

BASE PROSPECTUS

STANDARD CHARTERED BANK

(incorporated with limited liability in England by Royal Charter 1853 with reference number ZC18)

STANDARD CHARTERED BANK (HONG KONG) LIMITED

(incorporated with limited liability in Hong Kong: number 875305)

Credit Linked Product Prospectus

Pursuant to the U.S.\$10,000,000,000 Structured Product Programme

Under the Structured Product Programme (the "**Programme**") described in this Product Prospectus, each of Standard Chartered Bank ("**SCB**") and Standard Chartered Bank (Hong Kong) Limited ("**SCBHK**", and together with SCB, the "**Issuers**" and, each an "**Issuer**") may from time to time issue notes (the "**Notes**"), warrants (the "**Warrants**") and certificates (the "**Certificates**" and, together with Notes and Warrants, the "**Securities**"), including credit linked Notes (the "**Credit Linked Notes**") and credit linked Certificates (the "**Credit Linked Certificates**", and together with the Credit Linked Notes, the "**Credit Linked Securities**"). Credit Linked Securities may be issued in any currency determined by the relevant Issuer, on the terms set out herein and in the form of the relevant Final Terms (as defined below).

This Product Prospectus comprises a base prospectus in relation to the Credit Linked Securities for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent such amendments have been implemented in a relevant Member State of the European Economic Area). This Product Prospectus comprises two base prospectuses which constitute one base prospectus for each of the two Issuers for the purposes of the Directive 2003/71/EC. This Product Prospectus shall be read in conjunction with (i) for Notes, the base prospectus in relation to the Programme dated 27 June, 2012 (the "**Notes Base Prospectus**"); or (ii) for Certificates, the certificates base prospectus in relation to the Programme dated 27 June, 2012 (the "**Certificates Base Prospectus**", and together with the Notes Base Prospectus, the "**Securities Base Prospectuses**"), and the other documents incorporated herein by reference, and shall constitute a Product Prospectus as referred to in each Securities Base Prospectus.

Each series of Certificates will be represented at all times by a global security and will be transferable only in accordance with the rules and procedures for the time being of the Clearing System(s). Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$10,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

Credit Linked Notes will be issued in such denominations as may be specified by the relevant Issuer save that the minimum denomination of each Credit Linked Note admitted to trading on a European Economic Area exchange or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Credit Linked Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such higher amount 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 any relevant currency specified in the Final Terms. Certificates which are admitted to trading on a European Economic Area exchange or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will have a minimum issue price per Certificate of €100,000 (or the equivalent in any other currency).

The relevant Issuer may appoint a manager or managers (each a "**Manager**") for any particular issue of Credit Linked Securities issued by it.

This Product Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules (the "**Rules**") of the Dubai Financial Services Authority. This Product Prospectus is intended for distribution only to persons of a type specified in those Rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. Securities to which this Product Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of Securities offered should conduct their own due diligence on the relevant Securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

Application has been made to the Commission de Surveillance du Secteur Financier (the "**CSSF**"), in its capacity as competent authority under the Luxembourg Act dated 10 July, 2005 (the "**Prospectus Act**") relating to prospectuses for securities, for the approval of this document as a base prospectus in relation to the Credit Linked Securities for the purposes of Article 5.4 of the Prospectus Directive. The CSSF's approval does not confirm, and the CSSF assumes no responsibility as to, the economic and financial soundness of the transaction and the quality or solvency of the Issuers in accordance with Article 7(7) of the Prospectus Act. Application has also been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market (the "**Regulated Market**"). The Regulated Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

Each issue of Credit Linked Securities will be issued on the terms set out in the relevant Securities Base Prospectus, as amended by this Product Prospectus, and a final terms document (the "**Final Terms**"). Notice of terms and conditions applicable to any Credit Linked Securities not contained herein, including any documents incorporated by reference herein, which are applicable to each Tranche of Credit Linked Securities will be set out in the Final Terms, which, with respect to Credit Linked Securities to be listed on the Official List, will be filed with the CSSF on or before the date of issue of Credit Linked Securities of such Tranche.

The Issuers may issue Credit Linked Securities under the Programme in a form not contemplated by the terms of the Securities incorporated by reference or set out herein, in which event (in the case of Credit Linked Securities intended to be listed on the Official List) a supplement to this Product Prospectus or further prospectus, if appropriate, which may incorporate all or part of this Product Prospectus by reference, will be made available which will set out the relevant terms applicable to such Credit Linked Securities.

The Programme provides that Credit Linked Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) as the relevant Issuer may agree with the Manager. Either Issuer may also issue unlisted Credit Linked Securities and/or Credit Linked Securities not admitted to trading on any market. The Final Terms in respect of an issue of Credit Linked Securities will specify whether or not an application will be made for such Credit Linked Securities to be listed on and admitted to trading on a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Issuers shall not be liable for or otherwise be obliged to pay, any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, redemption or enforcement of any Credit Linked Security by any person and all payments made by the relevant Issuer in respect of any Credit Linked Securities shall be made subject to any such tax, duty, charge, withholding or other payment which may be required to be made, paid, withheld or deducted.

Prospective purchasers of Credit Linked Securities should ensure that they understand the nature of the relevant Credit Linked Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Credit Linked Securities as an investment in the light of their own circumstances and financial condition. Certain issues of Credit Linked Securities involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Credit Linked Securities and are not relying on the advice of the relevant Issuer, any specified branch or any Manager in that regard. See “*Risk Factors*” commencing on page 16.

Restrictions have been imposed on offers and sales of the Credit Linked Securities and on the distribution of documents relating thereto in the United States of America and the European Economic Area (including the United Kingdom). The distribution of this document and offers and sales of the Credit Linked Securities in certain other jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the relevant Issuer to inform themselves about, and to observe, any such restrictions. See “*Subscription and Sale and Transfer and Selling Restrictions*” commencing on page 118 in the Notes Base Prospectus or on page 86 in the Certificates Base Prospectus.

The rating of Certain Securities to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No.1060/2009 (as amended) (the “**CRA Regulation**”) will be disclosed in the Final Terms. Please also refer to “*Credit Ratings may not reflect all risks*” in the Risk Factors section of the Securities Base Prospectuses.

27 June, 2012

Subject as set out below, each of SCB and SCBHK accepts responsibility for the information contained in this Product Prospectus. To the best of the knowledge of SCB and SCBHK (who have taken all reasonable care to ensure that such is the case), the information contained or incorporated in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the relevant Issuer for the information relating to any Reference Entity to which the relevant Credit Linked Securities relate and which is contained in such Final Terms. However, unless otherwise expressly stated in the applicable Final Terms, any information contained therein relating to a Reference Entity will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by such Reference Entity. The relevant Issuer will, unless otherwise expressly stated in the applicable Final Terms, accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) but the relevant Issuer will not accept any further or other responsibility in respect of such information.

To the fullest extent permitted by law, no Manager accepts any responsibility for the contents of this Product Prospectus or for any statement made or purported to be made by any Manager or on its behalf in connection with the Issuers, or the issue or the offering of the Credit Linked Securities. Each Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Product Prospectus or any such statement.

This Product Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering contemplated in this Product Prospectus as completed by final terms in relation to the offer of those Securities may only do so (i) in circumstances in which no obligation arises for the relevant Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuers nor any Manager have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuers or any Manager to publish or supplement a prospectus for such offer.

No person is or has been authorised by the Issuers to give any information or to make any representation not contained in or not consistent with this Product Prospectus or any other information supplied in connection with the Programme or the Credit Linked Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers or any Manager.

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

Save as further disclosed below, neither the delivery of this Product Prospectus nor the offering, sale or delivery of any Credit Linked Securities shall in any circumstances imply that the information contained herein concerning the Issuers is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. No Manager has, or will, undertake to review the financial condition or affairs of the Issuers during the life of the Programme or to advise any investor in the Credit Linked Securities of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Product Prospectus when deciding whether or not to purchase any Credit Linked Securities. If at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Product Prospectus which is capable of affecting the assessment of any Credit Linked Securities and whose inclusion in or removal from this Product Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer, and the rights attaching to the Credit Linked Securities, the relevant Issuer shall prepare a supplement to this Product Prospectus or publish a replacement Product Prospectus for use in connection with any subsequent offering of the Credit Linked Securities.

The Credit Linked Securities and, in the case of Credit Linked Securities to be redeemed by physical delivery of securities, any such securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any U.S. state securities laws, nor may the Credit Linked Securities be offered, sold or delivered in the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) unless, as specified in the Final Terms, the Credit Linked Securities are registered under the Securities Act or an exemption from the registration requirements of the Securities Act and applicable state securities laws is available. In addition, Credit Linked Notes that are Bearer Notes are subject to U.S. tax law requirements. See the section entitled “*Subscription and Sale and Transfer and Selling Restrictions*” commencing on page 118 in the Notes Base Prospectus.

The Credit Linked Securities have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Product Prospectus. Any representation to the contrary is a criminal offence in the United States. The Credit Linked 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 “**Commodity Exchange Act**”) and trading in the Credit Linked Securities has not been approved by the United States Commodity Futures Trading Commission under the Commodity Exchange Act.

This Product Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Credit Linked Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Product Prospectus and the offer or sale of Credit Linked Securities may be restricted by law in certain jurisdictions. None of SCB, SCBHK or any Manager represents that this Product Prospectus may be lawfully distributed, or that any Credit Linked Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers or any Manager which would permit a public offering of any Credit Linked Securities outside Luxembourg or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Credit Linked Securities may be offered or sold, directly or indirectly, and neither this Product 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 Product Prospectus or any Credit Linked Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Product Prospectus and the offering and sale of Credit Linked Securities. In particular, there are restrictions on the distribution of this Product Prospectus and the offer or sale of Credit Linked Securities in the United States, Japan, Hong Kong, Singapore, Malaysia, Korea, the European Economic Area (including the United Kingdom), the United Arab Emirates and Dubai International Financial Centre, Indonesia, Switzerland, South Africa, Jersey, Guernsey, the Kingdom of Saudi Arabia, Kingdom of Bahrain and the Philippines. See the section entitled

“Subscription and Sale and Transfer and Selling Restrictions” commencing on page 118 in the Notes Base Prospectus or on page 86 in the Certificates Base Prospectus.

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

All references in this document to **“U.S. dollars”** and **“U.S.\$”** refer to United States dollars. References to **“euro”** and **“€”** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

U.S. INFORMATION

This Product Prospectus is being submitted on a confidential basis in the United States to a limited number of qualified institutional buyers (**“QIBs”**) (as defined in Rule 144A under the Securities Act (**“Rule 144A”**)) for informational use solely in connection with the consideration of the purchase of Credit Linked Securities being offered hereby. Its use for any other purpose in the United States is not authorized. 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.

Credit Linked Securities may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Credit Linked Securities is hereby notified that the offer and sale of any Credit Linked Securities to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A or pursuant to another exemption from the registration requirements of the Securities Act and one or more exemptions and/or exclusions from regulation under the Commodity Exchange Act.

In the event that the Final Terms specify that Certificates are eligible for sale in the United States to QIBs, the Certificates will be represented by one or more global securities (each, a **“Unitary Global W&C Security”**) issued and deposited by the relevant Issuer with a common depository on behalf of Clearstream, Luxembourg or Euroclear. If the Final Terms do not so specify, the Certificates will be represented by one or more global securities (each, a **“Regulation S Global W&C Security”** and, together with the Unitary Global W&C Security, the **“Global W&C Securities”**) issued and deposited with a common depository on behalf of Clearstream, Luxembourg or Euroclear.

Each purchaser or holder of Certificates represented by the Global W&C Securities will be deemed, by its acceptance or purchase of any such Certificates, to have made certain representations and agreements intended to restrict the resale, other transfer or redemption of such Certificates as set out in *“Subscription and Sale and Transfer and Selling Restrictions”* commencing on page 86 in the Certificates Base Prospectus and (if any) as set out in the applicable Final Terms.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together **“Legended Notes”**) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in *“Subscription and Sale and Transfer and Selling Restrictions”* commencing on page 118 in the Notes Base Prospectus.

Unless otherwise stated, terms used in this paragraph have the meanings given to them commencing on page 27 in “*Form of the Notes*” in the Notes Base Prospectus.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Credit Linked Securities that are “restricted securities” within the meaning of the Securities Act, SCB and SCBHK have each undertaken in a deed poll dated 18 December, 2006 (the “**Notes Deed Poll**”), in relation to the Notes, and a deed poll dated 2 September, 2009 (the “**Warrants and Certificates Deed Poll**”), in relation to the Warrants and Certificates, to furnish, upon the request of a holder of such Credit Linked Securities or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, and any of the Securities remains outstanding as “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act and the relevant Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

NOTICE TO NEW HAMPSHIRE RESIDENTS

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

KINGDOM OF SAUDI ARABIA NOTICE

This Product Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the “**Capital Market Authority**”). The Capital Market Authority does not make any representations as to the accuracy or completeness of this Product Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Product Prospectus. Prospective purchasers of Credit Linked Securities should conduct their own due diligence on the accuracy of the information relating to the Credit Linked Securities. If a prospective purchaser does not understand the contents of this Product Prospectus he or she should consult an authorised financial adviser.

NOTICE TO BAHRAIN RESIDENTS

Any offer of Securities does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). The offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain (“**CBB**”). Accordingly, no Securities may be offered, sold or made the subject of an

invitation for subscription or purchase nor will this prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Securities, whether directly or indirectly, to persons in the Kingdom of Bahrain.

The CBB has not reviewed or approved the offering documents and it has not in any way considered the merits of the Securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document.

TABLE OF CONTENTS

	Page
SUMMARY OF THE PROGRAMME	10
RISK FACTORS	16
DOCUMENTS INCORPORATED BY REFERENCE	23
GENERAL DESCRIPTION OF THE PROGRAMME.....	26
CREDIT TERMS.....	27
TAXATION.....	83
ADDITIONAL SELLING RESTRICTIONS	84
FORM OF FINAL TERMS OF THE CREDIT LINKED CERTIFICATES.....	85
FORM OF FINAL TERMS OF THE CREDIT LINKED NOTES	98
GENERAL INFORMATION	116
INDEX OF DEFINED TERMS	119

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Product Prospectus and any decision to invest in any Credit Linked Securities should be based on a consideration of this Product Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Product Prospectus. Where a claim relating to information contained in this Product Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Product Prospectus before the legal proceedings are initiated.

Words and expressions defined in Conditions applicable to the Securities, as applicable, and as supplemented by the relevant Product Terms, shall have the same meanings in this summary.

Description of the Issuers: *Standard Chartered Bank*

SCB was incorporated in England with limited liability by Royal Charter in 1853. SCB's issued share capital comprises ordinary shares, all of which are owned by Standard Chartered Holdings Limited, a company incorporated in England and Wales and a wholly-owned subsidiary of Standard Chartered PLC ("**SCPLC**"), non-cumulative irredeemable preference shares of US\$0.01 each, all of which are owned by Standard Chartered Capital Investments LLC, a company incorporated in the United States, and non-cumulative redeemable preference shares of U.S.\$5.00 each, all of which are owned by SCPLC.

SCPLC together with its subsidiaries and subsidiary undertakings comprise an international banking and financial services group particularly focused on the markets of Asia, Africa and the Middle East.

Standard Chartered Bank (Hong Kong) Limited

SCBHK was incorporated in Hong Kong with limited liability on 12 December, 2003 under the Companies Ordinance (Cap. 32) of Hong Kong as a non-private company (registered number 875305). With effect from 1 July, 2004, the businesses of the Hong Kong branch of Standard Chartered Bank, Manhattan Card Company Limited, Standard Chartered Finance Limited, Standard Chartered International Trade Products Limited and Chartered Capital Corporation Limited were merged into SCBHK, principally by a private ordinance in Hong Kong.

SCBHK is a licensed bank in Hong Kong and operates two business divisions: Consumer Banking and Wholesale Banking.

Description of the Programme: Structured Product Programme for the issue of Notes, Warrants and Certificates (the "**Securities**").

Programme Size in relation to the Notes: Up to U.S. \$10,000,000,000 aggregate nominal amount of Notes outstanding at any time. The Issuers may increase the amount of the Programme.

Managers As specified in the applicable Final Terms.

Calculation Agent: As specified in the applicable Final Terms.

Distribution: Securities may be distributed on a syndicated or non-syndicated basis.

Description of the Securities

The amounts payable in respect of Securities issued under this Product Prospectus may be linked to the creditworthiness of, or the performance of obligations by, or some other factor relating to, another entity or entities not affiliated with the relevant Issuer.

No Securities will be issued under the Programme which provide for physical delivery of any shares or transferable securities equivalent to shares issued by the relevant Issuer or an entity belonging to the group of the relevant Issuer.

Information relating to Notes

The Notes are debt securities issued by either SCB or SCBHK. The currency of denomination, the denomination and the maturity date will be specified in the Final Terms.

Unless redeemed by instalments (if so specified in the Final Terms), the Notes will be redeemed on the Maturity Date specified in the Final Terms and may not (unless a call or put option is specified in the Final Terms) be redeemed before then except by reason of default by the relevant Issuer, for taxation reasons or following the occurrence of a force majeure event or on the occurrence of any credit event relating to the credit of, or the performance of obligations by, or some other factor relating to, one or more entities not affiliated with the relevant Issuer (each a "**Reference Entity**") or as otherwise specified in the applicable Final Terms. The amount payable on the Maturity Date shall be the outstanding principal amount or such other amount specified in the applicable Final Terms. Details in relation to Credit Linked Notes are set out in the section "*Credit Linked Securities*" below.

The Notes may bear interest and/or premium at one or more fixed rates and/or floating rates, or may bear no interest and/or premium, as specified in the Final Terms.

Form of Notes: The Notes will be issued in bearer or registered form. Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Negative Pledge The terms of the Notes will not contain a negative pledge provision.

Cross Default: The terms of the Notes will not contain a cross default provision.

Issuing and Principal Paying Agent: Deutsche Bank AG, London Branch

Registrar: Deutsche Bank (Luxembourg) S.A.

Information Relating to the Certificates

Certificates entitle the holder to payment on the Maturity Date of the Final Redemption Amount. If so specified in the Final Terms, there may also be interim payments and/or mandatory early redemption and/or redemption at the option of the relevant Issuer and/or the holders. Otherwise they may only be redeemed before the Maturity Date on the occurrence of a force majeure event or on the occurrence of any credit event relating to the credit of, or the performance of obligations by, or some other factor relating to, one or more Reference Entities or as otherwise specified in the applicable Final Terms. Details in relation to Credit Linked Certificates are set out in the section "*Credit Linked Securities*" below.

