Applicable] |
| (xxi) | Quotation Method: | [Bid/Offer/Mid-market]/[Not Applicable] |
| (xxii) | Quotation Amount: | [[ ]/Representative Amount]/[Representative Amount] |
| (xxiii) | Minimum Quotation Amount: | [ ]/[Not Applicable] |
| (xxiv) | Quotation Dealers: | [ ]/[Not Applicable] |
| (xxv) | Accrued Interest: | [Include Accrued Interest/Exclude Accrued Interest/Not Applicable] |

| | | |
|---|---|---|
| (xxvi) | Valuation Method: | [Market/Highest/Weighted Highest]<br>[Average Market/Highest/Average Highest]<br>[Blended Market/Blended Highest]<br>[Average Blended Market/Average Blended Highest]<br>[Not Applicable]<br>(*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*) |
| (xxvii) | Other terms or special conditions: | [ ] |
| (xxviii) | Fallback Settlement Method: | [Cash Settlement/Physical Delivery/Not Applicable]<br>[*If Physical Delivery insert*:<br>The provisions of Annex 8 of the Terms and Conditions (*Additional Terms and Conditions for Physical Delivery N&C Securities)* shall apply if the Fallback Settlement Method is applicable] |
| (xxix) | Succession Event Backstop Date subject to adjustment in accordance with Business Day Convention: | [Yes/No] [Not Applicable] (*specify Not Applicable if Annex 15 applies*) |
| (xxx) | 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 Physical Delivery* | [*The following terms shall apply where Physical Delivery is applicable as the Settlement Method or the Fallback Settlement Method*] |
| (xxxi) | Physical Settlement Period: | [[ ] Business Days][See Physical Settlement Matrix] |
| (xxxii) | Accrued Interest on Entitlement: | [*If Annex 7 applies insert as applicable:* [Include Accrued Interest/Exclude Accrued Interest]] [*If Annex 15 applies insert:* See the definition of "Accrued Interest" in Credit Linked Condition 13] |
| (xxxiii) | Settlement Currency: | [ ] |
| (xxxiv) | Deliverable Obligations: | |
| | [*NB Complete for all Credit Linked N&C Securities and where Physical Delivery is neither the Settlement Method nor a Fallback Settlement Method specify the following: 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 only:*]

| | |
|---|---|
| Deliverable Obligation Category: | [See Physical Settlement Matrix] |
| (*select one only*) | [Payment] |
| | [Borrowed Money] |
| | [Reference Obligations Only] |
| | [Bond] |
| | [Loan] |
| | [Bond or Loan] |
| Deliverable 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 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 Deliverable Obligation(s): | [ ] |

| | | |
|---|---|---|
| (xxxv) | Excluded Deliverable Obligation(s): | [ ] |
| (xxxvi) | Indicative Quotations: | [Applicable/Not Applicable] |
| (xxxvii) | Cut-Off Date: | [ ] |
| (xxxviii) | Delivery provisions for Entitlement if different from Physical Delivery Note Conditions: | [ ] |
| (xxxix) | Physical Settlement Matrix: | [Applicable/Not Applicable]<br><br>[*If the Physical Settlement Matrix applies insert:*<br><br>Date of Physical Settlement Matrix: [*specify date]*<br><br>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)*]<br><br>[*If the Securities are Tranched Zero Recovery Credit Linked N&C Securities or Zero Recovery Basket Credit Linked N&C Securities insert:*<br><br>For the purposes of the Reference Entities listed in the Index, the Transaction Type under the Physical Settlement Matrix is as specified in the Index. As at the Trade Date the Reference Entities comprising the Index are [*specify each relevant Transaction Type from the list above*]]<br><br>(*N.b. 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*) |
| (xl) | Subordinated European | [Applicable/Not Applicable/See Physical Settlement Matrix] |

| | | |
|---|---|---|
| | Insurance Terms: | (*N.b. if Annex 7 applies this should always be specified as "Not Applicable"*) |
| (xli) | Financial Reference Entity Terms: | [Applicable/Not Applicable/See Physical Settlement Matrix]<br>(*N.b. if Annex 7 applies this should always be specified as "Not Applicable"*) |
| (xlii) | Reference Obligation Only Termination Amount: | [[ ]/Not Applicable]<br>(*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"*) |
| (xliii) | Provisions relating to CoCo Reference Entities: | Credit Linked Condition 25: [Applicable/Not Applicable/See Physical Settlement Matrix]<br>[*If Applicable, insert if required*:<br>Trigger Percentage: [ ]]<br>(*N.b. If applicable this should be specified for each Reference Entity*) |
| (xliv) | Credit Linked Business Day Convention: | [Following/Modified Following/Preceding] |
| (xlv) | 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] |
| (xlvi) | Provisions relating to Senior Non-Preferred Reference Obligations: | Credit Linked Condition 27: [Applicable/Not Applicable/See Physical Settlement Matrix]<br>(*If Applicable or if See Physical Settlement Matrix is selected, specify the following:*)<br>[Seniority Level: Senior Non-Preferred Level] |
| (xlvii) | Other terms or special conditions: | [ ] [See Annex [●] hereto] |
| (xlviii) | 2019 Narrowly Tailored Credit Event Provisions: | Credit Linked Condition 28: [Applicable/Not Applicable/See Physical Settlement Matrix]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[Fallback Discounting: [Applicable/Not Applicable/See Physical Settlement Matrix]<br>Credit Deterioration Requirement: [Applicable/Not Applicable/See Physical Settlement Matrix]] |
| 37. | MOT N&C Securities: | [Applicable/Not Applicable]<br>[The provisions of Annex 13 of the Terms and Conditions – *Additional Terms and Conditions for MOT N&C Securities should apply*] |

| | | | |
|---|---|---|---|
| 38. | Physical Delivery N&C Securities: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]<br>(*If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply*)<br>[The provisions of Annex 8 of the Terms and Conditions (*Additional Terms and Conditions for Physical Delivery N&C Securities)* shall apply.] |
| | (i) | Relevant Asset(s): | [ ] |
| | (ii) | Entitlement: | [ ] |
| | (iii) | Assessed Value Payment Amount: | [Applicable/Not Applicable] |
| | (iv) | Cut-Off Date: | [ ] |
| | (v) | Guaranteed Cash Settlement Amount: | [ ] |
| | (vi) | Failure to Deliver due to Illiquidity: | [Applicable/Not Applicable] |
| | (vii) | Delivery provisions for Entitlement if different from Physical Delivery Note Conditions: | [ ] |
| | (viii) | Settlement Business Day: | [ ] |
| | (ix) | Issuer's option to vary Settlement: | [Applicable/Not Applicable] *(N.B. Option will apply unless specified as Not Applicable. Specify Not Applicable in the case of N&C Securities which are cash settled only. If Applicable, complete relevant Cash Settlement provisions and, in the case of Credit Linked N&C Securities, consider necessary amendments to the Additional Terms and Conditions for Credit Linked Securities)* |
| | (x) | Other terms or special Conditions: | [ ]<br>*(If N&C Securities are held through DTC, include details of content and delivery requirements for asset transfer (or other similar) notice)* |
| 39. | 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] |
| 40. | Additional Business Centre(s): | | [ ]/[Not Applicable][See item [20(xii)][22(iv)] above] |

**GENERAL PROVISIONS APPLICABLE TO THE N&C SECURITIES**

| | | |
|---|---|---|
| 41. | Form of N&C Securities: | [Bearer N&C Securities:<br><br>[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]<br><br>[Permanent Bearer Global N&C Security exchangeable for Definitive Bearer N&C Securities only upon an Exchange Event]]<br><br>[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*]<br><br>*(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, U.S. Persons (as defined in the N&C Securities Conditions) may only be issued in Bearer form.)*<br><br>[Registered N&C Securities:<br><br>[Regulation S Global N&C Security registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]]<br><br>[Rule 144A Global N&C Security registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg.]]<br><br>[Swedish N&C Securities:<br><br>The Swedish N&C Securities are in uncertificated and dematerialised book-entry form issued in accordance with the provisions of the Swedish Financial Instruments Accounts Act (SFS 1998: 1479) (Sw. Lagen (1998:1479) om kontoföring av finansiella instrument). No global or definitive Swedish N&C Securities will be issued. The provisions of Annex 9 (*Additional Terms and Conditions for Swedish Securities*) shall apply to the Swedish N&C Securities.]<br><br>[Swiss N&C Securities:<br><br>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.]<br><br>(*Include any additional terms required in respect of Swiss Securities, e.g. in respect of notices or provisions for meetings of Securityholders, or Physically Settled N&C Securities*) |
| 42. | New Global Note: | [Yes][No] |
| 43. | Additional Financial Centre(s): | [Not Applicable/*give details*]<br><br>(*Note that this item relates to the date of payment and not the end date of Coupon Periods for the purposes of calculating the Coupon Amount, as to which see item 20(xii) and 23(iv))* |

| | | |
|---|---|---|
| 44. | Other special provisions relating to Payment Day: | [Not Applicable/*give details*] |
| 45. | Talons for future Coupons or Receipts to be attached to Definitive Bearer N&C Securities (and dates on which such Talons mature): | [Yes/No][*If yes, give details*] |
| 46. | Details relating to Partly Paid N&C Securities: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the N&C Securities and interest due on late payment: | [Not Applicable/*give details*]<br>(NB: a new form of Temporary Global N&C Security and/or Permanent Global N&C Security may be required for Partly Paid issues)<br>*(NB: Partly Paid N&C Securities should not be offered, sold, transferred, pledged or delivered in the United States or to, or for the benefit of, any U.S. person.)* |
| 47. | Details relating to Instalment N&C Securities: | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining subparagraphs of this paragraph)*<br>*(NB: Instalment N&C Securities should not be offered, sold, transferred, pledged or delivered in the United States or to or for the benefit of any U.S. person.)* |
| | (i) Instalment Amount(s): | [*give details*] |
| | (ii) Instalment Date(s): | [*give details*] |
| 48. | Redenomination applicable: | Redenomination [not] applicable<br>[(*If Redenomination is applicable, specify the terms of Redenomination in the Pricing Supplement*)] |
| 49. | Other terms: | [Not Applicable/*give details*] |

**RESPONSIBILITY**

[The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement. [[*Insert details of any relevant third party information*] has been extracted from [*insert information source(s)*]. [Each of the][The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is 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

*(Consider whether any update to the "Taxation" section of the Base Prospectus is required or desirable in respect of any relevant jurisdiction.)*

1. **LISTING AND ADMISSION TO TRADING**

| | |
|---|---|
| Listing and Admission to trading: | [Application [has been]/[will be]/[is expected to be] made by the Issuer (or on its behalf) for the N&C Securities to be admitted to trading on [the Luxembourg Stock Exchange's Euro MTF Market]/[*specify other market (other than a regulated market in accordance with the Markets in Financial Instruments Directive)*] [and listed on the Official List of the [Luxembourg Stock Exchange]/[*specify other*]] [with effect from [●].] [Not Applicable.]<br><br>[*Where documenting a fungible issue need to indicate that original securities are already admitted to trading*.] |

2. **RATINGS**

| | |
|---|---|
| Ratings: | [Not applicable]<br><br>[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*.]<br><br>(*The above disclosure should reflect the rating allocated to N&C Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)] |

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the 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*]

4. **FURTHER INFORMATION RELATING TO THE RELEVANT REFERENCE ITEM[S]**

[None] [*Insert details*]

(*N.B. In respect of each reference item include details of where information on the reference item can be obtained including an indication of where past and future performance and volatility of the reference item can be obtained by electronic means and whether or not it can be obtained free of charge*.)

5. [**USE OF PROCEEDS**

| | |
|---|---|
| Use of Proceeds: | [ ]<br><br>(*Only required if the use of proceeds is different to that stated in the Base Prospectus*)] |

6. **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 Sweden AB]/*give name(s) and number(s)*] |
| (vii) | Delivery: | Delivery [against/free of] payment |
| (viii) | Names and addresses of initial Paying Agents: | [Citibank, N.A., London Branch, 6th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB /*Other*] |
| (ix) | Names and addresses of additional Paying Agent(s) (if any): | [ ]<br>(*N.B. In respect of Swiss Securities include details of the relevant Swiss Paying Agent*) |
| (x) | Intended to be held in a manner which would allow Eurosystem eligibility. | [Yes. Note that whilst the designation is specified as "yes" this 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.]<br>[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the N&C Securities are capable of meeting the criteria, 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.]<br>(*N.B. Registered N&C Securities will not be ECB eligible*) |

7. **DISTRIBUTION**

| | | |
|---|---|---|
| (i) | [The initial purchasers and [*name of applicable permitted dealer in the United States*] of the N&C | The dealer for the N&C Securities is [*name of applicable permitted dealer in the United States*], acting as principal. [*Name of applicable permitted dealer in the United States*] does not receive any compensation for the sales in which it |

| | | |
|---|---|---|
| | Securities: | participates.<br><br>(*Applicable where N&C Securities are eligible for sale in the United States or to, or for the account or benefit of, U.S. persons)*] |
| (ii) | Method of distribution: | [Syndicated/Non-syndicated] |
| (iii) | If syndicated, names of Managers: | [Not Applicable/*give names*] |
| (iv) | Date of [Subscription] Agreement: | [ ] |
| (v) | Stabilisation Manager(s) (if any): | [Not Applicable/*give name*] |
| (vi) | If non-syndicated, name of relevant Dealer: | [Not Applicable/*give name*] |
| (vii) | U.S. Selling Restrictions: | [Not Applicable/*give details*] |
| (viii) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br><br>(*If the Securities clearly do not constitute "packaged" products or the Securities do constitute "packaged" products and a 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 PRIIPs KID, 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: | | 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*]]<br><br>[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].] |
| (ix) | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]<br><br>(*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*) |

| | | |
|---|---|---|
| | [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]]] |
| (x) | TEFRA Compliance Category: | [TEFRA D/TEFRA C/TEFRA not applicable] |
| (xi) | 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 [ ].][*Specify other*]<br><br>(*N.b. This disclosure is only required for N&C Securities issued under Rule 144A. Otherwise specify "Not Applicable"*) |
| (xii) | Specified Securities for U.S. Dividend Equivalent Withholding purposes: | [The N&C Securities shall [not] be treated as Specified Securities (as defined in the [Listing Particulars][Offering Circular]) for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986.] [Based on market conditions on the date of this Pricing Supplement, the Issuer has made a preliminary determination that the N&C Securities are [not] Specified Securities (as defined in the [Listing Particulars][Offering Circular]) 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.]<br><br>(*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.*) |
| (xiii) | Prohibition of Sales to Belgian Consumers: | [Applicable/Not Applicable]<br><br>*(N.b. advice should be taken from Belgian counsel before disapplying this selling restriction)* |
| (xiv) | Additional selling restrictions | [Not Applicable/*give details*] |

## 8. INDEX DISCLAIMER

[*If applicable in the case of Securities referencing an index, including a credit index, include here any relevant index disclaimer*]

## PART 2

## FORM OF PRICING SUPPLEMENT FOR PREFERENCE SHARE LINKED EXEMPT N&C SECURITIES

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Preference Share Linked N&C Securities issued under the Programme*

[**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**); (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

[1] Legend to be included on front of the Pricing Supplement 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 Pricing Supplement. 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.

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 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 (Chapter 289) 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.*

**[The Base Prospectus [expires/will be updated] on [●] October 2022 [and the Issuer intends that the Base Prospectus will be immediately updated thereafter]. The updated base prospectus will be available on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) and at https://www.nomuranow.com/portal/site/nnextranet/en/regulatory-disclosures/.][3]**

[*Date*]

**NOMURA INTERNATIONAL FUNDING PTE. LTD.**

**[Legal entity identifier (LEI):[ ]]**

**Issue of [Aggregate Nominal Amount/Number of Units of Tranche] [Title of Preference Share Linked N&C Securities]**
**under the Nomura International Funding Pte. Ltd.**
**Note, Warrant and Certificate Programme**
**[unconditionally and irrevocably guaranteed as to payment and delivery obligations- by [Nomura Holdings, Inc.][Nomura Securities Co., Ltd.]]**

## PART A – CONTRACTUAL TERMS

[Subject as provided in the section titled "*Prohibition of Sales to EEA and UK Retail Investors*" above, any][4][Any] person making or intending to make an offer of the Preference Share Linked N&C Securities may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Preference Share Linked N&C Securities described herein. This document must be read in conjunction with the base prospectus dated 7 October 2021 [as supplemented by the supplement[s] dated [*insert relevant date[s]*] (the **Base Prospectus**)]. 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 this Pricing Supplement and the Base Prospectus. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Base

[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] Include in respect of issues of Preference Share Linked N&C Securities for which the offer spans an update to the Base Prospectus.

[4] Include if the "Prohibition of Sales to EEA Retail Investors" legend is included and the related "Prohibition of Sales to EEA Retail Investors" selling restriction is specified to be "Applicable".

Prospectus. Any reference in the Conditions, the Agency Agreement or the relevant Global N&C Security to "relevant Final Terms" or "applicable Final Terms" should be read as a reference to "relevant Pricing Supplement" or "applicable Pricing Supplement" in relation to the Exempt Securities represented by this Pricing Supplement.

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 this Pricing Supplement, save as where otherwise expressly provided.

**THE N&C SECURITIES ARE LINKED TO THE PERFORMANCE OF AN ISSUE OF PREFERENCE SHARES. PROSPECTIVE INVESTORS IN THE N&C SECURITIES SHOULD ENSURE THAT THEY READ AND UNDERSTAND THE APPLICABLE TERMS AND CONDITIONS OF THE PREFERENCE SHARES. SEE ANNEX 12 "ADDITIONAL TERMS AND CONDITIONS FOR PREFERENCE SHARE LINKED N&C SECURITIES".**

**PROSPECTIVE INVESTORS IN THE N&C SECURITIES SHOULD ENSURE THAT THEY UNDERSTAND THE NATURE OF THE N&C SECURITIES AND THE EXTENT OF THEIR EXPOSURE TO RISKS AND THAT THEY CONSIDER THE SUITABILITY OF THE N&C SECURITIES AS AN INVESTMENT IN THE LIGHT OF THEIR OWN CIRCUMSTANCES AND FINANCIAL CONDITION. THE N&C SECURITIES MAY 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 [●] TO [●] OF THE BASE PROSPECTUS.**

[*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 Pricing Supplement*]

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

[*Insert any specific additional risk factors*]

*No person has been authorised to give any information or make any representation not contained in or not consistent with this Pricing Supplement, or any other information supplied in connection with the N&C Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer[, the Guarantor] or any Dealer.*

*By investing in the N&C Securities each investor represents that*:

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

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

*(c)* *Status of Parties. [Neither/None of] the Issuer[, the Guarantor] [nor/and] any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the N&C Securities.*

| | | |
|---|---|---|
| 1. | Issuer: | Nomura International Funding Pte. Ltd. |
| 2. | Guaranteed N&C Securities: | [Yes/No] |
| | [Guarantor: | [Nomura Holdings, Inc.] [Nomura Securities Co., Ltd.] |
| | | (*Include in the case of Guaranteed N&C Securities only*)] |
| 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, Chapter 134 of Singapore |

[*If the Securities will qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, insert*:

***Where any interest, discount income, prepayment fee, redemption premium or break cost (Relevant Income) from any N&C Securities which constitute "qualifying debt securities" for Singapore income tax purposes (Relevant Securities) is derived by a person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using funds from that person's operations through the Singapore permanent establishment. Any person whose income (including Relevant Income) is not exempt from Singapore income tax is required to declare such income in a return of income under the Income Tax Act, Chapter 134 of Singapore.***]

| | | | |
|---|---|---|---|
| 4. | Series Number: | | [ ] |
| 5. | Specified Currency or Currencies: | | [ ] |
| 6. | Aggregate Nominal Amount: | | [ ] |
| 7. | Issue Price: | | 100 per cent. of the aggregate nominal amount |
| 8. | (i) | Specified Denominations: | [ ] |
| | (ii) | Calculation Amount: | [ ]<br>*(If only one Specified Denomination, insert the Specified Denomination which must equal the Issue Price.*<br>*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 and the aggregate Calculation Amounts applicable to a Specified Denomination must equal the Issue Price of that Specified Denomination.)* |
| 9. | [(i)] | Issue Date: | [ ] |
| | [(ii) | Coupon Commencement Date: | [ ][Issue Date] |

| | | | |
|---|---|---|---|
| | (iii) | Coupon Payment Date(s): | [[ ] in each year up to and including the Maturity Date][5]/[*specify other*]/[See item 20(i) below *(if Floating Rate N&C Securities)*]/[Not Applicable]<br><br>(*NB: Amend appropriately in the case of irregular coupons*) |
| | (iv) | Coupon Calculation Basis: | [Per Calculation Amount][Aggregate Nominal Amount][Not Applicable]]<br><br>(*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: | | The third Business Day following the Final Valuation Date. |
| 12. | Reference Item Linked N&C Securities: | | Applicable<br><br>For the purposes of this Pricing Supplement, Preference Share Linked N&C Securities shall be deemed to be Reference Item Linked N&C Securities. (*NB: This will mean no gross-up for tax*) |
| 13. | (i) | Coupon Basis: | [[ ] per cent. Fixed Rate]<br>[[ ] month [*LIBOR/EURIBOR/specify other rate*] +/- [ ] per cent. Floating Rate]<br>[Index Linked Interest]<br>[Equity Linked Interest]<br>[FX Linked Interest]<br>[Commodity Linked Interest]<br>[Fund Linked Interest]<br>[Inflation Linked Interest]<br>[Non-Interest bearing]<br>[*specify other*]<br><br>[(further particulars specified below)] |
| | (ii) | Payment of interest on early redemption: | [Applicable/Not Applicable] |
| 14. | Redemption/Payment Basis: | | Preference Share Linked N&C Redemption (further particulars specified below) |
| 15. | Change of Coupon Basis or Redemption/ Payment Basis: | | Not Applicable |
| 16. | Put/Call Options: | | [Issuer Call (further particulars specified below)]/[Not Applicable] |
| 17. | Calculation Agent: | | [Nomura International plc]/[*other*] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | | |
|---|---|---|---|
| 18. | Fixed Rate N&C Securities | | [Applicable/Not Applicable]<br>*(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] [*specify other*] (*If payable other than* |

[2] 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."

| | | |
|---|---|---|
| | | *annually, consider amending Condition 6*)<br><br>(*Not applicable in the case of a flat coupon amount; in which case consider disapplying interest accrual provisions in relation to any Early Redemption Amount.*) |
| (ii) | Fixed Coupon Amount(s) applicable to N&C Securities in definitive form: | [[ ] per Calculation Amount/Not Applicable][6] |
| (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]<br><br>(*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)<br>Actual/Actual<br>Actual/Actual (ISDA)<br>Actual/365 (Fixed)[7]<br>Actual/365 (Sterling)<br>Actual/360<br>30/360 (ICMA)<br>30/360<br>360/360<br>Bond Basis<br>30E/360<br>Eurobond Basis<br>30E/360 (ISDA)<br>1/1<br>Calculation/252<br>RBA Bond Basis]<br>[*specify other*]<br><br>(*NB*: *Actual/Actual (ICMA) is normally only appropriate for Fixed Rate N&C Securities denominated in euros*) |
| (v) | Determination Date(s): | [[ ] in each year]/[Not Applicable]<br><br>(*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*) |
| (vi) | Other terms relating to the method of calculating interest for Fixed Rate N&C Securities that are Preference Share Linked N&C Securities: | [None/*Give details*] |

[6] 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"

[7] Applicable to Renminbi denominated Fixed Rate N&C Securities

| | | | |
|---|---|---|---|
| 19. | Floating Rate N&C Securities | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Specified Period(s)/Specified Coupon Payment Dates: | [ ][, 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] |
| | (ii) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*][Not Applicable] |
| | (iii) | Manner in which the Rate of Interest and Coupon Amount is to be determined: | [Screen Rate Determination/ISDA Determination/Range Accrual/*specify other*] |
| | (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]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | | Reference Rate: | [[ ] month]<br><br>[LIBOR/ EURIBOR/Compounded Daily SONIA / Compounded Daily SOFR / Compounded Daily €STR] |
| | | Observation Method: | [Not Applicable/Lag/Shift] |
| | | Observation Look-Back Period: | [ ]/ [Not Applicable] [Unless otherwise agreed with the [Principal Agent] / [Calculation Agent], [ ] [London Banking Days] / [U.S. Government Securities Business Days][TARGET2 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 GBP LIBOR*: First London Banking Day of each Coupon Period]<br><br>[*Insert for USD LIBOR*: Second London Banking Day prior to the start of each Coupon Period]<br><br>[*Insert for Euro LIBOR or EURIBOR*: Second TARGET2 System Business Day prior to the start of each Coupon Period]<br><br>[*Insert for SONIA–non Index Determination:* Second London Banking Day prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period)]<br><br>[*Insert for SONIA – Index Determination:* The day falling the |

Relevant Number of London Banking 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 Days 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 Day 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 TARGET2 System Business Day prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period)]

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:

ISDA Definitions: [2006 ISDA Definitions/2021 ISDA Definitions]

(*The 2021 ISDA Definitions should not be selected before their effective date of 4 October 2021 and confirmation from Structuring should be obtained*)

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*))

Designated Maturity: [ ][Not Applicable]

(*A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate*)

Reset Date: [ ]

(*In the case of a LIBOR or EURIBOR based option, the first day of the Coupon Period*)

Compounding/ Averaging/Index: [Applicable/Not Applicable]

(*Specify as Applicable if the Calculated Rate Style is identified as "Compounded Floating Rate Option" in the Floating Rate Matrix*)