Form of Certificates: Each Series will be in book-entry form and represented by either a Regulation S Global W&C Security or a Unitary Global W&C Security, which, in either case, will be in registered form, will be held by a common depository for Euroclear and Clearstream, Luxembourg and will be registered in its name. Payments in respect of the Certificates represented thereby will be made by or on behalf of the Issuer to the common depository as registered holder. Any such payments will discharge the Issuer's obligations in respect thereof. No definitive securities will be issued.

Transfer: Transfer may only be effected through an account at Euroclear, Clearstream, Luxembourg and/or any other clearing system, as specified in the Final Terms. Certificates represented by a Regulation S Global W&C Security (or interests therein) may not be transferred or exchanged for Certificates represented by a Unitary Global W&C Security (or interests therein), or vice versa.

Principal Certificate Agent: Deutsche Bank AG, London Branch.

Issue Price: As specified in the applicable Final Terms.

Credit Linked Securities

Credit Linked Securities: Amounts payable in respect of Credit Linked Notes and Certificates will be calculated by reference to the credit of, or the performance of obligations by, or some other factor relating to a specified Reference Entity or Reference Entities.

Credit Linked Notes or Certificates may be issued as Cash Settled Securities, Physically Settled Securities or Auction Settled Securities.

If the Conditions to Settlement are satisfied, the Credit Linked Notes or Certificates will be redeemed and the relevant Issuer will, subject as provided herein, pay the Credit Event Redemption Amount (in the case of Cash Settled Securities), Deliver the Deliverable Obligations comprising the Asset Amount (in the case of Physically Settled Securities) or pay the Auction Cash Settlement Amount (in the case of Auction Settled Securities).

General

Use of Proceeds: The net proceeds from each issue of Credit Linked Securities will be applied by the relevant Issuer for general funding purposes.

Taxation: The Issuers shall not be liable for or, otherwise be obliged to pay, any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, redemption or enforcement of any Security. All payments made by the relevant Issuer in respect of any Securities shall be made subject to any such tax, duty, withholding or other payment which is required to be made, paid, withheld or deducted. The Issuers shall not be obliged to gross up or otherwise increase any such payments on the Securities.

Status: The Securities will constitute direct and unsecured obligations of the relevant Issuer and will at all times rank *pari passu* and without any

preference among themselves. The obligations of the relevant Issuer under the Securities will, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated obligations of the relevant Issuer, present and future.

Listing and Admission to Trading: Securities issued under the Programme may be admitted to trading on the Regulated Market and listed on the Official List. The Securities may also be unlisted, or listed on such other or further stock exchange(s) as may be specified by the relevant Issuer in relation to each Series.

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

Selling Restrictions: See the section entitled “*Subscription and Sale and Transfer and Selling Restrictions*” in the relevant Securities Base Prospectus.

Risk Factors: **Risks Relating to the Securities**

Certain factors that may affect the relevant Issuer’s ability to fulfil its obligations under the Securities and that are material for the purposes of assessing the risks associated with investing in the Credit Linked Securities are specified under the section entitled “*Risk Factors*” in this Product Prospectus together with the risk factors specified in the section entitled “*Risk Factors*” in the applicable Securities Base Prospectus. Such risks include market risk, foreign exchange risk and exchange controls risk, interest rate risk, political risk, risk of loss of any investment, risk of market disruption events and disrupted days, risk of force majeure, risk of tax expense, risks relating to adjustment events, emerging markets risk, risk of credit rating reduction, risk that the investment is unsuitable, risks in relation to taxation, hedging risk, time lag risk (in relation to Warrants), risks relating to actions of the relevant Issuer, such as hedging activities that could adversely affect the value of a Credit Linked Security, risks relating to the structure of the issue and the potential for optional redemption by the relevant Issuer.

Risks Relating to Standard Chartered’s Business

Expansion Risk. Standard Chartered PLC together with its subsidiaries and subsidiary undertakings (the “**Group**”) is expanding its operations, both geographically and in the scope of its operations, and this growth may represent a risk if not managed effectively.

Credit Risk. The Group is exposed to potential credit-related losses that can occur due to changes in credit quality and the recoverability of loans and amounts due from counterparties and such risks may have a material adverse effect on the Group’s financial condition and results of operations and prospects.

Liquidity Risk. It is an inherent risk associated with banking operations and in relation to the Group means that the Group may not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or may access them only at excessive

cost.

Capital Management Risk. Any future change that limits the Group's ability to manage its balance sheet and capital resources effectively or to access funding on commercially acceptable terms could have a material adverse effect on the Group's regulatory capital position, its financial condition, results of operations and prospects.

Legal and Regulatory Risk. The Group's businesses may be affected by legal and regulatory risks, for example, loss caused by changes in applicable laws or a failure to manage regulatory risk properly which could result in administrative actions, penalties or other proceedings involving the Group which may have a material adverse effect on the Group's business and reputation and ultimately the value of Securities.

Operational Risks. The Group is susceptible to the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. Any of these risks could result in a material adverse impact on the Group's ability to conduct business, its financial condition, results of operations and prospects.

External Risks

Macroeconomic risks. The prevailing economic conditions in each of the markets in which the Group operates could result in an adverse impact on the Group's financial condition, results of operations and prospects.

Political and economic risk. The Group operates in Asia, Africa and the Middle East and some of these markets are typically more volatile and less developed economically and politically than markets in Western Europe and North America and risks to the Group's business stem from this.

Competition Risk. The Group is subject to significant competition from local banks and many other international banks operating in the emerging markets described above and such competition may increase in some or all of the Group's principal markets and may have a material adverse effect on its financial condition, results of operations and prospects.

Systemic Risk. The default of any institution in the banking industry could lead to liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Such systemic risk could have a material adverse effect on the Group's ability to raise new funding and on the Group's business, financial condition, results of operations and prospects.

Market Risk. The Group may suffer loss of earnings or economic value due to adverse changes in financial market rates or prices. The Group's exposure to market risk arises principally from customer driven transactions. Failure to manage these risks effectively or the occurrence of unexpected events resulting in significant market

dislocation could have a material adverse effect on the Group's financial condition, results of operations and prospects.

Risks specific to Credit Linked Securities

The risks specific to Credit Linked Securities are set out in the Risk Factors section of this Product Prospectus and include the following risks: amounts payable in respect of the Credit Linked Securities are dependent on Credit Events and the Reference Entities and therefore an investor may receive no or a limited amount of interest; market volatility may affect the price of the Credit Linked Securities; a Reference Entity may take actions which could adversely affect the Credit Linked Securities; the hedging activities of the relevant Issuer could adversely affect the value of Credit Linked Securities; a hedging disruption could occur; the relevant Issuer, Manager(s) or affiliate(s) may have conflicts of interest and/or may hold non-public information in relation to the Reference Entity and/or Reference Obligation(s) which they may not disclose and therefore investors must make investment decisions based on their own due diligence; risks relating to Auction Settlement; risks relating to decisions made by the Credit Derivatives Determinations Committee which may be adverse to the interests of the Securityholders; risks relating to Credit Event and Succession Event Backstop Dates; Securityholders do not have the right to exercise the Movement Option and therefore, there is a risk that the Calculation Agent may elect not to exercise the Movement Option following a Restructuring Credit Event where a no announcement date has occurred and the Securities will be redeemed in accordance with the Fallback Settlement Method; the Credit Linked Securities may be subject to leverage and this will increase an investor's exposure to a Reference Entity; and exposure to a Reference Entity and/or Reference Obligations linked to a country will mean that the investor is exposed to the market risks of that country.

RISK FACTORS

Risks relating to the Issuers

The risk factors in relation to SCB as Issuer are set out on pages 3 to 13 of the SCB Registration Document, and the risk factors in relation to SCBHK as Issuer are set out on pages 3 to 13 of the SCBHK Registration Document.

The Risk Factors in the remainder of this section “Risk Factors” relate to Credit Linked Securities generally.

For the risk factors which relate to Notes generally, please refer to pages 9 – 15 of the Notes Base Prospectus and for the risk factors which relate to Certificates generally, please refer to pages 13 – 23 of the Certificates Base Prospectus.

Terms and expressions defined in the Notes Conditions, the Certificates Conditions or the Credit Terms shall, save where the context otherwise requires have the same meaning when used in this section.

Risks relating to Credit Linked Securities

The premium or the interest on and/or the principal of a Series of Credit Linked Securities may, if so specified in this Product Prospectus, supplement to this Product Prospectus or the Final Terms, be determined by reference to the creditworthiness of, or the performance of obligations by, or some other factor relating to, another entity or entities not affiliated with the relevant Issuer (each such entity, a “Reference Entity”).

Credit Linked Notes and Credit Linked Certificates 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 Credit Linked Notes or Credit Linked Certificates. This risk reflects the nature of such a Note or Certificate as an asset which, other factors held constant, tends to decline in value over time and which may become worthless.

The Issuers may issue Credit Linked Notes or Credit Linked Certificates where the amount payable is dependent upon whether certain events (“Credit Events”) have occurred in respect of one or more Reference Entity/Entities. If a Credit Event has occurred, the amount payable is dependent on the value of certain specified assets of such Reference Entity/Entities or may be replaced by the relevant Issuer’s obligation to deliver certain specified assets.

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

An Investment in Credit Linked Securities presents significant risks not associated with other types of securities

An investment in Credit Linked Securities presents certain significant risks not associated with conventional debt securities, the principal risk of conventional debt securities being that the relevant issuer will be unable to meet its obligations under the notes when due. If an Issuer issues Credit Linked Securities, certain risks associated with any such particular Credit Linked Security will be described more fully in the applicable Final Terms. Credit Linked Securities may present a high level of risk, and a Securityholder may lose its entire investment if it purchases these types of Securities.

The treatment of Credit Linked Securities for tax purposes may be unclear due to the absence of any authority specifically addressing the issues presented by any particular Credit Linked Security. Accordingly,

a Securityholder, or its tax adviser, should, in general, be capable of independently evaluating the tax consequences of purchasing a Credit Linked Security applicable in its particular circumstances.

Investors in Credit Linked Securities could lose some or all their investment

Prospective investors in any such Credit Linked Notes or Credit Linked Certificates should be aware that depending on the terms of the Credit Linked Notes or Credit Linked Certificates (i) they may receive no or a limited amount of interest, (ii) the payment of the redemption amount or interest or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

Market price of Credit Linked Securities may be influenced by many unpredictable factors

The market price of Credit Linked Notes or Credit Linked Certificates 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 reference entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

A Reference Entity could take actions that may adversely affect a Credit Linked Security

A Reference Entity or one of the Reference Entities will, unless otherwise provided in the applicable Final Terms, have no involvement in the offer and sale of the Credit Linked Security and no obligations to a Securityholder in the Credit Linked Security. Any Reference Entity may take actions, such as a merger or sale of assets, without regard to the interests of the holders of the relevant Credit Linked Securities. Any of these actions could adversely affect the value of a Credit Linked Security linked to the relevant Reference Entity.

No Reference Entity is involved in the offering of the Credit Linked Securities in any way and has no obligation to consider the interest of a Securityholder in a Credit Linked Security in taking any corporate or other action that might affect the value of the Credit Linked Securities.

A holder of Credit Linked Securities has no rights with respect to the Reference Entity

As an owner of Credit Linked Securities, a Securityholder will not have voting rights or the right to receive dividends or other distributions or any other rights with respect to the Reference Entity.

Certain considerations regarding hedging

The relevant Issuer and/or any of its affiliates or agents may from time to time hedge the relevant Issuer's obligations under the Credit Linked Notes (and under other instruments and over-the-counter-derivative contracts issued by or entered into from time to time by the relevant Issuer and/or any of its affiliates or agents) by taking positions, directly or indirectly, relating to the Reference Entity/Entities to which such Credit Linked Notes are linked. Although the relevant Issuer has no reason to believe that such hedging activities will have a material impact on the Credit Linked Notes, there can be no assurance that such hedging activities will not adversely affect the value of the Credit Linked Notes.

An Issuer may engage in hedging activities that could adversely affect the value of a Credit Linked Security

In the ordinary course of its business, including without limitation in connection with its market-making activities, the relevant Issuer and/or any of its Affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in obligations of any Reference Entity or related derivatives. In addition, in connection with the offering of the Securities, the relevant Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to a Reference Entity or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the relevant Issuer and/or any of its affiliates, the relevant Issuer

and/or any of its affiliates may enter into transactions in the obligations of any Reference Entity or related derivatives which may affect the market price, liquidity or value of the Securities and which could be deemed to be adverse to the interests of the relevant Securityholders.

Upon the redemption of Securities (other than on the Maturity Date), the relevant Issuer may be required to unwind, terminate, liquidate, adjust, obtain, replace or re-establish such hedging or market-making activities, resulting in a gain to, or losses and costs incurred by, the relevant Issuer and/or any of its affiliates. In this event and if so specified in the applicable Final Terms, on redemption of the Securities, any amount that would otherwise be received by the Securityholder in the case of cash settlement of the Securities on such early redemption will be increased to reflect any such gain or decreased to reflect any such loss or cost. Similarly, in the case of physical settlement of the Securities, the Securityholder may be required to make certain payments in respect of such losses and costs incurred by the relevant Issuer as a condition of the delivery of any Asset Amount by the relevant Issuer or, if so specified, the relevant Issuer may reduce the amount of the relevant Asset Amount to reflect any such loss or cost, or, as the case may be, the Securityholder may receive certain payments from the relevant Issuer with the delivery of any Asset Amount by the relevant Issuer in respect of such gain to the relevant Issuer.

Holders of Credit Linked Securities have no right to any of the relevant Issuer's hedging profits

An Issuer may engage in activities to hedge its exposure under a Credit Linked Security. It may have profits or losses from these hedging activities. It is possible that it could achieve substantial profits from its hedging transactions while the value of the Credit Linked Security may decline. Holders of a Credit Linked Security will have no right to any such profit, unless otherwise specified in the applicable Final terms.

Emerging Markets

Where the Credit Linked Securities relate to Reference Entities incorporated in emerging market countries, investors should note that the risk of the occurrence and the severity of the consequences of the matters described herein may be greater than they would otherwise be in relation to more developed countries.

Potential conflicts of interest

The Issuers and/or any of their affiliates may have conflicts of interest with respect to some Credit Linked Securities. These entities may engage in trading, including trading for hedging purposes, for their proprietary accounts or for other accounts under their management, in Credit Linked Securities or obligations of a Reference Entity or derivative instruments referencing one or more Reference Entities. These trading activities could adversely affect the value of Credit Linked Securities. The Issuers and/or any of their affiliates may also issue securities or derivative instruments that reference the same Reference Entity as one or more Credit Linked Securities. By introducing competing products into the marketplace in this manner, such entity could adversely affect the value of a Credit Linked Security.

To the extent that an Issuer and/or any of its affiliates serves as calculation agent with respect to a Credit Linked Security, it may have considerable discretion in performing the calculation or compilation. Exercising discretion in this manner could adversely affect the value of or the rate of return on the relevant Credit Linked Security.

The relevant Issuer, any Specified Branch of the relevant Issuer and any Manager may, at the date hereof or at any time hereafter, be in possession of information in relation to a Reference Entity that is or may be material in the context of the Securities and may or may not be publicly available to Securityholders. There is no obligation on the relevant Issuer, any specified branch or any Manager to disclose to Securityholders any such information.

The relevant Issuer and/or any of its affiliates may have existing or future business relationships with any Reference Entity or, if applicable, any of their subsidiaries or affiliates or any other person or entity having

obligations relating to any Reference Entity (including, but not limited to, dealing, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deem(s) necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Securityholder regardless of whether any such action might have an adverse effect (including, without limitation, any action which might constitute or give rise to any breach, event of default, credit event or termination event) on any Reference Entity or any investor in Credit Linked Securities.

However, the relevant Issuer has, and will take reasonable steps to, put in place and maintain internal policies and procedures in accordance with the applicable rules and regulations to minimise and manage such conflicts of interest.

Liquidity Risks

The Credit Linked Securities may not have an established trading market when issued. There can be no assurance of a secondary market for the Credit Linked Securities or the continued liquidity of such market if one develops. The secondary market for the Credit Linked Securities will be affected by a number of factors independent of the creditworthiness of the relevant Issuer and/or any applicable Reference Entity, which may include prevailing credit spreads and the economic, financial and political events in one or more jurisdictions. Such factors also will affect the market value of the Credit Linked Securities.

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

Force Majeure

Force Majeure Events include, *inter alia*, events, including legal and regulatory changes, which make it impracticable, illegal or impossible to convert, remit abroad or determine a rate in respect of the relevant local or settlement currency relating to the Credit Linked Securities or for the relevant Issuer to perform or to hedge effectively its obligations under the Credit Linked Securities.

If the relevant Issuer determines that a Force Majeure Event has occurred, the relevant Issuer may suspend and/or terminate such Credit Linked Securities and upon termination, if permitted by applicable law, pay the holder of each such Credit Linked Security an amount determined by the relevant Issuer to be its fair market value (which may be nil) and which in certain circumstances may be made in the Local Currency notwithstanding such Force Majeure Event less the cost to the relevant Issuer of unwinding any underlying related hedging arrangements. It is possible that suspension could continue after the Maturity Date until the relevant Issuer exercises its right to terminate such Credit Linked Securities or until the date falling 10 days after such Force Majeure Event ceases to exist.

Hedge Disruption Event could affect physical settlement

In the case of Physically Settled Securities, if in the opinion of the Calculation Agent an event, as a result of which the relevant Issuer and/or any of its affiliates has not received the relevant Deliverable Obligations (each a "**Hedge Disruption Obligation**") under the terms of any hedging transactions in respect of the Physically Settled Securities (a "**Hedge Disruption Event**"), has occurred and is continuing on the second Business Day immediately preceding the Scheduled Physical Settlement Date, then the Physical Settlement Date will be postponed until the earlier of (1) the second Business Day following the date on which no Hedge Disruption Event exists and (ii) the day falling 60 Business Days following the Scheduled Physical Settlement Day. Such an event may have an adverse effect on the value of the relevant Credit

Linked Securities. If all or a portion of the Deliverable Obligations included in the Asset Amount are Hedge Disruption Obligations that are not Delivered by the Physical Settlement Date, then the relevant Issuer has 30 calendar days after the Physical Settlement Date to deliver such Deliverable Obligations, after which the relevant Issuer may pay, in respect of each Hedge Disruption Obligation, the Cash Settlement Amount (adjusted to take account fully for any Hedging Costs, if "Adjustment for Hedging Costs" is specified as applying in the applicable Final Terms) in lieu of delivering the Asset Amount. Such an event may have an adverse effect on the value of the relevant Credit Linked Securities.