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

| | |
|---|---|
| Compounding Method: | [OIS Compounding] |
| | [Compounding with Lookback |
| | Compounding with Lookback Period: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]] |
| | [Compounding with Observation Period Shift |
| | Compounding with Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions) |
| | [Observation Period Shift Additional Business Days: [●]/[Not Applicable]]] |
| | Set-in-Advance: [Applicable/Not Applicable]] |
| | [Compounding with Lockout |
| | Compounding with Lockout Period: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)] |
| | [Lockout Period Business Days: [●]/[Applicable Business Days]]] |
| Averaging Method: | [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:] [[ ]/Not Applicable] |
| | [[ ] Lockout Period Business Days] |
| | [Lockout Period Business Days:] [[ ] [Applicable Business Days]] |
| Daily Capped Rate and/or Daily Floored Rate: | [Applicable/Not Applicable] |
| | (*If not applicable, delete the Daily Capped Rate and Daily Floored Rate prompts immediately below*) |
| | [Daily Capped Rate:] [[ ]%] |
| | [Daily Floored Rate:]] [[ ]%] |
| Index provisions: | [Applicable/Not Applicable] |
| | (*If not applicable, delete the Index Method prompt immediately below*) |
| Index Method: | [Standard Index Method/Compounded Index Method/ Compounded Index Method with Observation Period Shift][Not Applicable] |

| | | | |
|---|---|---|---|
| | | | [Set-in-Advance:] [Applicable] [Not Applicable]<br>[Observation Period Shift:] [[ ]Observation Period Shift Business Days]<br>[Observation Period Shift Additional Business Days:]][[ ]/Not Applicable] |
| | (vii) | Linear Interpolation: | [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Coupon Period shall be calculated using Linear Interpolation (*specify for each short or long coupon period*)] |
| | (viii) | Margin(s): | [+/-] [ ] per cent. per annum |
| | (ix) | Minimum Rate of Interest: | [[ ] per cent. per annum]/[Not Applicable] |
| | (x) | Maximum Rate of Interest: | [[ ] per cent. per annum]/[Not Applicable] |
| | (xi) | Day Count Fraction: | [Actual/Actual<br>Actual/Actual (ISDA)<br>Actual/365 (Fixed)[8]<br>Actual/365 (Sterling)<br>Actual/360<br>30/360<br>360/360<br>Bond Basis<br>30E/360<br>Eurobond Basis<br>30E/360 (ISDA)<br>1/1<br>Calculation/252<br>RBA Bond Basis]<br>[*specify other*] |
| | (xii) | Additional Business Centre(s) | [ ]/[Not Applicable] |
| | (xiii) | Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate N&C Securities that are Preference Share Linked N&C Securities, if different from those set out in the Terms and Conditions: | [ ] |
| 20. | Dual Currency Interest N&C Securities | | [Applicable/Not Applicable]<br>(*If applicable, insert formula/manner for determining rate or amount of interest payable*) |

[8] Applicable to Renminbi denominated Fixed Rate N&C Securities

| | | | |
|---|---|---|---|
| 21. | Reference Item Linked Interest N&C Securities | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[*If applicable:*<br>The provisions of Annex [●] of the Terms and Conditions (*Additional Terms and Conditions for* [*insert applicable reference item*] *Linked Securities*) shall apply. Also see item [●] below for specific provisions relating to [*insert applicable reference item*] Linked Securities.] (*Complete as applicable for relevant reference item*)] |
| | (i) | Formula for calculating interest rate including back up provisions: | [ ] |
| | (ii) | Specified Period(s)/Specified Coupon Payment Dates: | [ ] [, subject to adjustment in accordance with the Business Day Convention set out in (iii) below][, not subject to any adjustment, as the Business Day Convention in (iii) below is specified to be Not Applicable]<br>(*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) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]/[Not Applicable] |
| | (iv) | Additional Business Centre(s): | [ ]/[Not Applicable] |
| | (v) | Minimum Rate of Interest: | [[ ] per cent. per annum]/[Not Applicable] |
| | (vi) | Maximum Rate of Interest: | [[ ] per cent. per annum]/[Not Applicable] |
| | (vii) | Day Count Fraction: | [Actual/Actual<br>Actual/Actual (ISDA)<br>Actual/365 (Fixed)<br>Actual/365 (Sterling)<br>Actual/360<br>30/360 (ICMA)<br>30/360<br>360/360<br>Bond Basis<br>30E/360<br>Eurobond Basis<br>30E/360 (ISDA)<br>1/1<br>Calculation/252<br>RBA Bond Basis]<br>[*Specify other*]/<br>[Not Applicable] |

**PROVISIONS RELATING TO REDEMPTION** (*N.B. The Securities must not be redeemed in part*)

| | | | |
|---|---|---|---|
| 22. | Issuer Call: | | [Applicable (as amended by Preference Share Linked N&C Securities Condition 3 of Annex 12 (*Additional Terms and Conditions for Preference Share Linked N&C Securities*))/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Optional Redemption Date(s): | See Annex 12 (*Additional Terms and Conditions for Preference Share Linked N&C Securities*) |
| | (ii) | Optional Redemption Amount(s) of each N&C Security and method, if any, of calculation of such amount(s): | An amount rounded [down] to the nearest 0.01 in the Specified Currency calculated by the Calculation Agent on the same basis as the Final Redemption Amount except that, for these purposes only, the definition of Preference Share $\text{Value}_{\text{final}}$ shall be the Preference Share Value on the Optional Redemption Valuation Date. |
| | (iii) | Option Preference Share Redemption Valuation Date: | [*insert date*], subject to the provisions contained in Annex 12 (*Additional Terms and Conditions for Preference Share Linked N&C Securities*). |
| | (iv) | If redeemable in part: | |
| | | (a) Minimum Redemption Amount: | Not Applicable. The Securities may only be redeemed in whole and not in part. |
| | | (b) Maximum Redemption Amount: | Not Applicable. The Securities may only be redeemed in whole and not in part. |
| | (v) | Notice period (if other than as set out in the Conditions): | See Annex 12 (*Additional Terms and Conditions for Preference Share Linked N&C Securities*) |
| 23. | Notice period required for redemption upon an Issuer Regulatory Call: | | [As per N&C Securities Condition 8.5, as amended pursuant to Preference Share Linked N&C Securities Condition 4 in Annex 12 (*Additional Terms and Conditions for Preference Share Linked N&C Securities*).] [*specify other*]<br><br>*(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 Agent.)* |
| 24. | Investor Put: | | Not Applicable |
| 25. | Final Redemption Amount of each N&C Security: | | See provisions in paragraph 34 below. |
| 26. | Early Redemption Amount: | | As per Preference Share Linked N&C Securities Condition 4 in Annex 12 (*Additional Terms and Conditions for Preference Share Linked N&C Securities*) |
| 27. | Exchange Rate: | | Not Applicable |

**PROVISIONS RELATING TO REFERENCE ITEM LINKED SECURITIES**

| | | |
|---|---|---|
| 28. | Index Linked N&C Securities: | [Applicable/Not Applicable] (*if Applicable, specify details*) |

| | | | |
|---|---|---|---|
| 29. | Equity Linked N&C Securities: | | [Applicable/Not Applicable] (*if Applicable, specify details*) |
| 30. | FX Linked N&C Securities: | | [Applicable/Not Applicable] (*if Applicable, specify details*) |
| 31. | Commodity Linked N&C Securities: | | [Applicable/Not Applicable] (*if Applicable, specify details*) |
| 32. | Fund Linked N&C Securities: | | [Applicable/Not Applicable] (*if Applicable, specify details*) |
| 33. | Inflation Linked N&C Securities: | | [Applicable/Not Applicable] (*if Applicable, specify details*) |
| 34. | Preference Share Linked N&C Securities: | | Applicable<br><br>The provisions of Annex 12 of the Terms and Conditions (*Additional Terms and Conditions for Preference Share Linked N&C Securities*) shall apply |
| | (i) | Preference Share Issuer: | [*Insert name of Preference Share Issuer*] |
| | (ii) | Final Redemption Amount: | See Preference Share Linked N&C Securities Condition 2 in Annex 12 (*Additional Terms and Conditions for Preference Share Linked N&C Securities*) |
| | (iii) | Preference Share: | Each redeemable preference share of [●] each issued by the Preference Share Issuer on the Preference Share Issue Date |
| | (iv) | Preference Share Issue Date: | [*insert date which must be prior to the Issue Date for the N&C Securities*] |
| | (v) | Preference Share Value: | means in respect of any day the fair market value of a Preference Share at the Valuation Time on that day as determined by the Calculation Agent |
| | (vi) | Preference Share Valuation Date: | [*If there is no Auto-Call feature on the Preference Shares:* [●]]<br><br>[*If there is an Auto-Call feature on the Preference Shares insert the following and ensure all possible auto-call redemption dates are covered*: [(A)] if the Preference Shares become subject to redemption due to the occurrence of an auto-call event in accordance with their terms which is scheduled to occur [[[(i)] [in the year [2021], [●] [2021],] [[(ii)] in the year [2022], [●] [2022],] [[(iii)] in the year [2023], [●] [2023],] [[(iv)] in the year [2024], [●] [2024]] [or] [[(v)] in the year [2025], [●] [2025]], or] [[(B)] otherwise [●]][, |

| | | |
|---|---|---|
| | | or, [in each case, ]if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Preference Share Valuation Date shall be [the last occurring of] such delayed valuation or determination date(s), all as determined by the Calculation Agent.] |
| (vii) | Final Valuation Date: | The third Business Day following the Preference Share Valuation Date. |
| (viii) | Valuation Time: | [5.00 p.m. (London time)]/[*specify other*] |
| (ix) | Initial Reference Date: | [the Issue Date] or, if such date is not a Business Day, the next following Business Day.<br><br>(*N.B. the Initial Reference Date (i.e. when the initial value of the Preference Shares is calculated) should not be more than the number of days prior to the Issue Date necessary to calculate the value of the Preference Shares. If this is not possible, use the Preference Share Shareholder Put/Issuer Call; in these circumstances the Initial Reference Date should be the Issue Date*) |
| (x) | Business Day: | [For all purposes in relation to the N&C Securities, a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London [and [●]]].<br><br>(*N.B. must match the definition of "Business Day" in the Preference Share terms and conditions.*) |

**GENERAL PROVISIONS APPLICABLE TO THE N&C SECURITIES**

| | | |
|---|---|---|
| 35. | Form of N&C Securities: | Bearer N&C Securities:<br><br>[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]<br><br>[Permanent Bearer Global N&C Security exchangeable for Definitive Bearer N&C Securities only upon an Exchange Event] |
| 36. | New Global Note: | [Yes][No] |
| 37. | Additional Financial Centre(s) (*for Payment Day purposes*): | [Not Applicable/*give details*]<br><br>(*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 19(xii) and 22(iv))* |
| 38. | Other special provisions relating to Payment Day: | [Not Applicable/*give details*] |

| | | |
|---|---|---|
| 39. | Talons for future Coupons or Receipts to be attached to Definitive Bearer N&C Securities (and dates on which such Talons mature): | [Yes/No][*If yes, give details*] |
| 40. | Other terms: | See Annex 12 (*Additional Terms and Conditions for Preference Share Linked N&C Securities*) [and [*specify further terms if necessary*]]. |

**RESPONSIBILITY**

[The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement. [[*Insert details of any relevant third party information*] has been extracted from [*insert information source(s)*]. [Each of the][The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is 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

*(Consider whether any update to the "Taxation" section of the Base Prospectus is required or desirable in respect of any relevant jurisdiction.)*

### 1. LISTING AND ADMISSION TO TRADING

| | |
|---|---|
| Listing and Admission to trading: | [Application [has been]/[will be]/[is expected to be] made by the Issuer (or on its behalf) for the Preference Share Linked N&C Securities to be admitted to trading on [the Luxembourg Stock Exchange's Euro MTF Market]/[*specify other market (other than a regulated market in accordance with the Markets in Financial Instruments Directive)*] [and listed on the Official List of the [Luxembourg Stock Exchange]/[*specify other*]] [with effect from [●].] |

### 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)*].] [*Insert details of the status of the relevant credit rating agency for CRA Regulation purposes*] |
| | [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.] |
| | (*The above disclosure should reflect the rating allocated to N&C Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)] |

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the 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*]

### 4. INFORMATION RELATING TO THE PREFERENCE SHARES

The Preference Share Value is expected to be published on each Business Day on [Bloomberg page [●]] or any successor page or source as may be notified to Securityholders in accordance with Condition 16 (*Notices*).

[ISIN/Bloomberg page/other identification code]: [●]

Preference Share trading venue: [Applicable/Not Applicable] (*if Applicable, specify details*)

[*insert details of Preference Share Issuer.*]

On receipt of proof of identity as a Securityholder, a copy of the Preference Share Issuer's constitutional documents and the applicable Preference Share terms and conditions are available (free of charge) from the registered office of the Preference Share Issuer.

5. [**USE OF PROCEEDS**

| | |
|---|---|
| Use of Proceeds: | [ ] |
| | (*Only required if the use of proceeds is different to that stated in the Base Prospectus*)] |

6. **OPERATIONAL INFORMATION**

| | | |
|---|---|---|
| (i) | ISIN: | [ ] |
| (ii) | 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] |
| (iii) | 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] |
| (iv) | Common Code: | [ ] |
| (v) | Any clearing system(s) other than DTC, Euroclear and Clearstream Luxembourg and the relevant identification number(s):] | [Not Applicable/*give name(s) and number(s)*] |
| (vi) | Delivery: | Delivery [against/free of] payment |
| (vii) | Names and addresses of initial Paying Agents: | [Citibank, N.A., London Branch, 6th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB /*Other*] |
| (viii) | Names and addresses of additional Paying Agent(s) (if any): | [ ] |
| (ix) | Intended to be held in a manner which would allow Eurosystem eligibility. | [Yes. Note that whilst the designation is specified as "yes" this 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.] (*include this text if "yes" selected in which case the N&C Securities must be issued in NGN form*)<br><br>[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the N&C Securities are capable of meeting the criteria, 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.]