Physical settlement

Where the Credit Linked Notes or Credit Linked Certificates provide for physical settlement, the relevant 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 or 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 relevant 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 relevant Issuer and/or such affiliate and/or agent to hedge the relevant 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. Prospective investors should review the relevant Terms and Conditions and the applicable Final Terms to ascertain whether and how such provisions should apply to the Credit Linked Securities.

In the case of Physical Settlement, 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).

Non-publicly available information

The relevant Issuer, the Manager(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 relevant Issuer, the Manager(s) or any of their respective affiliates may have will not be disclosed to investors. None of the relevant Issuer, the Manager(s) or any of their respective affiliates is under any obligation (i) to review on the Securityholder's 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.

Discretion of Calculation Agent to elect for Auction Settlement

Notwithstanding that a Credit Linked Security is not issued as an Auction Settled Security, the Calculation Agent may, following a Credit Event, in its sole and absolute discretion and in certain circumstances, elect to determine the amounts payable by and/or rights and obligations of the parties under such Credit Linked Security in respect of the relevant Reference Entity or Reference Obligation in accordance with Auction Settlement. Consequently, Credit Linked Securities may be settled on terms that are different from those anticipated by the Securityholders. Using an Auction could also affect the timing of settlement under Credit Linked Securities. Where settlement of Credit Linked Securities is determined in accordance with an

Auction and this results in a lower recovery value than would have been realised if such Auction had not been used, this will lead to a higher loss of principal invested.

Auction Settlement

Where Auction Settlement is specified as being applicable in the applicable Final Terms, or is elected to apply by the Calculation Agent as provided in the immediately preceding paragraph, 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, available on ISDA's website at www.isda.org (or any successor website thereto). Such auction procedure is subject to change at any 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.

Auction Final Price and the Issuer's or the Calculation Agent's ability to influence the Auction Final Price

If the Credit Linked Securities are redeemed 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 or the Calculation Agent or any of their respective affiliates would act as a participating bidder in any such auction. In such capacity, any such entity 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 or the Calculation Agent or any of their respective affiliates shall be under no obligation to consider the interests of any Securityholder.

Role of the Credit Derivatives Determinations Committee

Where the July 2009 Supplement (as defined below) is specified as being applicable in the applicable Final Terms, 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 and, where Auction Settlement is specified as being applicable, 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 set forth in Annex A to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 12 March, 2009) (the "**July 2009 Supplement**"), as amended from time to time and available on ISDA's website at www.isda.org (or any successor website thereto). Consequently, where Auction Settlement is specified as being applicable in the applicable Final Terms, or is elected to apply by the Calculation Agent as provided above, Securityholders will be bound by and payments or deliveries under the Securities may be affected by any such relevant decisions.

Credit Event and Succession Event Backstop Dates

Where the July 2009 Supplement is specified as being applicable in the applicable Final Terms, a Credit Event may be triggered if a request is submitted to ISDA for the relevant Credit Derivatives Determinations Committee to consider whether the relevant event constitutes a Credit Event or if a Credit Event Notice or a Notice of Publicly Available Information is delivered, within 60 calendar days of the occurrence of such Credit Event unless a Credit Event Determination Date has already occurred with respect to such event. For Succession Events the lookback period is 90 calendar days and functions similarly. These changes mean that there is a time limit on the ability to act on a Credit Event or Succession Event and that it is

possible that the Securities could be affected by a Credit Event or Succession Event that took place prior to the Trade Date if the July 2009 Supplement is specified as being applicable in the applicable Final Terms.

Movement Option

In certain circumstances, if following a Restructuring Credit Event a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) of the definition of No Auction Announcement Date, the Calculation Agent may elect, in its sole discretion, to exercise the Movement Option, by delivering an effective Notice to Exercise Movement Option to the relevant Issuer on or prior to the Movement Option Cut-off Date. If the Calculation Agent exercises such option, the Parallel Auction Settlement Terms shall apply for the purposes of determining the Auction Final Price. Securityholders should be aware that they do not have the right to exercise the Movement Option and therefore if the Calculation Agent elects not to exercise the Movement Option, the Securities shall be redeemed in accordance with the Fallback Settlement Method.

Leverage

The Credit Linked Securities may be subject to leverage, in which case, the effective exposure to the Reference Entity may be substantially increased. Leverage will expose Securityholders to increased and potentially significant losses where the value of obligations of the relevant Reference Entities decrease or move against a Securityholder's position. Accordingly, potential investors should make their own independent assessment, in consultation with their advisers, as to whether an investment in Credit Linked Securities and the potential effective exposure as a result of any leverage, is appropriate or suitable to potential investors in light of their financial condition, knowledge, risk profile and circumstances.

Country Risk

By seeking exposure to the Reference Entity and/or Reference Obligation(s) through an investment in the Credit Linked Notes and Credit Linked Certificates, an investor may also be exposed to the market risks of the country or countries to which the Reference Entity and/or Reference Obligation is linked. Whilst the existing market condition and regulatory framework may be conducive for an investment linked to such a country or countries, such investments may be sensitive to any significant (i) changes in market conditions, political, social or economic policy, or (ii) changes in laws and regulations, in such a country or countries. No assurance is given that country's or countries' government's future control of currency conversion, free transfer of monies and securities, and movements in exchange rates may or may not affect the performance of, or returns under, the Securities.

Prospective investors who consider purchasing any Securities should reach an investment decision only after carefully considering the suitability of such Securities in light of their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Product Prospectus and have been filed with the CSSF shall be incorporated in, and form part of, this Product Prospectus:

- (a) the Notes Base Prospectus dated 27 June, 2012;
- (b) the Certificates Base Prospectus dated 27 June, 2012;
- (c) the Registration Document dated 27 June, 2012 relating to SCB (the “**SCB Registration Document**”) including any document incorporated by reference therein; and
- (d) the Registration Document dated 27 June, 2012 relating to SCBHK (the “**SCBHK Registration Document**”) and together with the SCB Registration Document, the “**Registration Documents**”) including any document incorporated by reference therein.

The following cross-reference lists are included in order to enable investors to easily identify where the specific items of information listed appear in the relevant document incorporated by reference.

Copies of documents incorporated by reference in this Product Prospectus are available on the Luxembourg Stock Exchange’s website (www.bourse.lu).

The table below sets out the relevant page references for the Notes Base Prospectus:

Notes Base Prospectus	Page reference
Risk factors	9 – 15
Form of the Notes	27 – 31
General terms and conditions of the Notes	46 – 74
Use of proceeds	75
Book Entry Clearance Systems.	76 – 79
Taxation	80 – 115
Subscription and Sale and Transfer and Selling Restrictions	118 – 128

The table below sets out the relevant page references for the Certificates Base Prospectus:

Certificates Base Prospectus	Page reference
Risk factors	13 – 23
General terms and conditions of the Certificates	39 – 49
Use of proceeds	50
Taxation	51 – 83
Subscription and Sale and Transfer and Selling Restrictions	86 – 96

The table below sets out the relevant page references for the SCB Registration Document:

SCB Registration Document	Page reference
----------------------------------	-----------------------

Responsible persons	1
Risk Factors	3 – 13
Description of SCB, including: (a) place of registration and registration number, (b) date of incorporation, (c) domicile and legal form of SCB, (d) principal activities, (e) principal markets, (f) description of the group, (g) the directors, (h) confirmation of no conflict of interest and (i) direct and indirect owners of SCB	14 – 15
Documents Incorporated by Reference: the Directors' Report and Financial Statements of SCB for the financial years ended 31 December, 2011 and 2010 (including the audit report thereon) and the Standard Chartered PLC Annual Report 2011	16
Capitalisation and Indebtedness of SCB	17 – 18
Statutory auditors	19

The table below sets out the relevant page references for the SCBHK Registration Document:

SCBHK Registration Document	Page reference
Responsible persons	1
Risk Factors	3 – 13
Description of SCBHK, including: (a) place of registration and registration number, (b) date of incorporation, (c) domicile and legal form of SCBHK, (d) principal activities, (e) significant new products/activities, (f) principal markets, (g) description of the group, (h) the directors, (i) confirmation of no conflict of interest, (j) details of audit committee, (k) compliance with corporate governance regime and (l) direct and indirect owners of SCBHK	14 – 16
Selected Consolidated Financial Information relating to SCBHK	17
Documents Incorporated by Reference: the Directors' Report and Consolidated Financial Statements of the SCBHK for the financial years ended 31 December, 2011 and 2010 (including the audit report thereon) and the Standard Chartered PLC Annual Report 2011	18 - 19
Capitalisation and Indebtedness of SCBHK	20
Statutory auditors	21

Any information not listed in the cross-reference lists above but included in the documents incorporated by reference is given for information purposes only.

Following the publication of this Product Prospectus, a supplement to the Product Prospectus may be prepared by the Issuers and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement to the Product Prospectus (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Product Prospectus or in a document which is incorporated by reference in this Product Prospectus (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Product Prospectus.

Copies of documents incorporated by reference in this Product Prospectus can be obtained from the principal place of business of SCB, from the registered office of SCBHK and from the specified offices of the Paying Agents for the time being in London and Luxembourg and the Certificate Agents for the time being in London and Luxembourg (in the case of Certificates).

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each Issuer may from time to time issue Securities denominated or payable in any currency, subject as set out in the Securities Base Prospectuses and herein. A general description of the general terms and conditions of the Programme and the Securities appears below. The applicable terms of any Credit Linked Securities will be agreed by the relevant Issuer prior to the issue of such Credit Linked Securities and will be set out in the “*General Terms and Conditions of the Notes*” (commencing on page 46 in the Notes Base Prospectus), the “*General Terms and Conditions of the Certificates*” (commencing on page 39 in the Certificates Base Prospectus) endorsed on, attached to or incorporated by reference into the Credit Linked Securities, as modified and supplemented by this Product Prospectus and/or by the applicable Final Terms endorsed on, attached to or incorporated by reference into, such Credit Linked Securities.

This Product Prospectus and any supplement to this Product Prospectus will only be valid for the listing of Securities on the Official List during the period of 12 months from the date of this Product Prospectus and, in respect of Notes only, limited to an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.\$10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms of the relevant Notes) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets settle payments and are open for general business in London, in each case on the basis of the spot rate for the sale of U.S. dollars against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;
- (b) the U.S. dollar equivalent of any Structured Notes (as defined below) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Structured Notes; and
- (c) the U.S. dollar equivalent of Zero Coupon Notes (as defined in the Notes Base Prospectus) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

For the purposes of this section “*General Description of the Programme*”, “**Structured Notes**” means any Notes for which the premium, interest and/or principal payable in relation to such Notes may, if so specified in the applicable base prospectus or applicable Final Terms, be determined by reference to the price, value or performance of a currency, commodity (or related forward or futures contract), equity security, fund, index, basket of any of the aforementioned items, formula, or any other factor relating to assets or property and/or the creditworthiness of, or the performance of obligations by, or some other factor relating to, another entity or entities not affiliated with the relevant Issuer.

CREDIT TERMS

Interpretation

- (a) *If specified as applicable in the applicable Final Terms of the Notes, the terms and conditions applicable to the Credit Linked Notes shall comprise the terms and conditions of the Notes under the Programme (the “Notes Conditions”) and the Credit Terms set out below (the “Credit Terms”), in each case subject to completion and/or amendment in the applicable Final Terms of the Notes. In the event of any inconsistency between the Notes Conditions and the Credit Terms, the Credit Terms shall prevail. In the event of any inconsistency between (i) the Notes Conditions and the Credit Terms and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. In respect of the Notes, references in the Credit Terms to (i) “Securities” are to the Notes, (ii) “Securityholders” are to the Noteholders, (iii) “Condition” or “Conditions” are to the Notes Conditions, (iv) “these Terms and Conditions” are to the Notes Conditions as amended and/or supplemented by the Credit Terms and (v) “Relevant Agents” are to the Principal Paying Agents and the Paying Agents (as applicable).*
- (b) *If specified as applicable in the applicable Final Terms of the Certificates, the terms and conditions applicable to the Credit Linked Certificates shall comprise the terms and conditions of the Certificates under the Programme (the “Certificates Conditions”) and the Credit Terms, in each case subject to completion and/or amendment in the applicable Final Terms of the Certificates. In the event of any inconsistency between the Certificates Conditions and the Credit Terms, the Credit Terms shall prevail. In the event of any inconsistency between (i) the Certificates Conditions and the Credit Terms and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. In respect of the Certificates, references in the Credit Terms to (i) “Securities” are to the Certificates, (ii) “Securityholders” are to the holders of the Credit Linked Certificates, (iii) “Condition” or “Conditions” are to the Certificates Conditions, (iv) “these Terms and Conditions” are to the Certificates Conditions as amended and/or supplemented by the Credit Terms and (v) “Relevant Agents” are to the Principal Certificate Agent and any other Certificate Agent (as applicable).*

1 Cash Settlement

- (i) *If the Securities are not Auction Settled Securities:*

If the Securities are Cash Settled Securities, upon satisfaction of the Conditions to Settlement, the Issuer shall give notice (such notice a “**Settlement Notice**”) to the Securityholders as soon as practicable in accordance with the Conditions, and, subject to paragraph 8 (*Credit Event Notice after Restructuring Credit Event*) below, redeem all but not some only of the Securities on the Credit Event Redemption Date at the Credit Event Redemption Amount (which Credit Event Redemption Amount will, if “Adjustment for Hedging Costs” is specified in the applicable Final Terms, be subject to adjustment to account for any Hedging Costs).

Notwithstanding that the Securities are not Auction Settled Securities and notwithstanding anything else to the contrary contained herein, if the Calculation Agent determines that (a) an Auction has taken, or is expected to take, place in respect of the relevant Reference Entity to value obligations of the same seniority as the Reference Obligation and (b) the date on which the final price is determined pursuant to such Auction falls on or before the sixtieth (60th) Business Day after the relevant Credit Event Determination Date, the Calculation Agent may elect, in its sole and absolute discretion, that the Auction Final Price as so determined pursuant to such Auction shall be deemed to be the Final Price hereunder in respect of such Reference Entity (or, if “First-to-Default” is specified as applicable in the applicable Final Terms, of the Defaulted Reference Entity), in which case, the definitions of Valuation

Method, Valuation Date, Quotation, Quotation Method and Quotation Amount shall not apply in respect of such Reference Entity and/or Reference Obligation, and the terms of the relevant Credit Linked Securities shall be deemed amended (without further action by any party) to be consistent with the provisions of such Auction and its implementation in market standard credit default swap transactions referencing the relevant Reference Entity and/or Reference Obligation.

(ii) *If the Securities are Auction Settled Securities:*

If the Securities are Auction Settled Securities and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Issuer shall give notice (such notice a “**Settlement Notice**”) to the Securityholders as soon as practicable in accordance with the Conditions, and, subject to paragraph 8 (*Credit Event Notice after Restructuring Credit Event*) below, redeem all but not some only of the Securities on the Auction Settlement Date at the Auction Cash Settlement Amount (which Auction Cash Settlement Amount will, if “Adjustment for Hedging Costs” is specified in the applicable Final Terms, be subject to adjustment to account for any Hedging Costs).

Notwithstanding the above, if a Fallback Settlement Method Event occurs:

- (A) if “Cash Settlement” is specified as the applicable Fallback Settlement Method in the applicable Final Terms, then, notwithstanding that the Securities are Auction Settled Securities, these Conditions shall apply in respect of such Credit Event as if the Securities are not Auction Settled Securities (but for the avoidance of doubt, are Cash Settled Securities) and the Issuer shall redeem the Securities in accordance with paragraph 1(i) above; and
- (B) if “Physical Settlement” is specified as the applicable Fallback Settlement Method in the applicable Final Terms, then, notwithstanding that the Securities are Auction Settled Securities, these Conditions shall apply in respect of such Credit Event as if the Securities were Physically Settled Securities and the Issuer shall redeem the Securities in accordance with paragraph 2 (*Physical Settlement*) below.

If no Fallback Settlement Method is specified in the applicable Final Terms, “Physical Settlement” shall be deemed to be specified in the applicable Final Terms as the applicable Fallback Settlement Method.

If the Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this paragraph 1, upon payment of the Credit Event Redemption Amount or Auction Cash Settlement Amount (as applicable) 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 or Auction Cash Settlement Amount (as applicable) may be less than the nominal amount of a Security. Any shortfall shall be borne by the Securityholder and no liability shall attach to the Issuer.

2 Physical Settlement

If the Securities are Physically Settled Securities, upon satisfaction of the Conditions to Settlement, the Issuer shall, subject to paragraph 8 (*Credit Event Notice after Restructuring Credit Event*) below, redeem all but not some only of the Securities by Delivery of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with paragraph 6 (*Procedures for Physical Delivery*) below.

If “Adjustment for Hedging Costs” is specified in the applicable Final Terms, and:

- (i) if the Hedging Costs represent losses and costs incurred by the Issuer, then:
 - (a) the Securityholder will be required to make a payment to the Issuer in respect of such Hedging Costs as a condition of the Delivery of any Asset Amount by the Issuer; or

- (b) if the Issuer so elects (as specified in the Physical Settlement Notice), the Issuer will deduct from the Asset Amount such Outstanding Principal Balance or Due and Payable Amount, as the case may be, of Delivery Obligations with a Liquidated Value of not less than the amount of such Hedging Costs and the Delivery by the Issuer of such reduced Asset Amount (and the payment of any excess of such Liquidated Value over the amount of such Hedging Costs) shall be deemed to satisfy and discharge in full the obligation of the Issuer in respect of the relevant Asset Amount; or
- (ii) if the Hedging Costs represent a gain to the Issuer, the Securityholder will receive a payment from the Issuer in respect of such Hedging Costs with the delivery of any Asset Amount by the Issuer.

In the Physical Settlement Notice, the Issuer shall specify (i) the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver and (ii) if "Adjustment for Hedging Costs" is specified in the applicable Final Terms, whether any Hedging Costs representing losses and costs incurred by the Issuer will be accounted for in the manner described in paragraph 2(i)(A) or 2(i)(B) above. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

In addition, in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, where (a) the relevant Credit Event is a Restructuring, (b) 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 (c) the Maturity Date is later than (A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date, the Physical Settlement Notice shall contain a detailed description of at least one Enabling Obligation and any other information necessary to establish that such obligation is an Enabling Obligation.