7. **DISTRIBUTION**

| | | |
|---|---|---|
| (i) | Method of distribution: | Non-syndicated |
| (ii) | Name of relevant Dealer: | [Nomura International plc]/[Nomura Singapore Limited]/[Nomura International (Hong Kong) Limited]/[Nomura Securities International, Inc.]/[Nomura Financial Products Europe GmbH]/ [specify other] |
| (iii) | U.S. Selling Restrictions: | [Not Applicable/*give details*] |
| (iv) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br>(*If the PRIIP manufacturer does not intend to prepare and publish a PRIIPs KID, 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: | 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*]]<br>[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].] |
| (v) | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]<br>(*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*) |
| | [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]]] |
| (vi) | TEFRA Compliance Category: | [TEFRA D/TEFRA C/TEFRA not applicable] |
| (vii) | Additional U.S. Federal Income Tax considerations: | [Not Applicable/*give details*]<br>(*Specify "Not Applicable" unless the Securities are issued under Rule 144A*) |

| | | |
|---|---|---|
| (viii) | Specified Securities for U.S. Dividend Equivalent Withholding purposes: | [The N&C Securities shall [not] be treated as Specified Securities (as defined in the [Listing Particulars][Offering Circular]) for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986.] [Based on market conditions on the date of this Pricing Supplement, the Issuer has made a preliminary determination that the N&C Securities are [not] Specified Securities (as defined in the [Listing Particulars][Offering Circular]) 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.]<br><br>(*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.*) |
| (ix) | Prohibition of Sales to Belgian Consumers: | [Applicable/Not Applicable]<br><br>*(N.b. advice should be taken from Belgian counsel before disapplying this selling restriction)* |
| (x) | Additional selling restrictions | [Not Applicable/*give details*] |

## PART 3

## FORM OF PRICING SUPPLEMENT FOR EXEMPT W&C SECURITIES

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt W&C Securities issued under the Programme.*

[**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**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, 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.

[1] Legend to be included on front of the Pricing Supplement 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 Pricing Supplement. 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.

[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 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 (Chapter 289) 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.*

**[The Base Prospectus [expires/will be updated] on [●] October 2022 [and the Issuer intends that the Base Prospectus will be immediately updated thereafter]. The updated base prospectus will be available on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) and at https://www.nomuranow.com/portal/site/nnextranet/en/regulatory-disclosures/.][3]**

[*Date*]

**NOMURA INTERNATIONAL FUNDING PTE. LTD.**

**[Legal entity identifier (LEI):[ ]]**

**[Title of W&C Securities]**

**under the Nomura International Funding Pte. Ltd.**

**Note, Warrant and Certificate Programme**
**[unconditionally and irrevocably guaranteed as to payment and delivery obligations by Nomura Holdings, Inc.]**

**PART A – CONTRACTUAL TERMS**

[Subject as provided in the section titled "*Prohibition of Sales to EEA Retail Investors*" above, any][4][Any] person making or intending to make an offer of the W&C Securities may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the

---

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 Include in respect of issues of W&C Securities for which the offer spans an update to the Base Prospectus.

4 Include if the "Prohibition of Sales to EEA Retail Investors" legend is included and the related "Prohibition of Sales to EEA Retail Investors" selling restriction is specified to be "Applicable".

Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Pricing Supplement of the W&C Securities described herein. This document must be read in conjunction with the base prospectus dated 7 October 2021 [as supplemented by the supplement[s] dated [*insert relevant date(s)*] (the **Base Prospectus**). Full information on the Issuer[, the Guarantor] and the offer of the W&C Securities is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Base Prospectus [dated [5 August 2013][1 August 2014][31 July 2015][16 September 2016][15 September 2017][14 September 2018][11 July 2019][17 April 2020][22 February 2021] which are incorporated by reference in the Base Prospectus]. Any reference in the Conditions, the Agency Agreement or the relevant Global W&C Security to "relevant Final Terms" or "applicable Final Terms" should be read as a reference to "relevant Pricing Supplement" or "applicable Pricing Supplement" in relation to the Exempt Securities represented by this Pricing Supplement.

References herein to numbered Conditions are to the terms and conditions of the W&C Securities and words and expressions defined in such terms and conditions shall bear the same meaning in this Pricing Supplement, save as where otherwise expressly provided.

[These W&C Securities are Swedish W&C Securities.][*This paragraph need only be included if the Pricing Supplement relates to Swedish W&C Securities.*]

[These W&C Securities are Swiss W&C Securities.][*This paragraph need only be included if the Pricing Supplement relates to Swiss W&C Securities.*]

[These W&C Securities are SeDeX W&C Securities.][*This paragraph need only be included if the Pricing Supplement relates to SeDeX W&C Securities.*]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A) or delete relevant provision. Note that the numbering should remain as set out below, 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 Pricing Supplement*]

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

[*Insert any specific additional risk factors*]

*No person has been authorised to give any information or make any representation not contained in or not consistent with this Pricing Supplement, or any other information supplied in connection with the W&C Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, [the Guarantor] or any Dealer*.

*By investing in the W&C Securities each investor represents that:*

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

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

*(c)* *Status of Parties. [Neither/None] of the Issuer, [the Guarantor] [nor/and] any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the W&C Securities.*

| | | |
|---|---|---|
| 1. | Issuer: | Nomura International Funding Pte. Ltd. |
| 2. | Guarantor: | [Not Applicable][Nomura Holdings, Inc.] |
| 3. | Guaranteed W&C Securities: | [Yes/No]<br><br>[*If the W&C Securities are Guaranteed W&C Securities, insert:* Date of the Guarantor's authorisation for the guarantee of this Series of Guaranteed W&C Securities:[ ]]<br><br>(*NB: The guarantee of W&C Securities must be authorised on an issue by issue basis by the Guarantor's executive officer's written authorisation.*) |
| 4. | Series number: | [ ] |
| | Tranche number: | [ ] |
| 5. | Consolidation: | The W&C Securities are to be consolidated and form a single series with the [*insert title of relevant series of W&C Securities*] issued on [*insert issue date*]. (*N.B. Only applicable in relation to W&C Securities which are fungible with an existing series of W&C Securities*) |
| 6. | Type of W&C Securities: | [Warrants/Certificates]<br><br>[Index Linked W&C Securities]<br>[Equity Linked W&C Securities]<br>[FX Linked W&C Securities]<br>[Commodity Linked W&C Securities]<br>[Fund Linked W&C Securities]<br>[Inflation Linked W&C Securities]<br>[Credit Linked W&C Securities]<br>[SeDeX W&C Securities]<br>[*specify other type of W&C Security*]<br><br>[*If the W&C Securities are Warrants, insert, as applicable*: American Style Warrants/European Style Warrants/ Bermudan Style Warrants/*specify other type of Warrant*] |
| | 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, Chapter 134 of Singapore |

[*If the Securities will qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, insert*:

***Where any interest, discount income, prepayment fee, redemption premium or break cost (Relevant Income) from any W&C Securities which constitute "qualifying debt securities" for Singapore income tax purposes (Relevant Securities) is derived by a person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using funds from that person's operations through the Singapore permanent establishment. Any person whose income (including Relevant Income) is not exempt from Singapore income tax is required to declare such***

***income in a return of income under the Income Tax Act, Chapter 134 of Singapore.***]

| | | | |
|---|---|---|---|
| 7. | (i) | Issue Date: | [ ] |
| | (ii) | Trade Date: | [ ] |
| 8. | [*For Certificates and European Style Warrants insert*: | | |
| | Exercise Date: | | [*insert single Exercise Date*], or, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Exercise Business Day [(the **Scheduled Exercise Date**)], [subject as provided in Credit Linked Condition 5, Credit Linked Condition 6, Credit Linked Condition 7 and Credit Linked Condition 9] (*include for Credit Linked W&C Securities*)]] |
| | [*For Bermudan Style Warrants insert:* | | |
| | Exercise Dates: | | [*insert Exercise Dates*], or, if any such date is not an Exercise Business Day, the applicable Exercise Date shall be the immediately [preceding/succeeding] Exercise Business Day [(the **Scheduled Exercise Date**)], [subject as provided in Credit Linked Condition 5, Credit Linked Condition 6, Credit Linked Condition 7 and Credit Linked Condition 9] (*include for Credit Linked W&C Securities*)]] |
| | [*For American Style Warrants insert:* | | |
| | Exercise Period: | | From and including [ ] to and including [ ], or, if either day is not an Exercise Business Day, the immediately [succeeding] Exercise Business Day, [subject as provided in Credit Linked Condition 5, Credit Linked Condition 6, Credit Linked Condition 7 and Credit Linked Condition 9] (*include for Credit Linked W&C Securities*)]] |
| 9. | Number of W&C Securities being issued: | | |
| | (i) | [Series:] | [ ] |
| | (ii) | [Tranche:] | [ ] |
| 10. | Notional Amount per W&C Security (*for calculation purposes only*): | | [ ] |
| 11. | Specified Currency: | | [ ] |
| 12. | Issue Price: | | [ ] |
| 13. | Business Day Centre: | | [ ] |
| 14. | Additional Business Centre(s): | | [ ] |
| 15. | Illegality Cancellation: | | [Applicable/Not Applicable] |
| | [*If "Applicable", insert:* Notice periods for Illegality Cancellation: | | (*N.B. In accordance with W&C Securities Condition 5.1, Illegality Cancellation will apply automatically unless specified as "Not Applicable"*) |
| | (i) | Maximum period: | [See Condition 5.1][[●] days] |
| | (ii) | Minimum period: | [See Condition 5.1][[●] 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 5.1. 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/New York Security Agent*) |
| 16. | Regulatory Cancellation: | [Applicable/Not Applicable] |
| | [*If "Applicable", insert:* Notice periods for Illegality Cancellation: | (*N.B. In accordance with N&C Securities Condition 5.2, Regulatory Cancellation will apply automatically unless specified as "Not Applicable")* |
| | (i) Maximum period: | [See Condition 5.2][[●] days] |
| | (ii) Minimum period: | [See Condition 5.2][[●] 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 5.2. 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 systems 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/New York Security Agent*) |
| 17. | Inconvertibility Event under Condition 5.4: | [Applicable/Not Applicable] |
| 18. | Settlement: | Settlement will be by way of [cash payment (**Cash Settled**)] [and/or] [physical delivery (**Physical Delivery**)]. |
| | | (*N.B. Swedish Securities may only be Cash Settled*) |
| | | (*N.B. Rule 144A W&C Securities may only be Cash Settled*) |
| 19. | Issuer's option to vary settlement: | The Issuer [has/does not have] the option to vary settlement in respect of the W&C Securities. |
| 20. | Cash Settled W&C Securities: | [Applicable]/[Not Applicable] |
| | | (*If not applicable, delete remaining sub-paragraphs of this paragraph*) |
| | (i) Cash Settlement Amount: | [As per Condition 3.2]/[Other (*Insert details of how Cash Settlement Amount is to be calculated*)] |
| | (ii) Settlement Date: | [As per Condition 3.6]/[Other (*specify*)] |
| | (iii) Settlement Price: | [ ] |
| | (iv) Settlement Currency: | [ ] [*NB for Swedish W&C Securities insert: SEK, € or any other currency as may be approved by the then applicable CSD Rules*] |
| | (v) Exchange Rate: | The Exchange Rate for conversion of any amount into the relevant settlement currency for the purposes of determining the Cash Settlement Amount is [ ]. *(N.B. if relevant, provide applicable fallbacks)* |

| | | | |
|---|---|---|---|
| | (vi) | Multiplier: | [Applicable]/[Not Applicable] (*N.B. only applicable in relation to Cash Settled W&C Securities relating to a Basket*)<br><br>[*If applicable insert:* The Multiplier to be applied to each item comprising the basket to ascertain the Settlement Price is[ ].] |
| 21. | Physical Delivery W&C Securities: | | [Applicable]/[Not Applicable]<br><br>(*If not applicable, delete remaining sub-paragraphs of this paragraph*) |
| | (i) | Relevant Asset(s): | [ ] |
| | (ii) | Entitlement: | The Entitlement (as defined in Condition 3) in relation to each W&C Security is [ ].<br><br>The Entitlement will be evidenced by [*insert details of how the Entitlement will be evidenced*].<br><br>The Entitlement will be delivered [*insert details of the method of delivery of the Entitlement*].<br><br>(*N.B. sub-paragraphs (i) and (ii) only applicable in relation to Physical Delivery W&C Securities that are not Credit Linked W&C Securities*) |
| | (iii) | Method of Delivery of Relevant Asset(s): | [ ] |
| | (iv) | Failure to Deliver due to Illiquidity: | [Applicable]/[Not Applicable] |
| | (v) | Collection Notice Cut-Off Date: | [ ] |
| | (vi) | Settlement Date: | [ ] |
| | (vii) | Settlement Business Day: | [ ] |
| | (viii) | Settlement Currency: | The Settlement Currency for the payment of [the Disruption Cash Settlement Price / the Failure to Deliver Settlement Price / the Assessed Value Payment Amount] is [ ]. |
| 22. | Additional Amounts | | [Applicable/Not Applicable] |
| | [*If applicable insert:* | | |
| | (i) | Additional Amount: | [*Insert details of calculation method*] |
| | (ii) | Additional Amount Payment Date(s): | [ ] |
| | (iii) | Applicability of Early Additional Amounts: | [Applicable/Not Applicable]<br><br>(*N.B. Only relevant in the case of W&C Securities which are either American Style Warrants or Bermudan Style Warrants*) |
| | (iv) | Early Additional Amount: | [*Insert details of calculation method*] |
| | (v) | Other terms or special conditions relating to Additional Amounts: | [ ] |
| 23. | Early Cancellation Amount: | | [As per Condition 5.2]/[Other (*specify*)] |
| 24. | Calculation Agent: | | [Nomura International plc]/[*other*] |