In the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, the Issuer shall deliver the Physical Settlement Notice on or before the Physical Determination Date.

The Issuer may, from time to time, notify the Securityholders (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 Physical Settlement Notice 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) or the detailed description(s) thereof. A Physical Settlement Amendment Notice shall contain a revised detailed description of each replacement Deliverable Obligation that Issuer will Deliver to or to the order of the Securityholders (each, a "**Replacement Deliverable Obligation**"). Each such Physical Settlement Amendment Notice must be effective on or prior to the Physical 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 in the detailed description of each Deliverable Obligation contained in the Physical Settlement Notice or any Physical Settlement Amendment Notice, as applicable, by notice to Securityholders prior to the relevant Delivery Date; it being understood that such notice of correction shall not constitute a Physical Settlement Amendment Notice.

If the Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this paragraph 2, upon Delivery of the Deliverable Obligations and/or payment of the Cash Settlement Amount or the Auction Cash Settlement Amount, 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 Cash Settlement Amount or the Auction Cash Settlement Amount may

be less than the nominal amount of a Security. Any shortfall shall be borne by the Securityholder and no liability shall attach to the Issuer.

3 Repudiation/Moratorium Extension

Where the Conditions to Settlement have not been satisfied on or prior to the Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Maturity Date 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 Maturity Date, then the Calculation Agent shall notify the Securityholders and (if the relevant Securities are listed) the Luxembourg Stock Exchange in accordance with the Conditions 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 nominal amount of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the third Business Day following the Repudiation/Moratorium Evaluation Date; and
 - (b) in the case of interest bearing Securities, the Issuer shall be obliged to pay interest, calculated as provided herein, accrued up to (but excluding) the final Interest Period Date (which will, if Interest Period Dates are specified in the applicable Final Terms as being the Interest Payment Dates, be the Maturity Date), but shall only be obliged to make such payment of interest on the third 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; and
- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and the Conditions to Settlement are satisfied, the provisions of paragraph 1 (*Cash Settlement*) or 2 (*Physical Settlement*) above, as applicable, shall apply to the Securities.

4 Grace Period Extension

If “Grace Period Extension” is specified as applying in the applicable Final Terms, the provisions of this paragraph 4 shall apply.

Where the Conditions to Settlement have not been satisfied on or prior to the Maturity Date but 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 Maturity Date (and such Grace Period(s) is/are continuing as at that date), then:

- (i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
 - (a) each nominal amount of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the third Business Day following the Grace Period Extension Date; and
 - (b) in the case of interest bearing Securities, the Issuer shall be obliged to pay interest calculated as provided herein, accrued up to (but excluding) the final Interest Period Date (which will, if Interest Period Dates are specified in the applicable Final Terms as being the Interest Payment Dates, be the Maturity Date), but shall only be obliged to make such payment of interest on the third 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; and

- (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and the Conditions to Settlement are satisfied, the provisions of paragraph (Cash Settlement) or 2 (Physical Settlement) above, as applicable, shall apply to the Securities.

5 Deferral of Maturity Date

If on (A) the Maturity Date, (B) the Repudiation/Moratorium Evaluation Date, or (C) if “Grace Period Extension” is specified as applying in the applicable Final Terms, the Grace Period Extension Date, as the case may be, the Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred on or prior to such date, the Calculation Agent may notify the Securityholders in accordance with the Conditions that the Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, has been postponed to a date (such date the “Deferred Maturity Date”) specified in such notice that is 21 calendar days after the Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, and:

- (i) where the Conditions to Settlement are not satisfied on or prior to the Deferred Maturity Date:
 - (a) subject as provided below, each Security will be redeemed by the Issuer by payment of the Final Redemption Amount on the Deferred Maturity Date; and
 - (b) in the case of interest bearing Securities, the Issuer shall be obliged to pay interest calculated as provided herein, accrued up to (but excluding) the final Interest Period Date (which will, if Interest Period Dates are specified in the applicable Final Terms as being the Interest Payment Dates, be the Maturity Date), but shall only be obliged to make such payment of interest on the Deferred 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; and
- (ii) where the Conditions to Settlement are satisfied on or prior to the Deferred Maturity Date, the provisions of paragraph 1 (Cash Settlement) or 2 (Physical Settlement) above, as applicable, shall apply to the Securities.

6 Procedures for Physical Delivery

If any Credit Linked Securities are to be redeemed by delivery of the Asset Amount, in order to obtain delivery of the Asset Amount in respect of any Security:

- (i) if such Security is represented by a Global W&C Security (in the case of a Certificate) or a Global Note (in the case of a Note) (each a “Global Security”), the relevant Securityholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Issuer and not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice; or
- (ii) if such Security is in definitive form, the relevant Securityholder must deliver (i) if this Security is a Bearer Security, to any Paying Agent or (ii) if this is a Registered Security, to the Registrar or any Paying Agent, in each case with a copy to the Issuer and not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

If “Restructuring Maturity Limitation and Fully Transferable Obligation” is specified as applying 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 Asset Amount 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” is specified as applying 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 Asset Amount 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.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Relevant Agent.

An Asset Transfer Notice may only be delivered (i) if such Security is represented by a Global Security, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, which is expected to be by authenticated SWIFT message or tested telex or (ii) if such Security is in definitive form, in writing or by tested telex.

If the Security is in definitive form, the Security must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- (1) specify the name and address of the relevant Securityholder, the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the applicable Final Terms;
- (2) in the case of Securities represented by a Global Security, specify the nominal amount of Securities which are the subject of such notice and the number of the Securityholder’s account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Securities and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Securityholder’s account with such Securities on or before the Physical Settlement Date;
- (3) include an undertaking to pay all Delivery Expenses and, if “Adjustment for Hedging Costs” is specified in the applicable Final Terms and paragraph 2(i)(A) applies, Hedging Costs and, in the case of Securities represented by a Global Security, an authority 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 Delivery Expenses and Hedging Costs (if applicable);
- (4) specify an account to which any amounts payable pursuant to paragraph 7 (*Partial Cash Settlement*) or any other cash amounts specified in the applicable Final Terms as being payable are to be paid; and
- (5) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear, Clearstream, Luxembourg, the Registrar or a Relevant Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Securityholder may not transfer the Securities which are the subject of such notice.

In the case of Securities represented by a Global Security, upon receipt of an Asset Transfer Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Securityholder is the holder of the specified nominal amount of Securities according to its books.

Failure to complete and deliver an Asset Transfer Notice properly may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Terms and Conditions shall be made, in the case of Securities represented by a Global Security, by Euroclear or Clearstream, Luxembourg, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Securityholder and, in the case of Securities in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Securityholder.

Delivery of the Asset Amount in respect of each Security shall be made at the risk of the relevant Securityholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Securityholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms. All Delivery Expenses arising from the delivery of the Asset Amount in respect of such Security shall be for the account of the relevant Securityholder and no delivery of the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Securityholder.

After delivery of the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Securityholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations, or (iii) be under any liability to a Securityholder in respect of any loss or damage which such Securityholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

In relation to each Deliverable Obligation constituting the Asset Amount, the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on the Physical Settlement Date, provided that if all or some of the Deliverable Obligations included in the Asset Amount are (a) 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, until the date that is 30 calendar days after the Physical Settlement Date (in respect of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, the "**Final Delivery Date**"), or (b) Undeliverable Loan Obligations or Unassignable Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Loan Obligations or Unassignable Obligations, as the case may be, until the date that is 15 Business Days after the Physical Settlement Date (in respect of such Undeliverable Loan Obligations or Unassignable Obligations, the "**Final Delivery Date**"),

provided further that:

- (i) if all or a portion of the Deliverable Obligations included in the Asset Amount that are Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, (but subject to paragraph (ii) below in the case of Assignable Loans or Consent Required Loans) are not Delivered by the Final Delivery Date, the provisions of paragraph 7(i) shall apply; or
- (ii) if all or a portion of the Deliverable Obligations included in the Asset Amount consist of Assignable Loans or Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date, the provisions of paragraph 7(ii) shall apply.

If a Securityholder fails to give an Asset Transfer Notice as provided herein on or prior to the Cut-Off Date specified in the applicable Final Terms, the Issuer will, subject as provided above, deliver the

Deliverable Obligations constituting the Asset Amount in respect of the relevant Securities as soon as practicable after the receipt of the duly completed Asset Transfer Notice, provided that if, in respect of a Security, a Securityholder fails to give an Asset Transfer Notice prior to the day falling 45 days after the Cut-Off Date, the Issuer's obligations in respect of such Securities shall be discharged and the Issuer shall have no liability in respect thereof.

Notwithstanding that the Securities are not Auction Settled Securities and notwithstanding anything set out in paragraph 2 (*Physical Settlement*) above or the foregoing provisions of this paragraph 6, if on or before the Physical Settlement Date the Calculation Agent determines that an Auction (in respect of the Reference Entity to which the Credit Event Notice relates) may be published on or before the sixtieth (60th) Business Day after the relevant Credit Event Determination Date, the Calculation Agent may elect in its sole and absolute discretion to postpone the Physical Settlement Date to any date determined by the Calculation Agent within the period of up to, and including, the date falling 60 Business Days after the Credit Event Determination Date. The Calculation Agent shall give notice of such election (such notice, an "**Auction Notice**") to the Securityholders in accordance with the Conditions. If an Auction Notice has been given to the Securityholders and the Calculation Agent determines that (a) an Auction has taken, or is expected to take, place in respect of the relevant Reference Entity to value obligations of the same seniority as the Deliverable Obligations and (b) the date on which the Auction Final Price is, or is expected to be, determined pursuant to such Auction falls on or before the sixtieth (60th) Business Day after the Credit Event Determination Date, the Calculation Agent may further elect in its sole and absolute discretion that the Issuer redeems each nominal amount of Securities equal to the Calculation Amount either (1) by payment of the Auction Cash Settlement Amount on the Auction Settlement Date in lieu of Delivering the relevant Deliverable Obligations (as specified in the Physical Settlement Notice) or (2) by Delivery of the Deliverable Obligations comprising the Asset Amount (as specified in the Physical Settlement Notice), in either case on the postponed Physical Settlement Date. The Calculation Agent shall give notice of such election to the Securityholders as soon as possible in accordance with the Conditions.

7 Partial Cash Settlement

- (i) If all or a portion of the Deliverable Obligations included in the Asset Amount that are Undeliverable Obligations or Hedge Disruption Obligations are not Delivered by the Final Delivery Date (other than in respect of Assignable Loans or Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered on that day), the Issuer shall give notice (a "**Cash Settlement Notice**") to the Securityholders in accordance with the Conditions and the Issuer shall pay, in respect of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, the Cash Settlement Amount (adjusted to take account fully for any Hedging Costs, if "Adjustment for Hedging Costs" is specified as applying in the applicable Final Terms) on the Cash Settlement Date.

In the Cash Settlement Notice, the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligations, as the case may be.

- (ii) If:
- (a) "Partial Cash Settlement of Consent Required Loans" is specified as applying in the applicable Final Terms and all or a portion of the Deliverable Obligations comprising the Asset Amount consist of Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date (each such Deliverable Obligation being an "**Undeliverable Loan Obligation**"); or
 - (b) "Partial Cash Settlement of Assignable Loans" is specified as applying in the applicable Final Terms and all or a portion of the Deliverable Obligations comprising the Asset

Amount consist of Assignable Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date (each such Deliverable Obligation being an “**Unassignable Obligation**”),

the Issuer shall give notice (a “**Cash Settlement Notice**“) to the Securityholders in accordance with the Conditions and the Issuer shall pay, in respect of each Undeliverable Loan Obligation or Unassignable Obligation, the Cash Settlement Amount (adjusted to take account fully for any Hedging Costs, if “Adjustment for Hedging Costs” is specified as applying in the applicable Final Terms) on the Cash Settlement Date.

For the avoidance of doubt, if neither “Partial Cash Settlement of Consent Required Loans” nor “Partial Cash Settlement of Assignable Loans” is specified as applying in the applicable Final Terms, and all of the Deliverable Obligations comprising the Asset Amount consist of Undeliverable Loan Obligation or Unassignable Obligation, as the case may be, then the Issuer shall have no further obligation to Deliver any Asset Amount or pay any Cash Settlement Amount in respect of the Securities.

- (iii) If all or any part of the Asset Amount to be Delivered to a Securityholder is not a whole integral multiple of the smallest unit of transfer for any such Deliverable Obligation at the relevant time of Delivery, as determined by the Calculation Agent, the Issuer will Deliver and such Securityholder will only be entitled to receive the portion of the Asset Amount specified by the Calculation Agent which is closest to but less than the full Asset Amount, after consideration of such smallest unit or units of transfer (such portion of the Asset Amount that is not so Delivered, a “**Delivery Shortfall**“), and the Issuer will pay to such Securityholder in the Settlement Currency at the same time as such Delivery an amount in cash equal to the value of such Delivery Shortfall, as determined by the Calculation Agent.

Unless otherwise specified in the applicable Final Terms, for the purposes of this paragraph 7 the following terms are deemed to have the following meanings:

“**Cash Settlement Amount**“ is deemed to be for each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation, the aggregate of the greater of (i) the Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation multiplied by the Final Price with respect to each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation and (ii) zero;

“**Cash Settlement Date**“ is deemed to be the date falling three Business Days after the calculation of the Final Price;

“**Indicative Quotation**“ means, in accordance with the Quotation Method, each quotation obtained from a Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation equal to the Quotation Amount, which reflects such Dealer’s reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation based on such factors as such Dealer may consider relevant, which may include historical prices and recovery rates. Indicative Quotations shall be applicable only in the event that the provisions of this paragraph 7 are applicable;

“**Market Value**“ means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation 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 Quotations 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 two or more 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;

“**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 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 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 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 zero.
- (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), Undeliverable Loan Obligation or Unassignable Obligation, 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), Undeliverable Loan Obligation or Unassignable Obligation 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 in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant

Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation. For the purposes of this paragraph 7, there shall be deemed to be no Minimum Quotation Amount;

“**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), Undeliverable Loan Obligation or Unassignable Obligation;

“**Valuation Method**” is deemed to be Highest unless the relevant Quotations include Weighted Average Quotations, in which case, “Valuation Method” is deemed to be Market; and

“**Valuation Time**” is deemed to be 11:00 a.m. in the principal trading market for the Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation.

8 Credit Event Notice after Restructuring Credit Event

If “Partial Redemption Following Restructuring” is specified as applying in the applicable Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of a Restructuring Credit Event during the Notice Delivery Period:

- (i) The Calculation Agent may deliver a Credit Event Notice in respect of an amount (the “**Partial Redemption Amount**”) that is less than the principal amount outstanding of each Security immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of the Credit Terms shall be deemed to apply to the Partial Redemption Amount only and each such Security shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount). References in the Credit Terms to “the Calculation Amount” shall be interpreted to mean “the Partial Redemption Amount” accordingly.
- (ii) For the avoidance of doubt (i) the principal amount of each such Security not so redeemed in part shall remain outstanding and (in relation to Notes) interest shall accrue on the principal amount outstanding of such Security as provided in Note Condition 4 (Interest) (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and (ii) the provisions of the Credit Terms shall apply to such principal amount outstanding of such Security in the event that subsequent Credit Event Notices are delivered.
- (iii) If the provisions of this paragraph 8 apply in respect of the Securities, on redemption of part of each such Security, the relevant Security or, if the Securities are represented by a Global Security, such Global Security, shall be endorsed to reflect such part redemption.

9 Provisions relating to Multiple Holder Obligation

If “Multiple Holder Obligation” is specified as applying in the applicable Final Terms, 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 (a) to (e) of the definition of “Restructuring” shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation, where “**Multiple Holder Obligation**” means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event, provided that any Obligation that is a Bond shall be deemed to satisfy the requirements in sub-paragraph (ii) above.

10 Redemption

In respect of Securities that are Notes only, notwithstanding the provisions of the Conditions, for the purpose of Condition 6(b) and Condition 9 in the General Terms and Conditions, the Early Redemption Amount in respect of each nominal amount of the Notes equal to the Calculation Amount will be determined by reference to the provisions in the applicable Final Terms, provided that if “Adjustment for Hedging Costs” is specified in the applicable Final Terms, the Early Redemption Amount will be adjusted to take account of any Hedging Costs.

11 Accrual of Interest

In respect of Securities that are Notes only, notwithstanding the provisions of the Conditions, if:

- (i) “No Accrual of Interest upon Credit Event” is specified as being applicable in the applicable Final Terms, each Note shall cease to bear interest from the Interest Period Date (or, if none, the Interest Commencement Date) immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Period Date (or, as the case may be, the Interest Commencement Date) such Interest Period Date (or, as the case may be, the Interest Commencement Date); or
- (ii) “Partial Accrual of Interest upon Credit Event” is specified as being applicable in the applicable Final Terms, each Note shall continue to bear interest from the Interest Period Date (or, if none, the Interest Commencement Date) immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Period Date (or, as the case may be, the Interest Commencement Date) such Interest Period Date (or, as the case may be, the Interest Commencement Date), but shall cease to bear interest from the Credit Event Determination Date.

12 Force Majeure

If “Force Majeure Events” is specified as applying in the applicable Final Terms, the following provisions in this paragraph 12 shall apply:

(i) Notice of Force Majeure Event

The Issuer shall have the right to give notice in accordance with the Conditions at any time to the Securityholders if it determines in good faith that any of the following events (each a “**Force Majeure Event**”) has occurred:

- (a) the performance of the Issuer’s obligations under the Securities has become unlawful in whole or in part as a result of compliance by the Issuer with any applicable present or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority (as defined below) or otherwise;
- (b) the performance of the Issuer’s obligations under the Securities is prevented or materially hindered or delayed due to either (1) any act, law, rule, regulation, judgment, order, interpretation, directive, decree or material legislative or administrative interference of any Government Authority or otherwise, or (2) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party’s control;
- (c) it has become impracticable, illegal or impossible for the Issuer or any of its relevant affiliates, or the Issuer or any of its relevant affiliates are otherwise unable, (1) to

convert the relevant currency (the “**Local Currency**”) in which the relevant Reference Entity or traded instruments or any options or futures contracts or other hedging arrangement in relation to the Reference Entity (for the purposes of hedging the Issuer’s obligations under the Securities) are denominated, into the Settlement Currency or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the relevant Reference Entity or any options or futures contracts in relation to the Reference Entity are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (2) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;

- (d) it has become impracticable, illegal or impossible for the Issuer or any of its relevant affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Reference Entity or any options or futures contracts in relation to the Reference Entity in order for the Issuer to perform its obligations under the Securities or in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position or other instruments or arrangements (however described) by the Issuer (or any of its affiliates) in order to hedge, either individually or on a portfolio basis, the Securities) or the costs of so doing would (in the absolute determination of the Calculation Agent) be materially increased under the restriction; or
- (e) any other event beyond the control of the Issuer has occurred which makes it impracticable, illegal or impossible for the Issuer to perform its obligations under the Securities or to hedge effectively its obligations under the Securities or the costs of so doing would (in the absolute determination of the Calculation Agent) be materially increased.