**PROVISIONS RELATING TO WARRANTS**

| | | |
|---|---|---|
| 25. | Type of Warrants: | [Call/Put] Warrants |
| 26. | Exercise Price: | The Exercise Price per Warrant is [●]. (*N.B. in the case of Index Linked Warrants, this should be expressed as a monetary value*) |
| 27. | Automatic Exercise: | Automatic exercise [applies/does not apply] to the Warrants. (*N.B. Automatic exercise will always apply to Swedish Warrants*) |
| 28. | Minimum Exercise Number: | [The minimum number of Warrants that may be exercised on any day by any Holder is [ ] [and Warrants may only be exercised in integral multiples of [ ] Warrants in excess thereof].][Not Applicable] (*N.B. not applicable for European Style Warrants*) |
| 29. | Maximum Exercise Number: | [The maximum number of Warrants that must be exercised on any day by any Holder or group of Holders (whether or not acting in concert) is [ ].][Not Applicable] (*N.B. not applicable for European Style Warrants*) |

**PROVISIONS RELATING TO TYPE OF W&C SECURITIES**

| | | | |
|---|---|---|---|
| 30. | Index Linked W&C Securities: | | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*<br>[The provisions of Annex 1 of the Terms and Conditions (*Additional Terms and Conditions for Index Linked Securities*) shall apply.] |
| | (i) | Index/Index Basket/Index Sponsor(s)/Proprietary Index/ Mixed Basket: | [ ]<br>[The [ ] Index is a multi-exchange Index] |
| | (ii) | Index Sponsor: | [ ] |
| | (iii) | Index Currency(ies): | [ ] (*In the case of an Index Basket or a Mixed Basket, specify Index Currency for each Index*) |
| | (iv) | Averaging: | Averaging [applies/does not apply] to the W&C Securities [The Averaging Dates [in relation to the [*specify relevant value, level or price*]] are [ ].] [*complete and repeat as necessary*]<br>[In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.] |
| | (v) | Weighting: | The weighting to be applied to each item comprising the Basket is [ ]. (*N.B. Only applicable in relation to Index Linked W&C Securities relating to a Basket)* |
| | (vi) | Exchange(s): | [ ] |
| | (vii) | Related Exchange: | [ ]/[All Exchanges]/[Hedging Exchanges] |
| | (viii) | Scheduled Trading Day: | [Single Index Basis]<br>[All Indices Basis] |

| | | |
|---|---|---|
| | | [Per Index Basis]<br>[Index Business Day]<br>(*N.B. Index Business Day applies only in the case of a Proprietary Index*) |
| (ix) | Exchange Business Day: | [Single Index Basis]<br>[All Indices Basis]<br>[Per Index Basis]<br>(*N.B. needs to follow Scheduled Trading Day selection*) |
| (x) | Valuation Date(s): | [ ] (*Include Initial Valuation Date, if applicable, Final Valuation Date and any other valuation dates*) |
| (xi) | Initial Valuation Date: | [ ] |
| (xii) | Final Valuation Date: | [ ] |
| (xiii) | Final Level: | [Index Linked Condition 5 applies]/[*Insert calculation method*]<br>(*N.B. The second option is applicable where provisions in Index Linked Conditions are not appropriate*) |
| (xiv) | Observation Date(s): | [ ] |
| (xv) | Observation Period: | [ ] |
| (xvi) | Disruption Cut-Off Date: | [The date [ ] Scheduled Trading Days [after the Valuation Date, an Averaging Date or an Observation Date, as the case may be/prior to the next succeeding day on which payment or delivery is to be made under the Securities.]][*Specify other*] |
| (xvii) | Disrupted Day: | [Index Linked Condition 5 applies]/[If the Valuation Date, an Averaging Date or an Observation Date, as the case may be, is a Disrupted Day, the relevant level or price will be calculated [*insert calculation method*]].<br>*(N.B. The second option is applicable where provisions in Index Linked Conditions are not appropriate)* |
| (xviii) | Additional Disruption Events: | The following Additional Disruption Events apply to the W&C Securities:<br>[Change in Law]<br>[Hedging Disruption]<br>[Increased Cost of Hedging] |
| (xix) | Index Replacement Criteria: | [ ][See Index Linked Condition 5] |
| (xx) | Knock-In, Knock-Out Provisions: | [Applicable/Not Applicable]<br>*(If not applicable, delete remaining sub-paragraphs of this paragraph)* |
| | (a) [Knock-In Determination Day: | [ ] |
| | (b) Knock-In Event: | [ ] |
| | (c) Knock-In Level: | [ ] |
| | (d) Knock-In Period Beginning Date: | [ ] |

| | | | |
|---|---|---|---|
| | (e) | Knock-In Period Ending Date: | [ ] |
| | (f) | Knock-In Valuation Time: | [ ] |
| | (g) | Knock-Out Determination Day: | [ ] |
| | (h) | Knock- Out Event: | [ ] |
| | (i) | Knock-Out Level: | [ ] |
| | (j) | Knock-Out Period Beginning Date: | [ ] |
| | (k) | Knock-Out Period Ending Date: | [ ] |
| | (l) | Knock-Out Valuation Time: | [ ] |
| | (m) | Knock-In/Knock-Out Determination Day consequences of a Disrupted Day: | [Omission][Postponement] |
| | (n) | Knock-In/Knock-Out intraday valuation consequences of disruption: | [Omission][Materiality] |
| | (o) | Additional Knock-In/Knock-Out Determination Day Disrupted Day provisions: | [ ] |
| (xxi) | Autocall Provisions: | | [Applicable/Not Applicable]<br>*(If not applicable, delete remaining sub-paragraphs of this paragraph)* |
| | (a) | Autocall Event: | [ ] |
| | (b) | Autocall Observation Date: | [ ] |
| | (c) | Barrier Percentage: | [ ] per cent. |
| | (d) | Strike Level Adjustment Percentage: | [ ] per cent. |
| (xxii) | Trigger Event Provisions: | | [Applicable/Not Applicable] |
| | (a) | Trigger Event: | The following Trigger Events apply to the W&C Securities:<br>[Trigger Event (Closing Observation)]<br>[Trigger Event (Intraday Observation)]<br>[*specify other*] |
| | (b) | Trigger Event | [ ] |

| | | | |
|---|---|---|---|
| | | Observation Date: | (*N.B. Only applicable where provisions in the Additional Terms and Conditions for Index Linked Securities are not appropriate*) |
| | (c) | Trigger Event Valuation Time: | [ ] |
| | (d) | Trigger Percentage: | [ ] per cent. |
| | (e) | Trigger Event Observation Date consequences of a Disrupted Day: | [Omission][Postponement] |
| | (f) | Trigger Event intraday valuation consequences of disruption: | [Omission][Materiality] |
| | (g) | Additional Trigger Event Observation Date Disrupted Day provisions: | [ ] |
| (xxiii) | Mandatory Early Termination: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) | Mandatory Early Termination Amount: | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Index Linked Securities are not appropriate*) |
| | (b) | Mandatory Early Termination Calculation Amount: | [ ] |
| | (c) | Mandatory Early Termination Date(s): | [ ] |
| | (d) | Mandatory Early Termination Events: | [ ] |
| | (e) | Mandatory Early Termination Level: | [ ] |
| | (f) | Mandatory Early Termination Rate: | [ ] |
| | (g) | Mandatory Early Termination Valuation Date: | [ ]<br>*(N.B. Specify if consequences of a Disrupted Day are other than as provided in the Index Linked Conditions)* |
| | (h) | Mandatory Early Termination Valuation Time: | [ ] |
| (xxiv) | Other terms or special conditions: | | [Not Applicable]/[ ] |

| | | | |
|---|---|---|---|
| 31. | Equity Linked W&C Securities: | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br><br>[The provisions of Annex 2 of the Terms and Conditions (*Additional Terms and Conditions for Equity Linked Securities*) shall apply.] |
| | (i) | Share(s)/Share Basket/Mixed Basket: | [ ]<br><br>(*Insert description of the relevant share(s), in each case including the name of the relevant share issuer, listing venue and the relevant ISIN or other such security identification code, and in the case of Physical Delivery Warrants, any information in relation to share rights and conversion procedure additional to that set out in Condition 3.3.)*<br><br>*(N.B. in the case of Physical Delivery Warrants, where any relevant share is not listed on a regulated market or equivalent, comprehensive information in relation to the relevant share issuer as set out in Appendix VIII of the Rules and Regulations of the Luxembourg Stock Exchange should be included)* |
| | (ii) | Equity Currency(ies): | [ ] (*In the case of a Share Basket or a Mixed Basket, specify Equity Currency for each Share*) |
| | (iii) | Averaging: | Averaging [applies/does not apply] to the W&C Securities<br><br>[The Averaging Dates [in relation to the [*specify relevant value, level or price*]] are [ ].] [*complete and repeat as necessary*]<br><br>[In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.] |
| | (iv) | Scheduled Trading Day: | [Single Share Basis]<br><br>[All Share Basis]<br><br>[Per Share Basis] |
| | (v) | Weighting: | The weighting to be applied to each item comprising the Basket is [ ]. (*N.B. Only applicable in relation to Share Linked W&C Securities relating to a Basket or mixed basket*) |
| | (vi) | Exchange(s): | [ ] |
| | (vii) | Related Exchange: | [ ]/[All Exchanges]/[Hedging Exchanges] |
| | (viii) | Exchange Business Day: | [Single Share Basis]<br><br>[All Share Basis]<br><br>[Per Share Basis]<br><br>(*N.B. needs to follow Scheduled Trading Day selection*) |
| | (ix) | Final Price: | [Equity Linked Condition 6 applies]/[*Insert calculation method*]<br><br>(*N.B. The second option is applicable where provisions in Additional Terms and Conditions for Equity Linked Securities are not appropriate*) |

| | | |
|---|---|---|
| (x) | Valuation Date(s): | [ ] (*Include Initial Valuation Date, if applicable, Final Valuation Date and any other valuation dates*) |
| (xi) | Initial Valuation Date: | [ ] |
| (xii) | Final Valuation Date: | [ ] |
| (xiii) | Valuation Time: | [Equity Linked Condition 6 applies]/[ ] |
| (xiv) | Observation Date(s): | [ ] |
| (xv) | Observation Period: | [ ] |
| (xvi) | Disrupted Day: | [Equity Linked Condition 6 applies]/[If a Valuation Date, an Averaging Date or an Observation Date, as the case may be, is a Disrupted Day, the relevant price will be calculated [*insert calculation method*]]<br><br>*(N.B. The second option is applicable where provisions in Additional Terms and Conditions for Equity Linked Securities are not appropriate)*. |
| (xvii) | Disruption Cut-Off Date | [The date [ ] Scheduled Trading days [after the relevant Valuation Date, an Averaging Date or an Observation Date, as the case may be/prior to the next succeeding day on which payment or delivery is to be made under the Securities.]][*Specify other*] |
| (xviii) | Options Exchange Adjustment: | [Applicable / Not Applicable] |
| (xix) | Share Substitution: | [Applicable/Not Applicable]<br><br>[If Applicable: Share Substitution Criteria is [ ].] |
| (xx) | Additional Disruption Events: | The following Additional Disruption Events apply to the W&C Securities:<br><br>[Change in Law]<br><br>[Hedging Disruption]<br><br>[Increased Cost of Hedging]<br><br>[Increased Cost of Stock Borrow]<br><br>[Initial Stock Loan Rate: [ ]]<br><br>[Insolvency Filing]<br><br>[Loss of Stock Borrow]<br><br>[Maximum Stock Loan Rate: [ ]] |
| (xxi) | Knock-In, Knock-Out Provisions: | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) Knock-In Determination Day: | [ ] |
| | (b) Knock-In Event: | [ ] |
| | (c) Knock-In Price: | [ ] |
| | (d) Knock-In Period Beginning Date: | [ ] |
| | (e) Knock-In Period | [ ] |

| | | | |
|---|---|---|---|
| | | Ending Date: | |
| | (f) | Knock-In Valuation Time: | [ ] |
| | (g) | Knock-Out Determination Day: | [ ] |
| | (h) | Knock-Out Event: | [ ] |
| | (i) | Knock-Out Price: | [ ] |
| | (j) | Knock-Out Period Beginning Date: | [ ] |
| | (k) | Knock-Out Period Ending Date: | [ ] |
| | (l) | Knock-Out Valuation Time: | [ ] |
| | (m) | Knock-In/Knock-Out Determination Day consequences of a Disrupted Day: | [Omission][Postponement] |
| | (n) | Knock-In/Knock-Out intraday valuation consequences of disruption: | [Materiality][Omission] |
| | (o) | Additional Knock-In/Knock-Out Determination Day Disrupted Day provisions: | [ ] |
| (xxii) | Autocall Provisions: | | [Applicable/Not Applicable]<br>[*If not applicable, delete the remaining sub-paragraphs of this paragraph*] |
| | (a) | Autocall Event: | [ ] |
| | (b) | Autocall Observation Date: | [ ] |
| | (c) | Barrier Percentage: | [ ] per cent. |
| | (d) | Strike Level Adjustment Percentage: | [ ] per cent. |
| (xxiii) | Trigger Event: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) | Trigger Event: | The following Trigger Events apply to the W&C Securities:<br>[Trigger Event (Closing Observation)]<br>[Trigger Event (Intraday Observation)]<br>[*specify other*] |

| | | | |
|---|---|---|---|
| | (b) | Trigger Event Observation Date: | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Equity Linked Securities are not appropriate*) |
| | (c) | Trigger Event Valuation Time: | [ ] |
| | (d) | Trigger Percentage: | [ ] per cent. |
| | (e) | Trigger Event Observation Date consequences of a Disrupted Day: | [Omission][Postponement] |
| | (f) | Trigger Event intraday valuation consequences of disruption: | [Materiality][Omission] |
| | (g) | Additional Trigger Event Observation Date Disrupted Day provisions: | [ ] |
| (xxiv) | Mandatory Early Termination: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) | Mandatory Early Termination Amount: | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Equity Linked Securities are not appropriate*) |
| | (b) | Mandatory Early Termination Calculation Amount: | [ ] |
| | (c) | Mandatory Early Termination Date: | [ ] |
| | (d) | Mandatory Early Termination Event(s): | [ ] |
| | (e) | Mandatory Early Termination Rate: | [ ] |
| | (f) | Mandatory Early Termination Valuation Date: | [ ] |
| | (g) | Mandatory Early Termination Valuation Time: | [ ] |
| (xxv) | GDR/ADR Linked W&C Securities: | | [Applicable/Not Applicable] |
| | [*If applicable insert*: | | Partial Lookthrough [applicable/not applicable] |

| | | | |
|---|---|---|---|
| | | | Full Lookthrough [applicable/not applicable] |
| | (xxvi) | Other terms or special conditions: | [Not Applicable]/[ ] |
| 32. | FX Linked W&C Securities: | | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*<br>[The provisions of Annex 3 of the Terms and Conditions (*Additional Terms and Conditions for FX Linked Securities*) shall apply] |
| | (i) | Currency Price: | [ ]<br>(*N.B. Complete only if different from definition contained in Annex 3 of the Terms and Conditions – Additional Terms and Conditions for FX Linked Securities*) |
| | (ii) | FX Price Source(s): | [ ] |
| | (iii) | Reference Exchange Rate: | [*units of Relevant Currency*]<br>per<br>[*unit of Relevant Currency*] |
| | (iv) | Specified Financial Centre(s): | [ ] |
| | (v) | Price Materiality Percentage: | [ ] per cent. |
| | (vi) | Primary Rate: | [ ] |
| | (vii) | Secondary Rate: | [ ] |
| | | Settlement Rate Option: | |
| | | Averaging: | [ ] |
| | | Valuation Date: | Averaging [applies/does not apply] to the W&C Securities. [The Averaging Dates are [ ].] [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement] shall apply.]<br>[ ] |
| | (viii) | Valuation Time: | [ ] |
| | (ix) | Weighting: | The weighting to be applied to each item comprising the Basket to ascertain the Currency Price is [ ].<br>*(N.B. Only applicable in relation to FX Linked Securities relating to a Basket)* |
| | (x) | Disruption Event | The following Disruption Events apply to the Securities:<br>[Change in Law]<br>[Dual Exchange Rate]<br>[General Inconvertibility]<br>[General Non-Transferability]<br>[Hedging Disruption Event] |

| | | |
|---|---|---|
| | | [Illiquidity]<br>[Material Change in Circumstance]<br>[Nationalisation]<br>[Price Materiality]<br>[Price Source Disruption] |
| (xi) | Consequence of a Disruption Event: | The following fallback provisions apply to the Securities:<br>[Calculation Agent Determination of Settlement Rate]<br>[Fallback Reference Price]<br>[Settlement Postponement]<br>[Termination] |
| (xii) | Maximum Days of Disruption: | [ ] |
| 33. | Commodity Linked W&C Securities: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[The provisions of Annex 4 of the Terms and Conditions (*Additional Terms and Conditions for Commodity Linked Securities*) shall apply.] |
| (i) | Relevant Commodity, Commodity Index, Basket of Commodities/Commodity Indices (including weighting): | [Relevant Commodity: [ ]]<br>[Commodity Index: [ ]]<br>[Basket of Commodities/Commodity Indices:<br>[ ] (*include weighting*)] |
| (ii) | Pricing Date(s): | |
| | (a) Strike Date(s): | [ ], subject to adjustment in accordance with the Commodity Business Day Convention] / [Not Applicable] |
| | (b) Valuation Date(s): | [ ], subject to adjustment in accordance with the Commodity Business Day Convention] / [Not Applicable] |
| | (c) Observation Date(s): | [ ], subject to adjustment in accordance with the Commodity Business Day Convention] / [Not Applicable] |
| (iii) | Common Pricing: | [Applicable/ Inapplicable] *(include only if Basket of Commodities/Commodity Indices)* |
| (iv) | Additional Disruption Events: | [As per the Commodity Linked Conditions]<br>[*Specify any other applicable Additional Disruption Events*] |
| (v) | Other terms or special conditions: | [Not Applicable]/[ ] |

*Provisions in respect of Relevant Commodities (set out in relation to each Relevant Commodity)*

| | | |
|---|---|---|
| (vi) | Commodity Reference Price: | [ ] (*if applicable, specify Exchange*) |
| (vii) | Specified Price: | [ ] |
| (viii) | Delivery Date | [ ] / [Not Applicable]<br>[*specify whether price based on spot market, First Nearby Month, Second Nearby Month, etc.; and set out all relevant provisions if Rolling Provisions apply*] |
| (ix) | Price Source(s): | [ / [Not Applicable] |
| (x) | Commodity Market Disruption Events: | [As per the Commodity Linked Conditions]<br>[Other (*specify*)] |
| (xi) | Additional Commodity Market Disruption Events: | [Not Applicable] / [[●] (*specify*)] |
| (xii) | Disruption Fallback(s): | [As per the Commodity Linked Conditions]<br>[Other (*Specify any other applicable additional Disruption Fallback(s)*] |
| | (a) Fallback Reference Price: | [ ] / [Not Applicable] |
| | (b) Additional Provisions for Trading Disruption: | [*If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption applies*] / [Not Applicable] |
| | (c) Preceding election: | [Applicable (*Delayed Publication or Announcement and Postponement shall not apply*) / Not Applicable] |
| (xiii) | Commodity Business Day: | [As per the Commodity Linked Conditions]<br>[Other (*specify*)] |
| (xiv) | Commodity Business Day Convention: | [*Following / Modified Following / Preceding*] |

*Provisions in respect of Commodity Indices (set out in relation to each Commodity Index)*

| | | |
|---|---|---|
| (xv) | Index Reference Price: | [ ] [*Specify: Closing Level; Settlement Price; etc. (as such terms are set out in the terms of the Commodity Index)*] / [Not Applicable] |
| (xvi) | Index Sponsor: | [ ] |
| (xvii) | Specified Price for Index Components: | [ ] [*Settlement Price / Other*] |
| (xviii) | Price Source: | [*Specify in relation to Index Components*] |
| (xix) | Commodity Market Disruption Events | [As per the Commodity Linked Conditions] |
| | Additional Commodity Market Disruption Events: | [Not Applicable / [ ] (*specify*) (*including applicability of proprietary index provisions, if relevant, and consider in*) |

| | | | |
|---|---|---|---|
| | | | *particular consistency with roll provisions of the Index)*) |
| | (xx) | Disruption Fallback(s): | [As per the Commodity Linked Conditions]<br><br>[Other (*Specify any other applicable additional Disruption Fallback(s), including applicability of proprietary index provisions, if relevant, and consider in particular consistency with roll provisions of the Index*)] |
| | | (a) Additional Provisions for Trading Disruption: | [*If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption applies*] / [Not Applicable] |
| | | (b) Preceding election: | [Applicable (*Delayed Publication or Announcement and Postponement shall not apply*) / Not Applicable] |
| | (xxi) | Index Business Day: | [As per the Commodity Linked Conditions]<br><br>[Other (*specify*)] |
| | (xxii) | Index Business Day Convention: | [*Following/Modified Following/Preceding*] |
| 34. | Fund Linked W&C Securities: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*<br><br>[The provisions of Annex 5 of the Terms and Conditions – *Additional Terms and Conditions for Fund Linked Securities* shall apply [and for these purposes the Securities are Type A Fund Linked W&C Securities]. (*Insert if applicable*)] |
| | (i) | Fund(s)/Fund Basket/Mixed Basket: | [ ]<br><br>(*Insert description including the ISIN or other identification code and trading venue, if applicable*)<br><br>[[ ] (the **Initial Reference ETF**) with Bloomberg Code: [ ] and ISIN [ ] and [ ] (the **Final Reference ETF**) with Bloomberg Code: [ ] and ISIN [ ]. Both the Initial Reference ETF and the Final Reference ETF are Exchange Traded Funds or ETFs.] (*Include for Type A Fund Linked W&C Securities*)<br><br>[The [ ] Fund is an Exchange Traded Fund or an ETF.] *(Include for ETFs)* |
| | (ii) | Weighting: | The weighting of each item comprising the Basket to ascertain the relevant performance is [ ] (*N.B. only applicable in relation to Fund Linked W&C Securities relating to a Fund Basket or Mixed Basket*)<br><br>[The Underlying Index for each ETF: [ ]] *(Include for ETFs)* |
| | (iii) | Final Price: | [Determined in accordance with Annex 5 of the Terms and Conditions (*Additional Terms and Conditions for Fund Linked Securities*)][*other*] |
| | (iv) | Fund Currency(ies): | [ ] (*In the case of a Fund Basket or a Mixed Basket, specify Fund Currency for each Fund Interest or Fund Share, as applicable*) |
| | (v) | Other terms or special | [ ] |

conditions:

*Provisions relating to Fund Linked W&C Securities other than ETFs*

| | | |
|---|---|---|
| (vi) | Fund Interest: | [ ] |
| (vii) | Fund Adviser: | [Fund Linked Condition 2 applies]/[ ]<br>(*N.B. The second option is applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |
| (viii) | Fund Administrator: | [ ] |
| (ix) | Relevant Holding as at Initial Fixing Date: | [A number of Fund Interests equal to the Notional Amount per W&C Security divided by the Initial Price]<br>[*other*]<br>(*N.B. Only applicable where required for determination of Final Price and consider currency exchange. Also include provisions and procedures for adjusting due to any anticipated changes in the number of Fund Interests (e.g. due to equalisation or fees adjustments)*) |
| (x) | Key Personnel: | [Fund Linked Condition 2 applies]/[ ]<br>(*N.B. The second option is applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |
| (xi) | Scheduled Fund Publication Date(s): | [ ] |
| (xii) | Initial Price: | [Determined in accordance with Annex 5 of the Terms and Conditions (*Additional Terms and Conditions for Fund Linked Securities*)][*other*] |
| (xiii) | Fund Valuation Date(s): | [ ] (*Include Initial Fund Valuation Date, if applicable, Final Fund Valuation Date and any other fund valuation dates*) |
| (xiv) | Initial Fund Valuation Date: | [ ] |
| (xv) | Final Fund Valuation Date: | [ ] |
| (xvi) | Fund Business Day: | [As per the Fund Linked Conditions]<br>(*N.B. Only applicable where required for determination of the NAV Trigger Period*) |
| (xvii) | Related Agreement Termination: | [Fund Linked Condition 3 applies]/[ ]<br>(*N.B. The second option is applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |
| (xviii) | NAV Trigger Event: | [Fund Linked Condition 3 applies]/[ ]<br>(*N.B. The second option is applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |
| (xix) | NAV Trigger Percentage: | [ ] |
| (xx) | NAV Trigger Period: | [ ] |

| | | |
|---|---|---|
| (xxi) | Fund Replacement following Fund Event: | [Applicable/Not Applicable] |
| (xxii) | Delay Period: | [Fund Linked Condition 5 applies]/[ ]<br>(*N.B. The second option is applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not appropriate*) |