(ii) Issuer’s Option following a Force Majeure Event

If the Issuer decides to give notice to Securityholders of the occurrence of a Force Majeure Event pursuant to this paragraph 12, it shall state in such notice whether the Securities will be terminated pursuant to paragraph 12(iii) or whether the Issuer’s obligations under the Securities will be suspended pursuant to paragraph 12(iv). If the Issuer elects to give notice to Securityholders of a suspension of its obligations under the Securities pursuant to paragraph 12(iv), the Issuer shall nevertheless retain the right at all times to terminate the Securities pursuant to paragraph 12(iii) by giving notice to Securityholders in accordance with the Conditions.

(iii) Termination

Upon the Issuer’s election to terminate the Securities as aforesaid (or upon expiry of the 10-day period referred to in paragraph 12(iv), the Issuer will, in respect of each and every Security cause to be paid to the Securityholder an amount determined to be the fair market value of the Security as at termination (which may be nil) taking into consideration all information which the Calculation Agent deems relevant (including the circumstances that resulted in the occurrence of the Force Majeure Event) less the cost to the Issuer and/or its Affiliates of unwinding any related hedging arrangements (including but not limited to selling or otherwise realising the Reference Entity/Entities or any options or futures contracts in relation to the Reference Entity/Entities or any other such property), all as determined by the Calculation Agent in its sole and absolute discretion. At the election of the Issuer, such payment may be made in the Local

Currency in the Relevant Jurisdiction, in which case the Securityholder will have responsibility for establishing an account in the Relevant Jurisdiction in order to receive such payments; provided that if it is impracticable or unlawful for the Issuer to pay such amount in the Relevant Jurisdiction or the relevant Securityholder does not establish the necessary account in the Relevant Jurisdiction to receive payment(s) in the currency the Issuer elects, the Issuer shall not be obliged to make payment of any such amounts so affected, as applicable. Payment will be made, as the case may be, in such manner as shall be notified to the Securityholders in accordance with the Conditions.

(iv) Suspension

Upon the Issuer's election to suspend the Securities, the Issuer's obligations in respect of the Securities may be suspended up until the tenth day after such Force Majeure Event shall cease to exist.

(v) Conclusive Determination

All determinations made by the Issuer and/or Calculation Agent pursuant to this paragraph 12 shall be conclusive and binding on the Securityholders and the Issuer. No Securityholder will be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of a Force Majeure Event.

For the purposes of this paragraph 12:

"Government Authority" means any nation, state or government; any province or other political subdivision thereof; any body, agency or ministry; any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality; and any other entity exercising; executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Relevant Jurisdiction" has the meaning specified in the relevant Final Terms and if it is not specified, it will mean the jurisdiction determined by the Calculation Agent in its sole and absolute discretion.

13 Notices

- (a) The Calculation Agent may deliver a Credit Event Notice and (if applicable) a Notice of Publicly Available Information to the Issuer at any time during either (i) the Notice Delivery Period or (ii) in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, the period set out in sub-paragraph (a)(B) of the definition of Credit Event Determination Date, provided that if a Credit Event Determination Date occurs without the giving of notices pursuant to paragraph (b) of the definition of "Credit Event Determination Date", the Calculation Agent shall not (save as required by paragraph (b) of the definition of "Credit Event Determination Date") be obliged to give such Credit Event Notice and (if applicable) Notice of Publicly Available Information in order for a Credit Event Determination Date to occur.
- (b) In the case of a Physically Settled Security (or where Physical Settlement is the Fallback Settlement Method and a Fallback Settlement Method Event has occurred) in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, the relevant Physical Settlement Notice must be delivered by the Issuer subject, where applicable, to paragraph 14 (*Settlement Suspension*) below, on or prior to:
 - (i) subject to sub-paragraph (ii) below, the later of:
 - (A) the thirtieth calendar day (subject to adjustment in accordance with any applicable Business Day Convention) after the Credit Event Determination Date; and

- (B) the tenth 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 sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date if any, as applicable; or
- (ii) if "Physical Settlement" 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, 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 thirtieth 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:
 - (a) the thirtieth calendar day after:
 - (1) a No Auction Announcement Date occurring pursuant to subparagraph (a) of the definition of No Auction Announcement Date, if any; or
 - (2) a No Auction Announcement Date occurring pursuant to subparagraph (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,
 as applicable; or
 - (b) the 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 subparagraph (b) of the definition of No Auction Announcement Date and the Issuer has not exercised the Movement Option in respect of the Securities; or
 - (2) a No Auction Announcement Date occurs pursuant to subparagraph (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 paragraph (c)(i)(B) and paragraph (c)(ii), the relevant Credit Event Resolution Request Date occurred on or prior to the date described in Condition paragraph (c)(i)(A),

the "**Physical Determination Date**".

For the purposes of determining whether such Physical Settlement Notice has been so delivered by the Physical Determination Date, the effective date of delivery of the Physical Settlement Notice (whether or not subsequently changed) shall be used. The Securities may not be physically settled until an effective Physical Settlement Notice is delivered by the Issuer.

If a Physical Settlement Notice in respect of the final Credit Event capable of occurring pursuant to any Physically Settled Securities is not delivered on or before the related Physical Determination Date, the Securities will then be redeemed at their Final Redemption Amount.

- (c) The Calculation Agent may deliver a Succession Event Notice at any time, provided that, in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, the Calculation Agent shall not be obliged to give such Succession Event Notice in order for a Succession Event to occur, notwithstanding whether or not such Succession Event was determined by DC Resolution of the relevant Credit Derivatives Determinations Committee.
- (d) In the case where the Issuer receives a Succession Event Notice, the Issuer will give notice to the Securityholders in accordance with the Conditions that a Succession Event has occurred as soon as reasonably practicable after receiving such Succession Event Notice, provided that for the avoidance of doubt, any failure by the Issuer to give such notice shall not affect the validity of the related Succession Event. In the case where a Succession Event occurs as a result of a Succession Event Resolution Request Date occurring, the Issuer shall not be obliged to give or procure the giving of a notice of a Succession Event to the Securityholders.

14 Settlement Suspension

If, in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, 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 Physical Settlement Date or, to the extent applicable, a Valuation 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 timing requirements of paragraph 13(c) above and the definitions of Cash Settlement Date, Valuation Date, Settlement Notice, Physical Settlement Notice, Physical Settlement Period, and any other Condition as determined by the Calculation Agent in its sole discretion, shall toll and remain suspended 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. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved (i) the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date or (ii) not to determine such matters, the relevant timing requirements of the Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by ISDA..

15 Definitions

“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 Physical Settlement Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments only if “Include Accrued Interest” is specified as 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 Physical Settlement 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 interest or principal accruals not payable on a periodic issue) 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.

“**Asset Amount**” means, in respect of each nominal amount of Securities equal to the Calculation Amount, Deliverable Obligations, as selected by the Calculation Agent in its sole and absolute discretion, with:

- (a) in the case of Deliverable Obligations that are Borrowed Money obligations, 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 obligations, a Due and Payable Amount,

(or, in each case, the equivalent Currency Amount of any such amount) in each case in an aggregate amount as of the relevant Delivery Date equal to the Calculation Amount.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

“**Asset Transfer Notice**” means a duly completed asset transfer notice substantially in the form set out in the Notes Agency Agreement or Warrants and Certificates Agency Agreement (as applicable).

“**Auction**” has the meaning set out in the Transaction Auction Settlement Terms with respect to the relevant Reference Entity.

“**Auction Cancellation Date**” has the meaning set out in the Transaction Auction Settlement Terms with respect to the relevant Reference Entity.

“Auction Cash Settlement Amount” means an amount calculated by the Calculation Agent equal to (a) the Calculation Amount multiplied by (b) the Auction Final Price; provided that in no event shall the Auction Cash Settlement Amount be less than zero. In relation to a Note, where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the Auction Cash Settlement Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“Auction Covered Transaction” has the meaning set out in the Transaction Auction Settlement Terms with respect to the relevant Reference Entity.

“Auction Final Price” means the price, if any, specified to be the relevant Auction Final Price determined in accordance with the Transaction Auction Settlement Terms with respect to the relevant Reference Entity (expressed as a percentage) or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-Off Date, the price, if any, specified to be the Auction Final Price determined in accordance with the applicable Parallel Auction Settlement Terms with respect to the Reference Entity (expressed as a percentage).

“Auction Final Price Determination Date” means the day, if any, on which the Auction Final Price is determined pursuant to the Transaction Auction Settlement Terms with respect to the relevant Reference Entity.

“Auction Settled Securities” means Securities in respect of which (i) the applicable Final Terms specify that the July 2009 Supplement is applicable and (ii) “Auction Settlement” is specified as the applicable Settlement Method in the relevant Final Terms.

“Auction Settlement Date” means the date that is the number of Business Days specified in the relevant Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, 10 Business Days) immediately following the Auction Final Price Determination Date.

“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 Maturity Date, 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 Maturity Date, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (a) to (g) above (inclusive).

“Best Available Information“ means:

- (a) in the case of a Reference Entity which files information (including unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred) with its primary securities regulators or primary stock exchange 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 or, if provided subsequently to 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 regulators, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in paragraph (a) 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.

“Cash Settled Securities“ means Securities in respect of which “Cash Settlement” is specified as the applicable Settlement Method in the relevant Final Terms or where Cash Settlement is the Fallback Settlement Method and a Fallback Settlement Method Event has occurred.

“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.

“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 the purposes of this definition of “Conditionally Transferable Obligation”. For the purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of Conditionally Transferable Obligation, such determination shall be made as of the

Delivery Date, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by, or on behalf of the Issuer.

“Conditions to Settlement” shall be deemed to be satisfied: (i) in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, by the occurrence of a Credit Event Determination Date to the extent that such Credit Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Maturity Date, as applicable, unless the Securities are Physically Settled Securities, in which case all of the Conditions to Settlement shall be deemed to be satisfied by the delivery by the Issuer of a Physical Settlement Notice that is effective on or following the occurrence of a Credit Event Determination Date; and (ii) in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is not applicable, by the delivery (a) by the Calculation Agent to the Issuer of a Credit Event Notice and, if Notice of Publicly Available Information is specified as applying in the applicable Final Terms, a Notice of Publicly Available Information, in each case, that is effective during the Notice Delivery Period and (b) in the case of Physically Settled Securities only, by the Issuer to Securityholders of a Physical Settlement Notice that is effective no later than 30 calendar days after the Credit Event Determination Date.

“Convened DC” has the meaning given to that term in the Rules.

“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 Definitions” means the 2003 ISDA Credit Derivatives Definitions as supplemented by (i) the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions and (ii) the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (the **“July 2009 Supplement”**), each as published by ISDA.

“Credit Derivatives Determinations Committees” means the committees established by ISDA for the 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 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 any additional Credit Event specified in the applicable Final Terms, as determined by the Calculation Agent.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from or is subject to defence based upon:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation, an Underlying Obligor to enter into any Underlying Obligation or an Insured Obligor to enter into any Insured Instrument, as applicable;

- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation, Underlying Obligation or Insured Instrument, as applicable, 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 sub-paragraph (ii) of the definition of Repudiation/Moratorium has occurred with respect to the relevant Reference Entity or Obligation thereof), 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 in the applicable Final Terms as a Condition to Settlement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective 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 sub-paragraphs (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 the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective 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: (i) in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is not applicable, the first date upon which the Credit Event Notice and, if Notice of Publicly Available Information is specified as applying in the applicable Final Terms, the Notice of Publicly Available Information are effective and (ii) in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, the date determined in accordance with the following provisions:

- (a) subject to sub-paragraph (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 a Condition to Settlement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during either:
 - (A) the Notice Delivery Period; or
 - (B) the period 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 sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date, 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 sub-paragraph (a) above, if a DC Credit Event Announcement has occurred, either:

- (A) the Credit Event Resolution Request Date, if either:
 - (I) (1) the relevant Credit Event is not a Restructuring; and
 - (2) either:
 - (y) if the Securities are Auction Settled Securities, 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; or
 - (z) if the Securities are not Auction Settled Securities, the Trade Date occurs on or prior to the relevant DC Credit Event Announcement; or
 - (II) (1) the relevant Credit Event is a Restructuring; and
 - (2) the Credit Event Notice is delivered by the Calculation Agent to the Issuer on or prior to 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:
 - (I) the relevant Credit Event is not a Restructuring;
 - (II) the Securities are not Auction Settled Securities; and
 - (III) the Trade Date occurs following the relevant DC Credit Event Announcement,
 provided that in respect of this sub-paragraph (b):
 - (X) subject to paragraph 8 (*Credit Event Notice after Restructuring Credit Event*) above, no Physical Settlement Date, if applicable, or Maturity Date has occurred on or prior to the date on which the DC Credit Event Announcement occurs;
 - (Y) if any Valuation Date or Delivery Date, as applicable, has occurred as of the date on which the DC Credit Event Announcement occurs, a Credit Event Determination Date shall be deemed to have occurred only with respect to the portion of the outstanding principal amount of a Security, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and
 - (Z) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer, (aa) 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 or (bb) unless, and to the extent that, the Partial Redemption Amount specified in any such Credit Event Notice was less than the then outstanding principal amount of each Security.

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 Physical Settlement Date

(or, if earlier, a Delivery Date), or the Maturity 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 a preceding Interest Payment Date, the Calculation Agent will determine in its sole discretion: (a) the adjustment payment, if any, that is payable to reflect any change that may be necessary to the amounts previously calculated and/or paid under the Securities; (b) the date on which such adjustment payment is payable, if any; (c) the party that is obliged to make such adjustment payment, if any.

“Credit Event Notice” means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred in respect of a Reference Entity or, if “First-to-Default” is specified in the applicable Final Terms, any Reference Entity in the Reference Portfolio, in either case at or after 12:01 a.m., Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time), on (i) in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, the Credit Event Backstop Date or (ii) in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is not applicable, the Trade Date and, in either case, at or prior to 11:59 p.m., Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time), on the Extension 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.

“Credit Event Redemption Amount” means the amount per Calculation 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:

$$A \times B$$

where:

“A” is the Calculation Amount; and

“B” is the Final Price,

provided that in no event shall the Credit Event Redemption Amount be less than zero. In relation to a Note, where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the Credit Event Redemption Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“Credit Event Redemption Date” means the day falling the number of Business Days specified in the applicable Final Terms after the determination of the Final Price, or, if the number of Business Days is not so specified, ten (10) Business Days. For the avoidance of doubt, a Credit Event Redemption Date may fall on a day that is later than the Maturity Date.

“Credit Event Resolution Request Date” means, with respect to a notice to ISDA, delivered in accordance with the ISDA Credit Derivatives Determinations Committee Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Credit Event for purposes of the Securities 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 to be the date 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 ISDA Credit Derivatives Determinations Committee Rules, of Publicly Available Information with respect to the DC Resolutions referred to in sub-clauses (a) and (b) above.

“Currency Amount” means with respect to (a) a Deliverable Obligation specified in a Physical Settlement Notice that is denominated in a currency other than the Settlement Currency, an amount converted to the relevant Settlement Currency using a conversion rate determined by reference to the Currency Rate 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 into the currency of denomination of the relevant Replacement Deliverable Obligation.

“Currency Rate” means:

- (a) with respect to a Deliverable Obligation specified in a Physical Settlement Notice, the rate of conversion between the currency of the Deliverable Obligation and the Settlement Currency determined by the Calculation Agent either by reference to (i) 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 in its sole and absolute discretion in a commercially reasonable manner; and
- (b) a Replacement Deliverable Obligation specified in a 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 Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo 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 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 Question" has the meaning given to that term in the Rules.

"DC Resolution" has the meaning given to that term in the Rules.

"Dealer" means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Dealer specified in the applicable Final Terms. If no Dealers are specified in the applicable Final Terms, the Calculation Agent shall select the Dealers in its sole and absolute discretion. Upon a 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 Dealer(s) for such Dealer(s).

"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, U.S.\$10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Credit Event.

"Defaulted Reference Entity" means the first Reference Entity with respect to which a Credit Event Determination Date occurs or, if a Credit Event Determination Date occurs in respect of more than one Reference Entity on the same day, the first Reference Entity in respect of which either of the following events first occurred: (a) the Credit Event Resolution Request Date (provided that if a Credit Event Resolution Request Date occurs in respect of more than one such Reference Entity on the same day, the first Reference Entity in respect of which ISDA announces that the relevant notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of the relevant Publicly Available Information, in each case in accordance with the definition of "Credit Event Resolution Request Date", shall be deemed to have satisfied this condition first); or (b) the delivery of the Credit Event Notice and, if Notice of Publicly Available Information specified as a Condition to Settlement, the Notice of Publicly Available Information.

"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 Deliverable Obligations comprising the Asset Amount to the relevant Securityholder 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 paragraphs (a) to (d) in the definition of "Credit Event" above) or right of set-off by or of the Reference Entity, Underlying Obligor or Insured Obligor, as applicable); to the extent that (i) the Deliverable Obligations comprising the Asset Amount consists of Qualifying Guarantees, **"Deliver"** means to Deliver both the Qualifying Guarantee and the Underlying Obligation and (ii) the Deliverable Obligations comprising the Asset Amount consists of Qualifying Policies, **"Deliver"** 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). **"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:

- (a) any obligation of a Reference Entity or, if "First-to-Default" is specified as applying in the applicable Final Terms, the Defaulted Reference Entity, (in either case, either directly or as provider of a Qualifying Policy or Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applying 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 each Excluded Deliverable Obligation (if any) 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 the Defaulted Reference Entity, as the case may be, or any applicable Underlying Obligor or Insured Obligor, and (iii) in the case of a Qualifying Policy or Qualifying Guarantee other than a Qualifying Affiliate Guarantee, as the case may be, 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 Insured Instrument or Underlying Obligation, as the case may be, 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) 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 Policy or Qualifying Guarantee other than a Qualifying Affiliate Guarantee, as the case may be, 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 Insured Instrument or Underlying Obligation, as the case may be, shall not be considered a procedural requirement; and
- (d) any Additional Deliverable Obligation of a Reference Entity or the Defaulted Reference Entity, as the case may be, specified as such in the applicable Final Terms.
- (C) ***Method for Determining Deliverable Obligations.*** With respect to any Series, 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) *Interpretation of Provisions* below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case as of the Delivery Date. The following terms shall have the following meanings:
- (1) “**Deliverable Obligation Category**” means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of “Obligation” below), except that, for the purpose of determining Deliverable Obligations, the definition of “Reference Obligations Only” shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only).
- (2) “**Deliverable Obligation Characteristics**” means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of “Obligation” below),

Not Contingent, Assignable Loan, Consent Required Loan, 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 satisfy the “Not Contingent” Deliverable Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting 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 or may exercise 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.