*Provisions relating to ETF Linked W&C Securities*

| | | |
|---|---|---|
| (xxiii) | Averaging: | [The Averaging Date(s) [in relation to the [*specify relevant value, level or price*]] are [ ]/Not Applicable] [*complete and repeat as necessary*] |
| (xxiv) | Valuation Date(s): | [ ] (*Include Initial Valuation Date, if applicable, Final Valuation Date and any other valuation dates*) |
| (xxv) | Initial Valuation Date: | [ ] |
| (xxvi) | Final Valuation Date: | [ ] |
| (xxvii) | Disruption Cut-off Date: | [ ] |
| (xxviii) | Exchange: | [ ] [Fund Linked Condition 7 applies] |
| (xxix) | Related Exchange: | [ ]/[All Exchanges]/[Hedging Exchanges] |
| (xxx) | Exchange Business Day: | [Applicable/Not Applicable]<br>[Single ETF Basis]<br>[All ETFs Basis]<br>[Per ETF Basis] |
| (xxxi) | Scheduled Trading Day: | [Applicable/Not Applicable]<br>[Single ETF Basis]<br>[All ETFs Basis]<br>[Per ETF Basis] |
| (xxxii) | Additional Disruption Events: | The following Additional Disruption Events apply to the W&C Securities:<br>[Change in Law]<br>[Fund Hedging Disruption]<br>[Increased Cost of Hedging] |
| (xxxiii) | Underlying Index: | [ ] |
| (xxxiv) | Valuation Time: | [ ] |
| (xxxv) | Options Exchange Adjustment: | [Applicable/Not Applicable] |
| (xxxvi) | Fund Share Substitution: | [Applicable/Not Applicable]<br>[*If applicable insert*: Fund Share Substitution Criteria: [As per the Fund Linked Conditions / other (*specify*)] |
| (xxxvii) | Knock-In, Knock-Out Provisions: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |

| | | | |
|---|---|---|---|
| | (a) | Knock-In Determination Day: | [ ] |
| | (b) | Knock-In Event: | [ ] |
| | (c) | Knock-In Price: | [ ] |
| | (d) | Knock-In Period Beginning Date: | [ ] |
| | (e) | Knock-In Period Ending Date: | [ ] |
| | (f) | Knock-In Valuation Time: | [ ] |
| | (g) | Knock-Out Determination Day: | [ ] |
| | (h) | Knock-Out Event: | [ ] |
| | (i) | Knock-Out Price: | [ ] |
| | (j) | Knock-Out Period Beginning Date: | [ ] |
| | (k) | Knock-Out Period Ending Date: | [ ] |
| | (l) | Knock-Out Valuation Time: | [ ] |
| | (m) | Knock-In/Knock-Out Determination Day consequences of a Disrupted Day: | [Omission][Postponement] |
| | (n) | Knock-In/Knock-Out intraday valuation consequences of disruption: | [Materiality][Omission] |
| | (o) | Additional Knock-In/Knock-Out Determination Day Disrupted Day provisions: | [ ] |
| (xxxviii) | | Trigger Event: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) | Trigger Event: | The following Trigger Events apply to the W&C Securities:<br>[Trigger Event (Closing Observation)]<br>[Trigger Event (Intraday Observation)]<br>[*specify other*] |
| | (b) | Trigger Event Observation Date: | [ ]<br>(*N.B. Only applicable where provisions in the Additional Terms and Conditions for Fund Linked Securities are not* |

*appropriate*)

| | | |
|---|---|---|
| (c) | Trigger Event Valuation Time: | [ ] |
| (d) | Trigger Percentage: | [ ] per cent. |
| (e) | Trigger Event Observation Date consequences of a Disrupted Day: | [Omission][Postponement] |
| (f) | Trigger Event intraday valuation consequences of disruption: | [Materiality][Omission] |
| (g) | Additional Trigger Event Observation Date Disrupted Day provisions: | [ ] |

(xxxix) Mandatory Early Termination: [Applicable/Not Applicable]

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

| | | |
|---|---|---|
| (a) | Mandatory Early Termination Amount | [ ]<br>(*N.B. Only applicable where provisions of Fund Linked Conditions are not appropriate*) |
| (b) | Mandatory Early Termination Calculation Amount: | [ ] |
| (c) | Mandatory Early Termination Date: | [ ] |
| (d) | Mandatory Early Termination Events: | [ ] |
| (e) | Mandatory Early Termination Level: | [ ] |
| (f) | Mandatory Early Termination Rate: | [ ] |
| (g) | Mandatory Early Termination Valuation Date: | [ ]<br>*(N.B. Specify if consequences of a Disrupted Day are other than as provided in the Index Linked Conditions)* |
| (h) | Mandatory Early Termination Valuation Time: | [ ] |

*Provisions relating to Type A Fund Linked W&C Securities*

| | | |
|---|---|---|
| (xl) | Fixed Spread: | [ ] |
| (xli) | Exercise Date: | [ ] |

| | | | |
|---|---|---|---|
| | (xlii) | Initial Reference Fund Exchange: | [ ] |
| | (xliii) | Final Reference Fund Exchange: | [ ] |
| | (xliv) | Initial Reference Fund Related Exchange: | [ ] |
| | (xlv) | Final Reference Fund Related Exchange: | [ ] |
| 35. | Inflation Linked W&C Securities: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)<br>[The provisions of Annex 6 of the Terms and Conditions (*Additional Terms and Conditions for Inflation Linked Securities*) shall apply.] |
| | (i) | Index/Basket of Indices Index Sponsor(s): | [ ] |
| | (ii) | Reference Month(s): | [ ] |
| | (iii) | Additional Business Centre(s): | [ ] |
| | (iv) | Related Bond: | [Applicable/Not Applicable]<br>The Related Bond is: [ ] [Fallback Bond]<br>The End Date is: [ ] |
| | (v) | Related Bond Redemption Event: | [Applicable/Not Applicable] |
| | (vi) | Fallback Bond: | [Applicable/Not Applicable] |
| | (vii) | Determination Date(s): | [ ] |
| | (viii) | Cut-Off Date: | [ ] |
| | (ix) | Acceleration upon Rebasing of Index: | [Applicable/Not Applicable] |
| | (x) | End Date: | [ ] (*N.B. consider whether a single date is appropriate for all Securities if other than Certificates or European Style Warrants*) |
| | (xi) | Index Description: | [ ] |
| | (xii) | Other terms or special conditions: | [Not Applicable]/[ ] |
| 36. | Credit Linked W&C Securities: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[The provisions of Annex 7 of the Terms and Conditions – *Additional Terms and Conditions for Credit Linked Securities (2003 ISDA Credit Derivatives Definitions Version)* shall apply.][The provisions of Annex 15 of the Terms and Conditions – *Additional Terms and Conditions for Credit Linked Securities (2014 ISDA Credit Derivatives Definitions* |

| | | |
|---|---|---|
| | | *Version)* shall apply] |
| (i) | Cash Settlement Amount: | [[ ]/According to the following method: [ ]]<br>(*Insert either the amount in the Specified Currency or method for calculation*) |
| (ii) | Settlement Method: | [Auction Settlement/Cash Settlement/Physical Delivery] |
| (iii) | Calculation Agent City: | [ ] |
| (iv) | Reference Entity(ies): | [ ] |
| (v) | Reference Obligation(s): | [Standard Reference Obligation: [Applicable][Not Applicable]]<br>[*If Standard Reference Obligation is specified, insert and complete as applicable:* Seniority Level: [Senior Level][Subordinated Level]]<br>(*N.b. "Standard Reference Obligation" should not be elected if Annex 7 applies*) |
| | [The obligation[s] identified as follows: | [ ] |
| | Primary Obligor: | [ ] |
| | Guarantor: | [ ] |
| | Maturity: | [ ] |
| | Coupon: | [ ] |
| | CUSIP/ISIN: | [ ] |
| | Trading venue(s) (if applicable): | [ ]] |
| (vi) | All Guarantees: | [Applicable/Not Applicable/See Physical Settlement Matrix]<br>[*Insert and complete if Annex 7 applies:* Provisions relating to Qualifying Guarantee and Underlying Obligation: [Applicable/Not Applicable]] |
| (vii) | Credit Events: | [See Physical Settlement Matrix]<br>[Bankruptcy]<br>[Failure to Pay]<br>[Grace Period Extension: [Applicable/Not Applicable/See Physical Settlement Matrix]]<br>[*If Applicable insert*:<br>Grace Period: [ ]]<br>[Obligation Default]<br>[Obligation Acceleration]<br>[Repudiation/Moratorium]<br>[Restructuring]<br>– Provisions relating to Restructuring Credit Event: Credit Linked Condition 14 [Applicable/Not Applicable]<br>– Provisions relating to Multiple Holder Obligation: Credit Linked Condition 15 [Applicable/Not |

Applicable]

– [*Insert and complete if Annex 7 applies:* Restructuring Maturity Limitation and Fully Transferable Obligation [Applicable/Not Applicable]]

– [*Insert and complete if Annex 7 applies:* Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [Applicable/Not Applicable]]

– [*Insert and complete if Annex 15 applies:* Mod R [Applicable/Not Applicable]]

– [*Insert and complete if Annex 15 applies:* Mod Mod R [Applicable/Not Applicable]]

[Governmental Intervention]

[*other*]

Default Requirement: [ ]

Payment Requirement: [ ]

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

[*If Applicable*:

Public Source(s): [ ]

Specified Number: [ ]]

(ix) 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): [ ]

| | | |
|---|---|---|
| (x) | Excluded Obligation(s): | [ ] |
| (xi) | Accrual of Additional Amounts upon Credit Event: | [Applicable/Not Applicable/Accrual of Interest Unaffected] |
| (xii) | Merger Event: | Credit Linked Condition 12 [Applicable/Not Applicable]<br>[*If Applicable insert:*<br>Merger Event Redemption Amount: [ ]<br>Merger Event Redemption Date:[ ]] |
| (xiii) | Unwind Costs: | [Standard Associated Costs/*other*/Not Applicable] |
| (xiv) | Provisions relating to Monoline Insurer as Reference Entity: | Credit Linked Condition 16 [Applicable/Not Applicable/See Physical Settlement Matrix] |
| (xv) | Provisions relating to LPN Reference Entities: | Credit Linked Condition 18 [Applicable/Not Applicable/See Physical Settlement Matrix] |
| (xvi) | Cancellation on failure to identify a Substitute Reference Obligation: | [Applicable]/[Not Applicable] |
| (xvii) | Credit Event Redemption Amount: | [Credit Linked Condition 13 applies]/[ ] per W&C Security |
| (xviii) | Credit Event Redemption Date: | [Subject to Credit Linked Condition 11 (*Settlement Suspension*), [the later of ] [(a) [ ] Business Days following the latest of] [the date falling [ ] 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] [and (b) the Scheduled Exercise Date]/[Not Applicable] |
| (xix) | Valuation Date: | [Applicable/Not Applicable]<br>[Single Valuation Date:<br>[ ] Business Days]<br>[Multiple Valuation Dates:<br>[ ] Business Days; and each [ ] Business Days thereafter<br>Number of Valuation Dates: [ ]] |
| (xx) | Valuation Time: | [11a.m. London time] [ ] |
| (xxi) | Quotation Method: | [Bid/Offer/Mid-market] |
| (xxii) | Quotation Amount: | [[ ]/Representative Amount] |
| (xxiii) | Minimum Quotation Amount: | [ ] |
| (xxiv) | Quotation Dealers: | [ ] |
| (xxv) | [*Insert if Annex 7 applies:* Quotations:][*Insert if Annex 15 applies:* Accrued Interest:] | [Include Accrued Interest/Exclude Accrued Interest] |

| | | |
|---|---|---|
| (xxvi) | Valuation Method: | [Market/Highest/Weighted Highest]<br>[Average Market/Highest/Average Highest]<br>[Blended Market/Blended Highest]<br>[Average Blended Market/Average Blended Highest]<br>(*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*) |
| (xxvii) | Other terms or special conditions: | [ ] [See Annex [●] hereto] |
| (xxviii) | Fallback Settlement Method: | [Cash Settlement/Physical Delivery] |
| (xxix) | Business Day Convention: | [Following/Modified Following/Preceding] |
| (xxx) | Succession Event Backstop Date subject to adjustment in accordance with Business Day Convention: | [Yes/No][Not Applicable] (*specify Not Applicable if Annex 15 applies*) |
| (xxxi) | Limitation Dates subject to adjustment in accordance with Business Day Convention: | [Yes/No][Not Applicable] [*specify Not Applicable if Annex 15 applies*) |
| (xxxii) | Physical Settlement Period: | [ ] Business Days |
| (xxxiii) | Accrued Interest on Entitlement: | [*If Annex 7 applies insert as applicable:* [Include Accrued Interest][Exclude Accrued Interest]][*If Annex 15 applies insert:* See the definition of "Accrued Interest" in Credit Linked Condition 2)] |
| (xxxiv) | Settlement Currency: | [ ] |
| (xxxv) | Deliverable Obligations: | |
| | Deliverable Obligation Category: | |
| | (*select one only*) | [See Physical Settlement Matrix]<br>[Payment]<br>[Borrowed Money]<br>[Reference Obligation Only]<br>[Bond]<br>[Loan]<br>[Bond or Loan] |
| | Deliverable Obligation Characteristics: | [See Physical Settlement Matrix]<br>[Not Subordinated] |
| | (*select all of which apply*) | [Credit Linked Specified Currency:<br>[*specify currency*][Standard Specified Currencies]]<br>[Not Sovereign Lender]<br>[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] (*N.b. where more than one Reference Entity consider whether this needs to be specified on a per Reference Entity basis*)]

Additional Deliverable Obligation(s): [ ]

(xxxvi) Excluded Deliverable Obligation(s): [ ]

(xxxvii) Indicative Quotations: [Applicable/Not Applicable]

(xxxviii) Exercise Cut-Off Date: [ ]

(xxxix) Physical Settlement Matrix: [Applicable/Not Applicable]

[*If the Physical Settlement Matrix applies insert*:

Date of Physical Settlement Matrix: [22 September 2014/*specify other*]

Transaction Type: [Standard North American Corporate/Standard European Corporate/Standard European 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 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 Senior Non-Preferred Financial Corporate] (*Specify per Reference Entity*)]<br><br>(*N.b. if a version Physical Settlement Matrix other than that of 22 September 2014 is to be used 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*) |
| (xl) | Subordinated European Insurance Terms: | [Applicable/Not Applicable/See Physical Settlement Matrix]<br><br>(*N.b. if Annex 7 applies this should always be specified as "Not Applicable"*) |
| (xli) | Financial Reference Entity Terms: | [Applicable/Not Applicable/See Physical Settlement Matrix]<br><br>(*N.b. if Annex 7 applies this should always be specified as "Not Applicable"*) |
| (xlii) | Reference Obligation Only Termination Amount: | [[ ]/Not Applicable]<br><br>(*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"*) |
| (xliii) | Provisions relating to CoCo Reference Entities: | Credit Linked Condition 25: [Applicable/Not Applicable]<br><br>[*If Applicable, insert if required*:<br><br>Trigger Percentage: [ ]]<br><br>(*N.b. Consider whether this should be specified per Reference Entity*) |
| (xliv) | Credit Linked Business Day Convention: | [Following/Modified Following/Preceding] |
| (xlv) | Provisions relating to Obligation Characteristics and Deliverable Obligation Characteristics to Additional Provisions for the Russian Federation: | Credit Linked Condition 26: [Applicable/Not Applicable] |
| (xlvi) | Provisions relating to Senior Non-Preferred Reference Obligations: | Credit Linked Condition 27: [Applicable][Not Applicable]<br><br>(*If Applicable, specify the following:*)<br><br>[Seniority Level: Senior Non-Preferred Level] |
| (xlvii) | Other terms or special conditions: | [Not Applicable]/[ ] |
| (xlviii) | 2019 Narrowly Tailored Credit Event Provisions | Credit Linked Condition 28: [Applicable/Not Applicable/See Physical Settlement Matrix]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br><br>[Fallback Discounting: [Applicable/Not Applicable/See Physical Settlement Matrix] |

Credit Deterioration Requirement: [Applicable/Not Applicable/See Physical Settlement Matrix]]

37. 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] |

**GENERAL**

38. Form of W&C Securities: [The W&C Securities are to be issued into and transferred through Euroclear and Clearstream, Luxembourg.]

[Registered Form: Permanent Global W&C Security

The W&C Securities[, the Guarantee] [and the Entitlement] have not been and will not be registered under the Securities Act or under any state securities laws and the W&C 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) 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**). Furthermore, the W&C 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 W&C Securities has not been approved by the CFTC pursuant to the CEA, and no U.S. Person may at any time trade or maintain a position in the W&C Securities. For a description of the restrictions on offers and sales of W&C Securities, see "*Notice to Purchasers and Holders of Securities and Transfer Restrictions*" in the Base Prospectus.

Each initial purchaser of the W&C Securities and each subsequent purchaser or transferee of the W&C Securities shall be deemed to have agreed with the Issuer or the seller of such Securities that (i) it will not at any time offer, sell, resell

or deliver, directly or indirectly, such Securities so purchased in the United States or to, or for the account or benefit of, any U.S. Person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person and (ii) it is not purchasing any W&C Securities for the account or benefit of any U.S. Person.]

(*N.B. W&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, U.S. Persons may only be issued as Permanent Global W&C Securities.*)

***OR***

[Registered Form: Regulation S Global W&C Security]

***OR***

[Registered Form: Rule 144A Global W&C Security

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 and are to be settled through DTC.]

***OR***

[Swedish W&C Securities:

The Swedish Securities are to be issued into and cleared through the Swedish CSD.

The Swedish Securities will be issued in dematerialised and uncertificated book entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish*: lag (1998:1479) om kontoföring av finansiella instrument*).

The provisions of Annex 9 (*Additional Terms and Conditions for Swedish Securities*) shall apply to the Swedish W&C Securities.]

(*Insert provisions relating to exercise and settlement as agreed between the Issuer and the Swedish Certificate Agent*)

***OR***

[Swiss W&C Securities:

The Swiss W&C Securities are issued in [global]/ [uncertificated] form. The provisions of Annex 10 (*Additional Terms and Conditions for Swiss Securities*) shall apply to the Swiss W&C Securities.]

(*Include any additional terms required in respect of Swiss Securities, e.g. in respect of notices, provisions for meetings of Securityholders or the exercise procedure relating to Swiss W&C Securities which are (i) European Style Warrants in respect of which "Automatic Exercise" is not applicable, (ii) Bermudan Style Warrants (iii) American Style Warrants or (iv) Physically Settled W&C Securities*)

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

[Minimum Exercise Size: [ ]

| | | |
|---|---|---|
| | | [The provisions of Annex 14 (*Additional Terms and Conditions for SeDeX W&C Securities*) will apply]<br><br>Trading Code of Borsa Italiana [ ]<br><br>SeDeX Expiry date: [ ]][*Insert for SeDeX W&C Securities only*] |
| 40. | Redenomination applicable: | Redenomination [not] applicable<br><br>[*If Redenomination is applicable, specify the terms of Redenomination*] |

**RESPONSIBILITY**

[The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement. [[*Insert details of any relevant third party information*] has been extracted from [*insert information source(s)*]. [Each of the][The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is 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 Guarantor:

By: .....

*Duly authorised*]

## PART B – OTHER INFORMATION

*Consider whether any update to the "Taxation" section of the Base Prospectus is required or desirable in respect of any reference jurisdiction;*

### 1. LISTING AND ADMISSION TO TRADING

| | |
|---|---|
| Listing and Admission to trading: | [Application [has been]/[will be]/[is expected to be] made by the Issuer (or on its behalf) for the W&C Securities to be admitted to trading on [the Luxembourg Stock Exchange's Euro MTF Market]/[*specify other market (other than a regulated market in accordance with the Markets in Financial Instruments Directive)*] [and listed on the Official List of [the Luxembourg Stock Exchange]/[*specify other*] [with effect from [ ].] [Not Applicable.]<br><br>[*Where documenting a fungible issue need to indicate the original securities are already admitted to trading*] |

### 2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the W&C 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*].

### 3. FURTHER INFORMATION RELATING TO THE RELEVANT REFERENCE ITEMS

[None] [*Insert details*]

(*N.B. In respect of each reference item include details of where information on the reference item can be obtained including an indication of where past and future performance and volatility of the reference item can be obtained by electronic means and whether or not it can be obtained free of charge*.)

### 4. [USE OF PROCEEDS

| | |
|---|---|
| Use of Proceeds | [ ]<br><br>(*Only required if the use of proceeds is different to that stated in the Base Prospectus*)] |

### 5. OPERATIONAL INFORMATION

| | | |
|---|---|---|
| (i) | ISIN: | [ ] |
| (ii) | CUSIP: | [ ] (*Include for issuance within the US pursuant to Rule 144A*) |
| (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) | [(insert here any other relevant codes such as CUSIP and CNS codes)]: | [ ] |
| (vii) | [Clearing System(s):] | [Euroclear Bank S.A./N.V.] [and]/ [Clearstream Banking S.A.]/[DTC]/[Euroclear Sweden AB/*specify other duly authorised Swedish central securities depository under the Swedish CSD Rules*] |
| (viii) | [Any clearing system(s) other than Euroclear and Clearstream, Luxembourg, DTC, Euroclear Sweden AB or a duly authorised Swedish central securities depository under the Swedish CSD Rules and the relevant identification number(s):] | [Not Applicable/*give name(s) and number(s)*] |
| (ix) | [Names and addresses of initial Agents:] | [Citibank, N.A., London Branch, 6th Floor, Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB/*other*].<br><br>(*N.B. In respect of Swiss Securities include details of the relevant Swiss Paying Agent*) |

6. **DISTRIBUTION**

| | | |
|---|---|---|
| (i) | [The initial purchasers and [*name of applicable permitted dealer in the United States*] of the W&C Securities: | The dealer for the W&C Securities is [*name of applicable permitted dealer in the United States*], acting as principal. [*Name of applicable permitted dealer in the United States*] does not receive any compensation for the sales in which it participates.]<br><br>(*Applicable where W&C Securities are eligible for sale in the United States or to, or for the account or benefit of, U.S. persons*) |
| (ii) | Method of distribution: | [Syndicated/Non-Syndicated] |
| (iii) | If syndicated, names of Managers: | [Not Applicable/*give names*] |
| (iv) | Date of [Subscription] Agreement: | [ ] |
| (v) | If non-syndicated, name of relevant Dealer: | [Not Applicable/*give* names] |
| (vi) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br><br>(*If the Securities clearly do not constitute "packaged" products or the Securities do constitute "packaged" products and a 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 PRIIPs KID, 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: | 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].] |
| (vii) | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]<br>(*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*) |
| | [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]]] |
| (viii) | Additional selling restrictions: | [Not Applicable/*give details*] |
| (ix) | Additional U.S. Federal Income Tax considerations: | [Not Applicable] [For U.S. federal income tax purposes, the Issuer intends to treat the W&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 [additional amount/cash settlement amount] on a W&C Security as interest and [ ]% as option premium.] [The comparable yield relating to the W&C Securities will be [ ]% compounded [semi-annually/quarterly/monthly], and the projected payment schedule with respect to a W&C Security consists of the following payments: [ ].] [The comparable yield relating to the W&C Securities and the projected payment schedule are available by contacting [ ] at [ ].] [*Specify other*]<br>(*N.B. This disclosure is only required for W&C Securities issued under Rule 144A. Otherwise specify "Not Applicable"*) |
| (x) | Specified Securities for U.S. Dividend Equivalent Withholding purposes: | [The W&C Securities shall [not] be treated as Specified Securities (as defined in the [Listing Particulars][Offering Circular]) for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986.] [Based on market conditions on the date of this Pricing Supplement, the Issuer |

has made a preliminary determination that the W&C Securities are [not] Specified Securities (as defined in the [Listing Particulars][Offering Circular]) 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 W&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.*)

(xi) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

*(N.b. advice should be taken from Belgian counsel before disapplying this selling restriction)*

7. **INDEX DISCLAIMER**

[*If applicable in the case of Securities referencing an index, including a credit index, include here any relevant index disclaimer*]

**REGISTERED OFFICE OF NOMURA INTERNATIONAL FUNDING PTE. LTD.**

10 Marina Boulevard
Marina Bay Financial Centre Tower 2, #36-01
Singapore 018983

**REGISTERED OFFICE OF NOMURA HOLDINGS, INC.**

13-1, Nihonbashi 1-chome
Chuo-ku
Tokyo 103-8645
Japan

**REGISTERED OFFICE OF NOMURA SECURITIES CO., LTD.**

13-1, Nihonbashi 1-chome
Chuo-ku
Tokyo 103-8011
Japan

**ARRANGER**

**Nomura Singapore Limited**
10 Marina Boulevard
Marina Bay Financial Centre Tower 2, #36-01
Singapore 018983

**DEALERS**

**Nomura International plc**
1 Angel Lane
London
EC4R 3AB
United Kingdom

**Nomura Singapore Limited**
10 Marina Boulevard
Marina Bay Financial Centre Tower 2, #36-01
Singapore 018983

**Nomura International (Hong Kong) Limited**
30/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

**Nomura Securities International, Inc.**
Worldwide Plaza
309 West 49th Street
New York, New York 10019
United States

**Nomura Financial Products Europe GmbH**
Rathenauplatz 1
60313 Frankfurt am Main
Germany

**PRINCIPAL AGENT**

**Citibank, N.A., London Branch**
6th Floor, Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

**NEW YORK SECURITY AGENT**

**Citibank, N.A., London Branch**
6th Floor, Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

**CALCULATION AGENT**
**Nomura International plc**
1 Angel Lane
London
EC4R 3AB
United Kingdom

**REGISTRAR**
**Citigroup Global Markets Europe AG**
Reuterweg 16
60323 Frankfurt
Germany

**LEGAL ADVISERS TO THE ARRANGER AND THE DEALERS**
**As to English and United States law**

Allen & Overy LLP
One Bishops Square
London E1 6AD

**AUDITORS**

***To the Issuer***

**Ernst & Young LLP**
One Raffles Quay
North Tower, Level 18
Singapore
048583

***To the NHI Guarantor and the NSC Guarantor***

**Ernst & Young ShinNihon LLC**
Tokyo Midtown Hibiya
1-1-2, Yuraku-cho
Chiyoda-ku, Tokyo 100-0006

**LUXEMBOURG LISTING AGENT**
**Nomura Bank (Luxembourg) S.A.**
Bâtiment A
33 Rue de Gasperich
L-5826 Hesperange

**Printed by Allen & Overy LLP**
**0010947-0000136 UKO2: 2003071128.10**