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.

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 the paragraph 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) **“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);

“Maximum Maturity” means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified in the applicable Final Terms;

“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 Physical Settlement 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

“Not Bearer” means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

- (D) **Interpretation of Provisions.** Unless expressly stated in the applicable Final Terms that this paragraph (B) is not applicable to a Series:

- (1) 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) either of the Deliverable Obligation Characteristics “Assignable Loan” or “Consent Required Loan” 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;
- (2) 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 or Consent Required Loan 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
- (3) in the event that a Deliverable Obligation is a Qualifying Guarantee, the following will apply:
 - (i) for the purposes of the application of 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 the purposes of the application of the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Deliverable Obligation Characteristics, if any,

specified in the applicable Final Terms from the following list: Not Subordinated, 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) for the purposes of the application of the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable 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, Transferable, Maximum Maturity, Accelerated or Matured, and Not Bearer;
- (iv) for the purposes of the application of the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor; and
- (v) the terms “Outstanding Principal Balance” and “Due and Payable Amount” (as they are used in these Terms and Conditions, including, without limitation, the definitions of “Cash Settlement Amount” and “Quotation Amount” in paragraph 7 (*Partial Cash Settlement*) above, 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.

“Deliverable Obligation Provisions” has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

“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.

“Delivery Expenses” means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the Delivery of the Asset Amount.

“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 of the aforementioned currencies).

“Downstream Affiliate” means an entity whose outstanding Voting Shares were, at the date of the issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity.

“Due and Payable Amount” means, subject as provided in (B) *Interpretation of Provisions* under 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 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) above;
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (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 paragraphs (a), (b) or (c)(ii) above or (d) below; and
- (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 Maturity Date and following the Limitation Date immediately preceding the Maturity Date (or, in circumstances where the Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

“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 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 Obligation” means any obligation of a Reference Entity specified as such in the applicable Final Terms.

“Exercise Cut-off Date” means, with respect to a Credit Event:

- (a) if such Credit Event is a Restructuring 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 five 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 sub-paragraph (a) of the definition thereof the date that is 21 calendar days following such No Auction Announcement Date.

“Extension Date” means the latest of:

- (a) the Maturity Date;
- (b) where “Grace Period Extension” is specified as applying in the applicable Final Terms, the Grace Period Extension Date if (i) 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 Maturity Date; and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11:59 p.m., Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time), on the Maturity Date; and
- (c) the Repudiation/Moratorium Evaluation Date if (i) 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 that occurs after the Maturity Date; (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11:59 p.m., Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time), on the Maturity Date; and (iii) 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 the fallback settlement method specified (or deemed specified) in the applicable Final Terms.

"Fallback Settlement Method Event" means any one or more of the following:

- (a) an Auction Cancellation Date or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-off Date, a Parallel Auction Cancellation Date occurs;
- (b) a No Auction Announcement Date occurs (and, in circumstances where such No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option);
- (c) 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 sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date"; or
- (d) a Credit Event Determination Date was determined pursuant to sub-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.

"Final List" has the meaning given to that term in the Rules.

"Final Price" means the price of the Reference Obligation (and if "First-to-Default" is specified as applying in the applicable Final Terms, the Reference Obligation of the Defaulted Reference Entity), expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms.

"Full Quotation" means, in accordance with the Quotation Method, each firm quotation obtained from a 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.

"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 later of the Trade Date and 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 Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and the applicable grace period cannot, by its terms, expire on or prior to the Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified in the applicable Final Terms, 30 calendar days; and
- (c) if, at the later of the Trade Date and 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 Maturity Date.

“**Grace Period Business Day**” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, 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 Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) (and such Grace Period(s) is/are continuing as at that date),

the date that is 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 such affiliate to hedge the Issuer’s obligations or position in respect of the Securities.

“**Hedge Disruption Obligation**” means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

“**Hedging Costs**” means, notwithstanding any provisions in the Note Conditions, in respect of the Early Redemption Amount, Optional Redemption Amount, Final Redemption Amount, Auction Cash Settlement Amount, Cash Settlement Amount, Credit Event Redemption Amount or such other amount specified in the relevant Final Terms to be subject to adjustment for Hedging Costs (each a “**Relevant Redemption Amount**”) or the Asset Amount, as the case may be (a) the losses, expenses and costs (if any), including any loss of bargain or cost of funding (in which case the Relevant Redemption Amount will be adjusted downward to the extent of such losses, expenses and costs or, as the case may be, a payment will be made by the Securityholder to the Issuer to the extent of such losses, expenses and costs in respect of the Asset Amount) or (b) the gain (in which case the Relevant Redemption Amount will be adjusted upward to the extent of such gain or, as the case may be, a payment will be made by the Issuer to the Securityholder to the extent of such gain in respect of the Asset Amount), as the case may be, to the Issuer and/or any Affiliate of unwinding, terminating, liquidating, adjusting, obtaining, replacing, settling or re-establishing any underlying and/or related hedging and funding arrangements (including but not limited to any options, currency and derivative trades or selling or otherwise realising any instruments of any type whatsoever which the Issuer

and/or any of its Affiliates may hold as part of such hedging or funding arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

“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 the definition of “Not Contingent” 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).

“Intervening Period” means such period of time as any person other than the relevant Securityholder shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount.

“ISDA” means the International Swaps and Derivatives Association, Inc.

“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 the applicable Final Terms specify otherwise.

“Liquidated Value” means, with respect to a Deliverable Obligation and a Delivery Date, the proceeds received by the Issuer in respect of the sale of such Delivery Obligation as of the Delivery Date on the basis of the following:

- (a) if more than one Full Quotation (for which purpose any reference to “Reference Obligation” in the definition thereof shall be deemed to be a reference to “Deliverable Obligation”) are obtained, the highest of such Full Quotations;
- (b) if only one Full Quotation is obtained, such Full Quotation;
- (c) if only a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (d) if neither a Full Quotation nor a Weighted Average Quotation is obtained, subject to where the Quotation is deemed to be zero, an amount as determined by the Calculation Agent on the next Business Day on which at least one Full Quotation or a Weighted Average Quotation is obtained; or
- (e) if the Quotations are deemed to be zero, the Liquidated Value shall be determined by the Calculation Agent acting in good faith in its sole discretion.

“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 are obtained 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 the Quotations are deemed to be zero, the Market Value shall be zero.

"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) U.S.\$1,000,000 (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:

- (i) in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is not applicable, the date that is the later of (x) the Maturity Date and (y) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other Deliverable Obligations; or
- (ii) in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, the Limitation Date occurring on or immediately following the Maturity Date, provided that, in circumstances where the Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as "Applicable" in the applicable Final Terms and the Maturity Date 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 Maturity Date 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 Maturity Date 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 Maturity Date.

"Movement Option" means, if:

- (i) 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 in respect of the relevant Reference Entity; and
- (ii) a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) of the definition of No Auction Announcement Date,

the option of the Issuer to apply to the Securities, for the purposes of determining the Auction Final Price, 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 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). The Issuer shall be deemed to have exercised such option if the Calculation Agent delivers an effective Notice to Exercise Movement Option to the Issuer on or prior to the Movement Option Cut-off Date. If the Calculation Agent does not deliver an effective Notice to Exercise Movement Option on or prior to the Movement Option Cut-off Date, the Fallback Settlement Method shall apply.

"Movement Option Cut-off Date" means the date that is four Relevant City Business Days following the Exercise Cut-off Date.

"Next Currency Fixing Time" means 4:00 p.m. (London time) on the London Business Day immediately following the date on which the Physical Settlement Notice or relevant Physical Settlement Amendment Notice, as applicable, is effective.

"No Auction Announcement Date" means, in relation to Auction Settled Securities, 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 with respect to Credit Linked Securities 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 only, no Transaction 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 later of (A) the Extension Date and (B) the Deferred Maturity Date (if paragraph 5 (*Deferral of Maturity Date*) above applies).

"Notice to Exercise Movement Option" means, in relation to Auction Settled Securities for which (a) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and (b) the Fallback Settlement Method would otherwise be applicable pursuant to paragraph (b) of the definition of "Fallback Settlement Method Event", an irrevocable notice from the Calculation Agent to the Issuer (which may be in writing (including by facsimile and/or email) and/or by telephone (which the Calculation Agent has the right but not the obligation to deliver)) that (i) specifies the Parallel Auction Settlement Terms applicable with respect to such Auction Settled Securities in accordance with the definition of "Movement Option" and (ii) is effective on or prior to the Movement Option Cut-off Date.

"Notice of Publicly Available Information" means an irrevocable notice from the Calculation Agent (which may be by telephone) 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 (a) and (b) 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 applying 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.

“**Obligation**“ means:

- (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Policy or Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applying in the applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in (A) *Method for Determining Obligations* below (but excluding each Excluded Obligation (if any) specified in the applicable Final Terms);
- (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.

(A) **Method for Determining Obligations.** With respect to any Series, 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 the Credit Event Notice. The following terms shall have the following meanings:

- (1) “**Obligation Category**“ means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Final Terms, where:
 - (i) “**Payment**“ means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
 - (ii) “**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);
 - (iii) “**Reference Obligations Only**“ means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
 - (iv) “**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;
 - (v) “**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
 - (vi) “**Bond or Loan**“ means any obligation that is either a Bond or a Loan.
- (2) “**Obligation Characteristics**“ means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Final Terms, where:

- (i) (a) **“Not Subordinated”** means an obligation that is not Subordinated to the most senior Reference Obligation in priority of payment or, if no Reference Obligation is specified in the applicable Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity. For the 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 shall be determined as of the later of (I) the Trade Date specified in the applicable Final Terms and (II) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date; and
- (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;
- (ii) **“Specified Currency”** means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if “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”**);
- (iii) **“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”;
- (iv) **“Not Domestic Currency”** means any obligation that is payable in any currency other than the Domestic Currency;
- (v) **“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;
- (vi) **“Listed”** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and

- (vii) **“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.

(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) In the event that an Obligation is a Qualifying Guarantee, the following will apply:
- (i) for the purposes of the application of the 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 the purposes of the application of the Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Not Subordinated, 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) for the purposes of the application of the Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable 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, Transferable, Maximum Maturity, Accelerated or Matured, and Not Bearer;
 - (iv) for the purposes of the application of the Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor; and
 - (v) the terms “Outstanding Principal Balance” and “Due and Payable Amount” (as they are used in these Terms and Conditions, including, without limitation, the definitions of “Cash Settlement Amount” and “Quotation Amount” in paragraph 7 (*Partial Cash Settlement*) above, 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.

“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 an 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 paragraph (B)(3)(v) of the definition of “Deliverable Obligation”, in relation to a Reference Obligation or a Deliverable Obligation:

- (a) if that Reference Obligation or Deliverable Obligation, as the case may be, is an Accreting Obligation, the Accreted Amount thereof;
- (b) if that Reference Obligation or Deliverable Obligation, as the case may be, is an Exchangeable Obligation but not an Accreting Obligation, the outstanding principal amount of such obligation excluding 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; and
- (c) in relation to any other Reference Obligation or Deliverable Obligation, as the case may be, the outstanding principal amount of such Reference Obligation or Deliverable Obligation.

“Parallel Auction Cancellation Date” means "Auction Cancellation Date" as defined in the relevant Parallel Auction Settlement Terms.

“Parallel Auction Final Price Determination Date” means "Auction Final Price Determination Date" as defined in the relevant Parallel Auction Settlement Terms.

“Parallel Auction Settlement Date” means "Auction Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

“Parallel Auction Settlement Terms” means, following the occurrence of a Restructuring and provided that 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 the Deliverable Obligation Terms are the same as the Deliverable Obligation Provisions applicable to the Securities and for which any credit derivative transaction(s) related to or underlying the Securities would not be an Auction Covered Transaction.

“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, U.S.\$1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

“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 on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

“Permitted Currency” means (a) 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 (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation 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 Investor Services 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 Date" means the last day of the longest Physical Settlement Period following the satisfaction of the Conditions to Settlement (the **"Scheduled Physical Settlement Date"**), Provided that if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Physical Settlement Date, the Physical Settlement Date shall be the earlier of (a) the second Business Day following the date on which no Hedge Disruption Event exists and (b) the day falling 60 Business Days following the Scheduled Physical Settlement Date.

"Physical Settlement Notice" means a notice from the Issuer to the Securityholders in accordance with the Conditions confirming that the Issuer will, subject to paragraphs 6 (*Procedures for Physical Delivery*) and 8 (*Credit Event Notice after Restructuring Credit Event*) above, redeem the Securities in accordance with paragraph 2 (*Physical Settlement*) above and satisfying the requirements of a Physical Settlement Notice specified in paragraph 2 (*Physical Settlement*) above.

"Physical Settlement Period" means 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 specified in the Physical Settlement Notice, 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.

"Physically Settled Securities" means Securities in respect of which "Physical Settlement" is specified as the applicable Settlement Method in the relevant Final Terms or where Physical Settlement is the Fallback Settlement Method and a Fallback Settlement Method Event 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 (a) 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, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, 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 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 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 or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation;

- (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 that is a Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; or
- (iii) is information contained in any petition or filing instituting 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 winding-up or liquidation against or by a Reference Entity; or
- (iv) is information contained in any order, decree or notice, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

In the event that the Issuer is (x) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation and (y) a holder of the Obligation with respect to which a Credit Event has occurred, the Issuer shall be required to deliver to the Calculation Agent a certificate signed by a Manager Director (or other substantively equivalent title) of the Issuer which shall certify the occurrence of a Credit Event with respect to a Reference Entity.

- (b) 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 delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.
- (c) Publicly Available Information need not state (i) in relation to the determination of any 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”**). 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 discharged, reduced or otherwise altered or assigned (other than by operation of law) 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 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 (the **“Insured Instrument”**) for which another party (including a special purpose entity or trust) is the obligor (the **“Insured Obligor”**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being Delivered together with the Delivery of the Insured Instrument.

In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, the terms of paragraph (B)(2) of the definition of “Obligation” or paragraph (B)(3) of the definition of “Deliverable Obligation”, respectively, 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:

- (a) 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 the Credit Terms in respect of such an Insured Instrument, shall be construed accordingly;
- (b) 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;
- (c) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic “Accelerated or Matured”, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;
- (d) 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;
- (e) 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; and
- (f) paragraph (B)(2)(ii) of the definition of “Obligation” and paragraph (B)(3)(ii) of the definition of “Deliverable Obligation” shall not apply and instead the following shall apply:
 - (a) for the purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Policy and the Insured Instrument 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: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes (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; and

- (b) for the purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Policy must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic “Not Subordinated”, if specified in the applicable Final Terms.

In the event that a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument. References in the definition of “Conditionally Transferable Obligation” to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “final maturity date”, as such term is used in the definitions of “Fully Transferable Obligation”, “Conditionally Transferable Obligation” and “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.

“**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 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 Dealers or more 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 zero.
- (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.
 - (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 specified as such in the applicable Final Terms or, if no amount is specified in the applicable Final Terms, the Calculation Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

“Quotation 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 Dealers;
- (b) **“Offer”** means that only offer quotations shall be requested from Dealers; or
- (c) **“Mid-market”** means that bid and offer quotations shall be requested from Dealers and shall be averaged for the purposes of determining a relevant Dealer’s quotation.

If a Quotation Method is not specified in the applicable Final Terms, Bid shall apply.

“Reference Entity” means each entity specified as such in the applicable Final Terms and any Successor. Any Successor to a Reference Entity identified pursuant to the definition of “Successor” shall be the Reference Entity for the purposes of the relevant Securities.

“Reference Obligation” means each obligation specified or of a type described as such in the applicable Final Terms and any Substitute Reference Obligation.

“Reference Portfolio” means, if “First-to-Default” is specified in the applicable Final Terms, a portfolio comprising all entities (each a **“Reference Entity”**) specified as such in the applicable Final Terms and, in each case, any Successor.

“Relevant Agent” means any applicable agent or agents in respect of the Securities.

“Relevant City Business Day” has the meaning given to that term 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 is 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.

“Repudiation/Moratorium” means the occurrence of both of the following events:

- (a) (i) an authorised officer of a Reference Entity or a Governmental Authority 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
- (ii) 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 Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if

the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium.

“Repudiation/Moratorium Extension Condition” means the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applying in the applicable Final Terms, Notice of Publicly Available Information by the Calculation Agent to the Issuer that is effective during the period from and including the Trade Date to and including the Maturity Date.

“Repudiation/Moratorium Extension Notice” means an irrevocable notice (which may be by telephone) from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or after the Trade Date and on or prior to the Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo 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 given to that term 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 Restructuring that is the subject of a Credit Event Notice 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 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 the Trade Date and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (b) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (c) 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;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency 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 paragraphs (a) to (e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (C) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a) to (e) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity or, in the case of a Qualifying Policy and an Insured Instrument, where (I) 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 (II) such event is not a change in the ranking in the priority of payment of the Qualifying Policy.

For purposes of this definition of “Restructuring” and paragraph 9 (*Provisions relating to Multiple Holder Obligation*) above, the term Obligation shall be deemed to include (i) Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy or (ii) Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applying in the applicable Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Policy or Qualifying Guarantee and an Insured Instrument or Underlying Obligation, as the case may be, references to the Reference Entity in this definition of “Restructuring” and the definition of “Subordination” shall be deemed to refer to the Insured Obligor or Underlying Obligor, as the case may be, and the reference to the Reference Entity in this definition of “Restructuring” shall continue to refer to the Reference Entity.

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 (a) to (e) above shall be deemed to be amended to read as follows:

- “(a) a reduction in the rate or amount of the Instrument Payments described in clause (A)(x) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
- (b) a reduction in the amount of the Instrument Payments described in clause (A)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
- (c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of the Instrument Payments described in clause (A)(x) of the definition thereof or (ii) the payment of the Instrument Payments described in clause (A)(y) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;
- (d) a change in the ranking in priority of payment of (i) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (ii) 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
- (e) 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.”

“**Restructuring Date**” means, with respect to a Restructured Bond or Loan, 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:

- (i) in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is not applicable, the date that is the earlier of (x) 30 months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Maturity Date or later than 30 months following the Maturity Date and, if it is, shall be deemed to be the Maturity Date or 30 months following the Maturity Date, as the case may be; or
- (ii) in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, the Limitation Date occurring on or immediately following the Maturity Date, provided that, in circumstances where the Maturity Date 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 Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan. In the event that the Maturity Date 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 Maturity Date.

"Revised Currency Rate" means, with respect to a Replacement Deliverable Obligation specified in a 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 in its sole and absolute discretion, acting in a commercially reasonable manner.

"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.

"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 (B)(2) 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 the Reference Entity (either directly or as provider of a Qualifying Policy or Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applying in the applicable Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that:
 - (i) a Reference Obligation is redeemed in whole; or
 - (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee or an Insured Instrument with a Qualifying Policy, as the case may be, of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Policy or Qualifying Guarantee, as the case may be, is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity,

the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.

- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* (or, if no such Obligation exists, then, at the Issuer’s option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Trade Date and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Issuer, and (3) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Policy or Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applying 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, 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 the applicable Final Terms, any of the events set forth in paragraph (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
- (d) If more than one specific Reference Obligation is identified as a Reference Obligation in the applicable Final Terms, any of the events set forth in paragraph (a) above has occurred with respect to all of the 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 shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (e) If:

- (i) more than one specific Reference Obligation is identified as a Reference Obligation in the applicable Final Terms, any of the events set forth in paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations; or
- (ii) if only one specific Reference Obligation is identified as a Reference Obligation in the applicable Final Terms, any of the events set forth in paragraph (a) above has occurred with respect to the Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation,

then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date. If (i) either (A) “Cash Settlement” is specified in the applicable Final Terms (or “Auction Settlement” is so specified, a Fallback Settlement Method Event occurs and “Cash Settlement” is specified as the applicable Fallback Settlement Method) and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or (B) either the Securities are Auction Settled Securities or “Physical Delivery” is specified in the applicable Final Terms (or “Auction Settlement” is so specified, a Fallback Settlement Method Event occurs and “Physical Settlement” is specified as the applicable Fallback Settlement Method) and in each case the Reference Obligation is the only Deliverable Obligation and (ii) on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), a Substitute Reference Obligation has not been identified, the Issuer’s obligations under the Securities shall cease as of the end of the day on the Extension Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

- (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 an event such as a merger, demerger, 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; provided that, in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, a “Succession Event” with respect to a Reference Entity that is a Sovereign shall mean 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 (A) an event 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) ,in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, 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 Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

“Succession Event Backstop Date” means, in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable: (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 Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo 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 sub-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 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.

"Succession Event Notice" means, in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, an irrevocable notice from the Calculation Agent (which may be in writing and/or by telephone) to the Issuer that describes a Succession Event that occurred on or after the Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, pursuant to sub-paragraphs (a) or (b) of the definition of "Successor" 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 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.

"Successor" means, unless otherwise specified in the applicable Final Terms:

- (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 the Calculation Agent shall adjust such of the

Conditions as it in its sole and absolute discretion acting in a commercially reasonable manner 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;

- (iv) if one or more entities 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 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 be a Successor, and the Calculation Agent shall adjust such of the Conditions as it in its sole and absolute discretion acting in a commercially reasonable manner 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;
 - (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, any direct or indirect successor to such Reference Entity irrespective of whether such successor assumes any obligation of such Reference Entity, as determined by the Calculation Agent.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but not earlier than 14 calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, each Sovereign and/or entity (if any) that qualifies under (b) above; provided that, in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, the Calculation Agent will not make 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 (b) above, and subparagraphs (a) and (b)(B) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules (until such time, if any, as 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 for the purposes of the Securities has occurred.

In the case of (a) above, 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 14 calendar days after the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set out in (a) (i) to (vi) above have been met, or which entity qualifies under (a) (vi)

above, as applicable; provided that, in the case of Securities in respect of which the applicable Final Terms specify that the July 2009 Supplement is applicable, the Calculation Agent will not make 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 subparagraphs (a) and (b)(A) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules (until such time, if any, as 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 out in (a) above have been met, or which entity qualifies under (a) (vi) above, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information and shall notify the Issuer of such calculation.

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 (1) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (2) 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), insurer or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to this paragraph (a) 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 with respect to a Reference Entity is specified in the applicable Final Terms; and
- (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.

For the purposes of paragraph (a)(iii) or (iv) above, the Issuer shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Conditions 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 making such adjustment, the Issuer shall give notice as soon as practicable to Securityholders in accordance with the Conditions, stating the adjustment to the Conditions and giving brief details of the relevant Succession Event.

“**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, the European Central Bank, the 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 for which any credit derivative transaction(s) related to or underlying the Securities would be an Auction Covered Transaction.

"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 Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Consent Required Loans or Assignable Loans) it is impossible or illegal to Deliver on the Physical Settlement Date.

"Valuation Date" means (a) in the case of Physically Settled Securities, the day falling two Business Days after the Final Delivery Date, or (b) in the case of Cash Settled Securities, if "Single Valuation Date" is specified in the applicable Final Terms, the date that is the number of Business Days specified in the Final Terms after the Credit Event Determination Date or, if the number of Business Days is not so specified, a Business Day selected by the Calculation Agent that is not less than five (5) and not more than sixty (60) Business Days after the Credit Event Determination Date or (c) following the occurrence of a Fallback Settlement Method Event in respect of Auction Settled Securities for which "Cash Settlement" is specified as the applicable Fallback Settlement Method in the applicable Final Terms, the date that is the number of Business Days specified in the Final Terms after the Auction Cancellation Date, if any, the relevant No Auction Announcement Date, if any (as applicable) or the date of such other event giving rise to the Fallback Settlement Method Event or, if the number of Business Days is not so specified, a Business Day selected by the Calculation Agent that is not less than five (5) and not more than sixty (60) Business Days after the relevant date, and if "Multiple Valuation Dates" is specified in the applicable Final Terms, each of the following dates:

- (i) the date that is the number of Business Days specified in the applicable Final Terms after the Credit Event Determination Date (or, if the number of Business Days is not specified, a Business Day selected by the Calculation Agent that is not less than five (5) and not more than sixty (60) Business Days after the Credit Event Determination Date); and
- (ii) 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 for a Series 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 for a Series 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 for a Series with more than one Reference Obligation and only one Valuation Date:

- (i) **“Blended Market”** means the unweighted arithmetic mean of the Market Values 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 for a Series 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.

“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.

“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.

“Weighted Average Quotation” means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance as large a size as available but less than the Quotation Amount (but if “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 the aggregate are approximately equal to the Quotation Amount.

TAXATION

Please refer to the section entitled "*Taxation*" commencing on page 80 of the Notes Base Prospectus in relation to the Notes or page 51 of the Certificates Base Prospectus in relation to the Certificates.

ADDITIONAL SELLING RESTRICTIONS

In respect of each Tranche of Credit Linked Securities issued under the Programme, the Credit Linked Securities may be distributed by the relevant Issuer, or a Manager may, by entering into a purchase agreement, agree with the relevant Issuer the basis upon which it agrees to purchase Credit Linked Securities. See the section entitled “*Subscription and Sale and Transfer and Selling Restrictions*” commencing on page 118 in the Notes Base Prospectus or on page 86 in the Certificates Base Prospectus, as applicable.

Each issuance of Credit Linked Securities shall be subject to the selling restrictions set out in the section entitled “*Subscription and Sale and Transfer of and Selling Restrictions*” commencing on page 118 of the Notes Base Prospectus or on page 86 in the Certificates Base Prospectus, as applicable, and to such additional U.S. selling restrictions as the relevant Issuer or, as the case may be, each Manager may agree as a term of the issuance and purchase of such Credit Linked Securities, which additional selling restrictions shall be set out in the applicable Final Terms. The relevant Issuer or, as the case may be, each Manager of an issue of such Credit Linked Securities will be required to agree that it will offer, sell or deliver such Credit Linked Securities only in compliance with such additional U.S. selling restrictions. In addition, each issuance of Credit Linked Securities will be subject to the transfer restrictions set forth in the section of the Notes Base Prospectus and the Certificates Base Prospectus, as applicable, referred to above in addition to or as supplemented or amended by any other transfer restrictions and restrictions on offering, selling, transferring, pledging, delivering or redeeming the Credit Linked Securities (including any required certifications, including as to non-U.S. beneficial ownership and being located outside the United States, in respect thereof as determined by the relevant Issuer) as set forth in the applicable Final Terms. Additional restrictions (including certification as to non U.S. beneficial ownership) may apply in the context of Credit Linked Securities which provide for Physical Settlement. By its purchase of Credit Linked Securities, any such purchaser will be deemed to have acknowledged, represented and agreed with such restrictions.

FORM OF FINAL TERMS OF THE CREDIT LINKED CERTIFICATES

Set out below is the form of Final Terms which will be completed for each Tranche of Certificates issued under the Programme.

Final Terms dated [Date]

[Standard Chartered Bank] [Standard Chartered Bank (Hong Kong) Limited]¹

Issue of [Aggregate Number of Tranche][Title of Certificates]
under the U.S.\$10,000,000,000
Structured Product Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Credit Terms set forth in the Credit Linked Product Prospectus dated 27 June, 2012 (the "**Product Prospectus**"), which comprises two base prospectuses in respect of, inter alia, the Credit Linked Certificates, constituting one base prospectus for each of Standard Chartered Bank and Standard Chartered Bank (Hong Kong) Limited, for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent such amendments have been implemented in the relevant Member State of the European Economic Area)[, as supplemented by [a] supplement[s] dated []]. This document constitutes the Final Terms of the Credit Linked Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Product Prospectus as so supplemented. Full information on the Issuer and the offer of the Credit Linked Certificates is only available on the basis of the combination of these Final Terms and the Product Prospectus. The Product Prospectus is available for viewing at [address] and [website] and copies may be obtained from [address].]

[Include the next two paragraphs and delete the previous paragraph if the Final Terms are drafted for Credit Linked Certificates that are not to be listed on an EEA regulated market and are not to be offered to the public in the EEA.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Credit Terms set forth in the Credit Linked Product Prospectus dated 27 June, 2012 (the "**Product Prospectus**"), as supplemented at the date hereof. This document must be read in conjunction with the Product Prospectus as so supplemented.

These Final Terms do not constitute final terms for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent such amendments have been implemented in the relevant Member State of the European Economic Area). The Issuer is not offering the Credit Linked Certificates in any jurisdiction in circumstances which would require a prospectus pursuant to the Prospectus Directive. Nor is any person authorised to make such an offer of the Credit Linked Certificates on behalf of the Issuer in any jurisdiction. In addition, no application has been made (nor is it proposed that any application will be made) for listing of the Credit Linked Certificates on any stock exchange. Full information on the Issuer and the offer of the Credit Linked Certificates is only available on the basis of the combination of these Final Terms and the Product Prospectus.]

¹ Delete as applicable

The terms and conditions applicable to the Certificates are the Credit Terms set out in, and the General Terms and Conditions of Certificates incorporated by reference into, the Product Prospectus as completed by these Final Terms. [These Final Terms are available [on the web-site of the Luxembourg Stock Exchange (www.bourse.lu)/specify other]]

[When adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Product Prospectus under Article 16 of the Prospectus Directive.]

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

- | | | |
|----|---|---|
| 1 | [(i)] Issuer: | [Standard Chartered Bank, [acting through its principal office in London]/[acting through its Specified Branch]/ Standard Chartered Bank (Hong Kong) Limited] ² |
| | [(ii)] Specified Branch: | [•] |
| 2 | (i) Series Number: | [•] |
| | (ii) Tranche Number: | [•] |
| | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Certificates become fungible)</i> |
| 3 | Description of Certificates: | Credit Linked |
| 4 | Specified Currency or Currencies: | [•] |
| 5 | Number of Certificates being issued: | |
| | - Series: | [•] |
| | - [Tranche: | [•]] |
| 6 | Issue Price: | [•] per Certificate |
| | | <i>(NB: Certificates which are admitted to trading on a European Economic Area exchange or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will have a minimum issue price per Certificate of €100,000 (or the equivalent in any other currency))</i> |
| 7 | Issue Date: | [•] |
| 8 | Calculation Amount: | [•] per Certificate |
| 9 | Maturity Date: | |
| | <i>(Date on which Final Redemption Amount will be paid)</i> | [[•] Business Days following the Valuation Date (or, if there is more than one Valuation Date, the last such Valuation Date)/[•]] |
| 10 | Put/Call Options | [Investor Put]
[Issuer Call] |

² Delete as applicable.

- [[further particulars specified below]]
- 11 Interim Payment(s):
(Payable by the Issuer on the Interim Payment Date(s)) [Not Applicable/Interim Payment(s) in respect of [●] Certificate(s) will be payable in accordance with the following provisions: [●] [set out relevant provisions]]
- 12 Interim Payment Date(s):
(Date(s) on which the Interim Payment(s) will be paid) [●], provided that if any such day is not a Business Day, it shall be the next Business Day
- 13 Redemption Currency: [The Specified Currency/(specify other)]
- 14 Minimum Transferable Number: [Not Applicable][Integral multiples of [●]]
- 15 [Date [Board] approval for issuance of Certificates obtained: [●]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Certificates)
- 16 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO REDEMPTION

- 17 Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Early Redemption Date(s): [●]
- (ii) If redeemable in part: [●]
- (a) Minimum Redemption Amount: [●]
- (b) Maximum Redemption Amount: [●]
- (iii) Early Redemption Amount of each Certificate and method, if any, of calculation of such amount(s): [●]
- (iv) Notice period (if other than as set out in the Conditions): [●]
- 18 Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Early Redemption Date(s): [●]
- (ii) Early Redemption Amount of each Certificate and method, if any, of calculation of such amount(s): [●]
- (iii) Notice period (if other than as set out in the Conditions): [●]
- (iv) Adjustment for Hedging Costs: [Applicable/Not Applicable]

UNDERLYING ASSETS

- 19 **Index Linked Certificates:** Not Applicable
- 20 **Equity Linked Certificates:** Not Applicable
- 21 **Credit Linked Certificates:** Applicable

The provisions of the Credit Terms shall apply.

- July 2009 Supplement: [Applicable/Not Applicable]
- (i) Final Redemption Amount: [Express per Certificate]
- (ii) Trade Date: [●]
- (iii) First-to-Default: [Applicable/Not Applicable]
(If applicable, specify Reference Entities comprising the Reference Portfolio in sub-paragraph (iv) below. If not applicable, specify the Reference Entity in sub-paragraph (v) below.)
- (iv) Reference Entities comprising the Reference Portfolio: [●]
- (v) Reference Entity: [●]
 Transaction Type: [●]
- (vi) Reference Obligation(s): [●] *(N.B. If "First-to-Default" is applicable, specify for each Reference Entity in the Reference Portfolio)*
- (vii) All Guarantees: [Applicable/Not Applicable] *(N.B. If applicable, the provisions of the 2003 ISDA Credit Derivatives Definitions will apply to any Reference Entity)*
- (viii) Credit Events: [Bankruptcy]
 [Failure to Pay]
 [Grace Period Extension] [Applicable/Not Applicable]
 [If applicable:
 Grace Period: [●] calendar days]
 [Obligation Acceleration]
 [Obligation Default]
 [Repudiation/Moratorium]
 [Restructuring]
 Restructuring Maturity Limitation and Fully Transferable Obligation: [Applicable/Not Applicable] *(Delete the sub-paragraphs below if Restructuring Maturity Limitation and Fully Transferable Obligation is not applicable)*
- Delivery Obligation Category *(select one)*:
 - [Payment]
 - [Borrowed Money]
 - [Reference Obligations Only]
 - [Bond]
 - [Loan]
 - [Bond or Loan]
 - Deliverable Obligation Characteristics: *(select all of which apply)*
 - [Not Subordinated]
 - [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]
[Transferable]
[Maximum Maturity: []]
[Accelerated or Matured]
[Not Bearer]

Modified Restructuring Maturity Limitation and
Conditionally Transferable Obligation:
[Applicable/Not Applicable] (*Delete the sub-paragraphs
below if Modified Restructuring Maturity Limitation and
Conditionally Transferable Obligation is not applicable*)

– Delivery Obligation Category (*select one*):

[Payment]
[Borrowed Money]
[Reference Obligations Only]
[Bond]
[Loan]
[Bond or Loan]

– Deliverable Obligation Characteristics: (*select all
of which apply*)

[Not Subordinated]
[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]
[Transferable]
[Maximum Maturity: []]
[Accelerated or Matured]
[Not Bearer]

Partial Redemption Following Restructuring:

[Applicable/Not Applicable]

*(N.B. Partial Redemption Following Restructuring can only
be applicable if either "Restructuring Maturity Limitation
and Fully Transferable Obligation Applicable" or "Modified
Restructuring Maturity Limitation and Conditionally
Transferable Obligation Applicable" is specified as
"Applicable" in these Final Terms)*

- Multiple Holder Obligation:
 [Applicable/Not Applicable]
- [other] (N.B. If additional Credit Events are specified, consideration should be given as to whether such additional Credit Events are "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)
- Default Requirement: [•]
- Payment Requirement: [•]
- (ix) Conditions to Settlement: Notice of Publicly Available Information [Applicable/Not Applicable]
- [If applicable:
- Public Source(s): [•]
- Specified Number: [•]
- (x) Obligation(s):
- Obligation Category:
 (select one only)
- [Payment]
- [Borrowed Money]
- [Reference Obligations Only]
- [Bond]
- [Loan]
- [Bond or Loan]
- Obligation Characteristics:
 (select all of which apply)
- [Not Subordinated]
- [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): [•]
- (xi) Excluded Obligation(s): [•]
- (xii) Settlement Method: [Cash Settlement/Physical Settlement/Auction Settlement]
- (xiii) Adjustment for Hedging Costs: [Applicable/Not Applicable]
- [Include only where Auction Settlement is applicable.]
- (xiv) Fallback Settlement Method: [Cash Settlement/Physical Settlement/Not Applicable]
- (xv) Partial Accrual of Interest upon Credit Event: [Applicable/Not Applicable]
- (xvi) No Accrual of Interest upon Credit Event: [Applicable/Not Applicable]

<i>Terms relating to Cash Settlement</i>	<i>(If not applicable, specify sub-paragraphs (xvi) to (xxvii) as Not Applicable)</i>
(xvii) Credit Event Redemption Amount:	[Express per Calculation Amount]
(xviii) Adjustment for Hedging Costs:	[Applicable/Not Applicable]
(xix) Credit Event Redemption Date:	[•] Business Days
(xx) Valuation Date:	[Single Valuation Date: [•] Business Days [Multiple Valuation Dates: [•] Business Days; and each [•] Business Days thereafter. Number of Valuation Dates: [•]]
(xxi) Valuation Time:	[•]
(xxii) Quotation Method:	[Bid/Offer/Mid-market]
(xxiii) Quotation Amount:	[•]
(xxiv) [Minimum Quotation Amount:	[•]]
(xxv) Dealers:	[•]
(xxvi) Quotations:	[Include Accrued Interest/Exclude Accrued Interest]
(xxvii) Valuation Method:	[Market/Highest [Average Market/Highest/Average Highest][Blended Market/Blended Highest] [Average Blended Market/Average Blended Highest]
(xxviii) Other terms or special conditions:	[•]
(xxix) <i>Terms relating to Physical Settlement</i>	<i>(If not applicable, specify sub-paragraphs (xxviii) to (xxxix) as Not Applicable)</i>
(xxx) Physical Settlement Period:	[•] Business Days
(xxxi) Asset Amount:	[Include Accrued Interest/Exclude Accrued Interest]
(xxxii) Adjustment for Hedging Costs:	[Applicable/Not Applicable]
(xxxiii) Settlement Currency:	[•]
(xxxiv) Deliverable Obligations:	
Deliverable Obligation Category: <i>(select one only)</i>	[Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]
Deliverable Obligation Characteristics: <i>(select all of which apply)</i>	[Not Subordinated] [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] [Transferable] [Maximum Maturity:[•]] [Accelerated or Matured] [Not Bearer]
	Additional Deliverable Obligation(s):	[•]
	Interpretation of Provisions: (see paragraph (B) of the definition of “Deliverable Obligations”)	[Applicable/Not Applicable][Insert details (N.B. Unless specified as Not Applicable, then paragraph (B) of the definition of “Deliverable Obligations” will apply)]
(xxxv)	Excluded Deliverable Obligation(s):	[•]
(xxxvi)	Indicative Quotations:	[Applicable/Not Applicable]
(xxxvii)	Partial Cash Settlement of Consent Required Loans:	[Applicable/Not Applicable]
(xxxviii)	Partial Cash Settlement of Assignable Loans:	[Applicable/Not Applicable]
(xxxix)	Adjustment for Hedging Costs in the event of a Partial Cash Settlement:	[Applicable/Not Applicable] (Note that this paragraph relates to the payment of Hedging Costs in the event of a Partial Cash Settlement of an Undeliverable Obligation only, and not to Physical Settlement generally, to which paragraph 22(xxix) relates)
(xl)	Cut-off Date:	[•]
(xli)	Delivery provisions for Asset Amount (including details of the party making such delivery) if different from Terms and Conditions:	[•]
(xlii)	Other terms or special conditions:	[•]
22	Commodity Linked Certificates:	Not Applicable
23	Currency Linked Certificates:	Not Applicable
24	Force Majeure Events:	[Applicable/Not Applicable] (If Applicable, specify Relevant Jurisdiction) [Relevant Jurisdiction: [•]]

PAYMENTS

25	Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/give details] (Note that this paragraph relates to the place of payment.)
----	---	---

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

26	Form of Certificates:	Registered Form: [Regulation S Global W&C Security/Unitary Global W&C Security. The Certificates are eligible for sale in the United States to QIBs]
27	Calculation Agent:	[Standard Chartered Bank of 1 Aldermanbury Square, London EC2V 7SB, United Kingdom]

- 28 Additional Certificate Agents (if any): [•]
- 29 Business Centre(s): [•]
- 30 Notices to the Issuer: *[Insert notice details for delivery of notices to the Issuer if specific notice details are required and Condition 8(b) applies]*
- 31 Other Final Terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

- 32 Names and addresses of any Managers: [Not Applicable/give names and addresses]
- 33 Date of Purchase Agreement: [Not Applicable/insert date]
- 34 Additional selling restrictions: *[Not applicable/give details, including any additional, supplemental or amended U.S. selling restrictions, transfer restrictions and certifications that may be required in light of specific terms of the securities, including any certifications as to non-U.S. beneficial ownership required in the case of Certificates providing for physical settlement]*
- 35 Additional U.S. federal income tax consequences [Not Applicable/give details]

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and admission to trading on the *[specify relevant regulated market]*] of the Certificates described herein pursuant to the U.S.\$10,000,000,000 Structured Product Programme of Standard Chartered Bank and Standard Chartered Bank (Hong Kong) Limited.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer 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 [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Certificates to be admitted to trading on *[specify relevant regulated market]* with effect from [●]]
- [Application is expected to be made by the Issuer (or on its behalf) for the Certificates to be admitted to trading on *[specify relevant regulated market]* with effect from [●]]
- [Application has been made by the Issuer (or on its behalf) for the Certificates to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange with effect from [●]]
- [Certificates of the same class have been admitted to trading on *[specify relevant regulated market or equivalent]* from [●]]
- [Not Applicable]
- (Where documenting a fungible issue, need to indicate that original securities are already admitted to trading)*
- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

[Add if applicable][Not Applicable]

[[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 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 and is registered under the CRA Regulation (and, as such 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), disclosed the intention to endorse credit ratings of *[insert the legal name of the relevant non-EU credit rating agency entity]*. While notification of the corresponding final endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that ratings issued in third countries may continue to be used in the EU by relevant market participants for a transitional period ending on 30 April 2012. [Furthermore, on 15 March 2012, ESMA announced its intention that market participants may continue to use for regulatory purposes credit ratings issued in [the United States, Canada, Hong Kong, Singapore] after 30 April 2012]]

[[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**”). The ratings *[[have been]/[are expected to be]]* 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-registered 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]

[[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 relevant competent 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]]

3 ISSUE SPECIFIC RISK FACTORS

[Only add issue specific risk factors here if applicable][Not Applicable]

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

[Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the issue of the Certificates has an interest material to the offer - *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 16 of the Prospectus Directive)*]

5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer

[•]

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

[(ii) Estimated net proceeds:

[•]

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

[(iii) Estimated total expenses:

[•]

(Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”)

6 PERFORMANCE OF [THE/EACH] REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING [THE/EACH] REFERENCE ENTITY (CREDIT LINKED CERTIFICATES ONLY)

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

[Need to include details of [the/each] reference entity and where information on [the/each] reference entity and on the past and future performance and volatility of [the/each] reference entity can be obtained. Include other information concerning [the/each] reference entity required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation]

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

7 OPERATIONAL INFORMATION

(i) ISIN Code:

[•]

(ii) Common Code:

[•]

(iii) Applicable code under any clearing system(s) other than Euroclear Bank

[•]

S.A./N.V. and Clearstream Banking,
société anonyme:

- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of initial Certificate Agent(s): [●]
- (vii) Names and addresses of additional Certificate Agent(s) (if any): [●]

FORM OF FINAL TERMS OF THE CREDIT LINKED NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes under this Product Prospectus for Credit Linked Notes issued under the Programme.

Final Terms dated [Date]

[Standard Chartered Bank/Standard Chartered Bank (Hong Kong) Limited]³

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.\$10,000,000,000
Structured Product Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Credit Terms set forth in the Credit Linked Product Prospectus dated 27 June, 2012 (the "**Product Prospectus**"), which comprises two base prospectuses in respect of the Credit Linked Notes, constituting one base prospectus for each of Standard Chartered Bank and Standard Chartered Bank (Hong Kong) Limited, for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent such amendments have been implemented in a relevant Member State of the European Economic Area)[, as supplemented by [a] supplement[s] dated []]. This document constitutes the Final Terms of the Credit Linked Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Product Prospectus as so supplemented. Full information on the Issuer and the offer of the Credit Linked Notes is only available on the basis of the combination of these Final Terms and the Product Prospectus. The Product Prospectus is available for viewing at [address] and [website] and copies may be obtained from [address].]

[Include the next two paragraphs and delete the previous paragraph if the Final Terms are drafted for Credit Linked Notes that are not to be listed on an EEA regulated market and are not to be offered to the public in the EEA.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Credit Terms set forth in the Credit Linked Product Prospectus dated 27 June, 2012 (the "**Product Prospectus**") as supplemented at the date hereof. This document must be read in conjunction with the Product Prospectus as so supplemented.

These Final Terms do not constitute final terms for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent such amendments have been implemented in a relevant Member State of the European Economic Area). The Issuer is not offering the Credit Linked Notes in any jurisdiction in circumstances which would require a prospectus pursuant to the Prospectus Directive. Nor is any person authorised to make such an offer of the Credit Linked Notes on behalf of the Issuer in any jurisdiction. In addition, no application has been made (nor is it proposed that any application will be made) for listing of the Credit Linked Notes on any stock exchange. Full information on the Issuer and the offer of the Credit Linked Notes is only available on the basis of the combination of these Final Terms and the Product Prospectus.]

³ Delete as applicable.

The terms and conditions applicable to the Notes are the Credit Terms set out in, and the General Terms and Conditions of Notes incorporated by reference into, the Product Prospectus as completed by these Final Terms. [These Final Terms are available [on the web-site of the Luxembourg Stock Exchange (www.bourse.lu)/specify other]]

[Include the next paragraph if the Final Terms are drafted for Credit Linked Notes that are intended to be “qualifying debt securities” under the Income Tax Act, Chapter 134 of Singapore.]

[Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any Credit Linked Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”) shall not apply if such person acquires such Credit Linked Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Credit Linked Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act. For further details, please refer to the section entitled “*Taxation - Singapore Taxation*” in the Notes Base Prospectus.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Product Prospectus under Article 16 of the Prospectus Directive.]

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

- | | | |
|---|-----------------------------------|--|
| 1 | (i) [Issuer:] | [Standard Chartered Bank, [acting through its principal office in London]/[acting through its Specified Branch]/ Standard Chartered Bank (Hong Kong) Limited] ⁴ |
| | (ii) [Specified Branch: | []] |
| 2 | (i) Series Number: | [] |
| | (ii) Tranche Number: | [] |
| | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> |
| 3 | Specified Currency or Currencies: | [] |
| 4 | Aggregate Nominal Amount: | [] |
| | – Series: | [] |
| | – Tranche: | [] |
| 5 | Issue Price: | [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |
| 6 | (i) [Specified Denominations:] | [€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No notes in definitive form will be issued with a denomination above[€199,000]] / [] |

⁴ Delete as applicable.

(N.B. If an issue of Notes is (i) not admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €100,000 minimum denomination is not required)

- (ii) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)*
- (iii) [Unit: []]
- 7 (i) [Issue Date:] []
- (ii) [Interest Commencement Date: []]
- 8 Maturity Date: [Fixed rate – specify date/
Floating rate – Interest Payment Date falling in or nearest to [specify month]]
- 9 Interest Basis: [[] per cent. per annum Fixed Rate]
[[LIBOR/EURIBOR] +/- [] per cent. per annum Floating Rate]
[Zero Coupon]
[Non-interest bearing]
[specify other]
(further particulars specified below)
- 10 Redemption/Payment Basis: [Credit Linked]
[Instalment]
[specify other]
- 11 Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/ Payment Basis]
- 12 Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
- 13 (iii) [Status of the Notes:] [Senior/[Dated/Perpetual]/Subordinated]
- (iv) [[Date [Board] approval for issuance of Notes obtained: []]
(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]
- 14 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15 **Fixed Rate Note Provisions:** [Applicable/Not Applicable]*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (ii) Specified Period(s): []
- (iii) Specified Interest Payment Date(s): [] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business

- Centre(s) for the definition of "Business Day"/not adjusted]*
- (iv) Interest Period Date: [] (Not applicable unless different from the Interest Payment Date)
- (v) Fixed Coupon Amount(s): [[] per Calculation Amount/Not Applicable]
- (vi) Broken Amount(s): [] per Calculation Amount payable on the Interest Payment Date falling on [] [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)/[Not Applicable]*]
- (vii) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) or *specify other*]
- (viii) Determination Date(s): [] in each year
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration) (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)))
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/*Give details*]

- 16 **Floating Rate Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s): []
- (ii) Specified Interest Payment Dates: []
- (iii) First Interest Payment Date: []
- (iv) Interest Period Date: []
 (Not applicable unless different from Interest Payment Date)
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*other (give details and insert full definition)*]
- (vi) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Agent): []
- (viii) Screen Rate Determination:

- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Notes Agency Agreement)
 - Interest Determination Date(s): []
(Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters Page EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (ix) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (x) Margin: [+/-] [] per cent. per annum
- (xi) Minimum Rate of Interest: [] per cent. per annum
- (xii) Maximum Rate of Interest: [] per cent. per annum
- (xiii) Day Count Fraction: [Actual/Actual]/[Actual/Actual-ISDA]
[Actual/365 (Fixed)]
[Actual/360]
[30/360]/[360/360]/[Bond Basis]
[30E/360]/[Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual (ICMA)]
[Other - insert definition]
(See Condition 4 for alternatives)
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
- 17 Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: [] per cent. per annum
 - (ii) Reference Price: []
 - (iii) Any other formula/basis of []

- determining amount payable: *(Consider applicable day count fraction if not U.S. dollar denominated)*
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: *[Conditions 6(e)(iii) and 6(i) apply/specify other]*

PROVISIONS RELATING TO REDEMPTION AND PRO RATA REDUCTION

- 18 Issuer Call: *[Applicable/Not Applicable]*
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): *[]*
- (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): *[] per Calculation Amount*
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: *[] per Calculation Amount*
- (b) Maximum Redemption Amount: *[] per Calculation Amount*
- (iv) Notice period (if other than as set out in the Conditions): *[]*
- (v) Pro Rata Reduction: *[Applicable/Not Applicable]*
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Optional Reduction Date(s): *[]*
- (b) Optional Reduction Amount of each Note and method, if any, of calculation of such amount(s): *[] per Calculation Amount*
- (c) Adjustments to calculation of Calculation Amount, Final Redemption Amount or other relevant provisions: *[]*
- 19 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 of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): []
- (iv) Adjustment for Hedging Costs: [Applicable/Not Applicable]
- 20 Early Redemption Amount:
- (i) Early Redemption Amount of each Note payable on redemption for taxation reasons or on an event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)): [] per Calculation Amount (*N.B. The Early Redemption Amount is generally the same as the Final Redemption Amount (less any Hedging Costs, if appropriate, in the case of a Tax Event)*)
- (ii) If Notes redeemed following a Tax Event (Condition 6(b)) whether redemption may occur at any time or on an Interest Payment Date: [At any time/on an Interest Payment Date] (*NB: where interest is calculated on a variable basis, redemption should occur on an Interest Payment Date*)
- (iii) Adjustment for Hedging Costs: [Applicable/Not Applicable]
- 21 Credit Linked Notes: Applicable
July 2009 Supplement: [Applicable/Not Applicable]
- (i) Final Redemption Amount: [*Express per Calculation Amount*]
- (ii) Trade Date: []
- (iii) First-to-Default: [Applicable/Not Applicable] (*If applicable, specify Reference Entities comprising the Reference Portfolio in sub-paragraph (iv) below. If not applicable, specify the Reference Entity in sub-paragraph (v) below.*)
- (iv) Reference Entities comprising the Reference Portfolio: []
- (v) Reference Entity: []
Transaction Type: []
- (vi) Reference Obligation(s): [] (*N.B. If "First-to-Default" is applicable, specify for each Reference Entity in the Reference Portfolio*)

(vii) All Guarantees: [Applicable/Not Applicable] *(N.B. If Applicable, the provisions of the 2003 ISDA Credit Derivatives Definitions will apply to any Reference Entity)*

(viii) Credit Events: [Bankruptcy]
[Failure to Pay]
[Grace Period Extension [Applicable/Not Applicable]]
[If Applicable:
Grace Period: [] calendar days]
[Obligation Acceleration]
[Obligation Default]
[Repudiation/Moratorium]
[Restructuring]
Restructuring Maturity Limitation and Fully Transferable
Obligation: [Applicable/Not Applicable] *(Delete the sub-paragraphs below if Restructuring Maturity Limitation and Fully Transferable Obligation is not applicable)*

– Delivery Obligation Category (*select one*):

[Payment]
[Borrowed Money]
[Reference Obligations Only]
[Bond]
[Loan]
[Bond or Loan]

– Deliverable Obligation Characteristics: (*select all of which apply*)

[Not Subordinated]
[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]
[Transferable]
[Maximum Maturity: []]
[Accelerated or Matured]
[Not Bearer]

Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: [Applicable/Not Applicable] *(Delete the sub-paragraphs below if Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation is not applicable)*

– Delivery Obligation Category (*select one*):

[Payment]
[Borrowed Money]
[Reference Obligations Only]
[Bond]
[Loan]
[Bond or Loan]

– Deliverable Obligation Characteristics: (*select all of which apply*)

[Not Subordinated]
[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]
[Transferable]
[Maximum Maturity: []]
[Accelerated or Matured]
[Not Bearer]

Partial Redemption Following Restructuring: [Applicable/Not Applicable]

(NB. Partial Redemption Following Restructuring can only be applicable if either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as "Applicable" in these Final Terms)

Multiple Holder Obligation: [Applicable/Not Applicable] [other] *(N.B. If additional Credit Events are specified, consideration should be given as to whether such additional Credit Events are "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)*

Default Requirement: []

Payment Requirement: []

(ix) Conditions to Settlement: Notice of Publicly Available Information [Applicable/Not Applicable]

[If Applicable:

Public Source(s): []]

Specified Number: []]

(x) Obligation(s):

Obligation Category: [Payment]
(*select one only*) [Borrowed Money]

	[Reference Obligations Only]
	[Bond]
	[Loan]
	[Bond or Loan]
Obligation Characteristics: (select all of which apply)	[Not Subordinated]
	[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):	[]
(xi) Excluded Obligation(s):	[]
(xii) Settlement Method:	[Cash Settlement/Physical Settlement/Auction Settlement]
(xiii) Adjustment for Hedging Costs:	[Applicable/Not Applicable] [Include only where Auction Settlement is applicable]
(xiv) Fallback Settlement Method:	[Cash Settlement/Physical Settlement/Not Applicable]
(xv) Partial Accrual of Interest upon Credit Event:	[Applicable/Not Applicable]
(xvi) No Accrual of Interest upon Credit Event:	[Applicable/Not Applicable]
<i>Terms relating to Cash Settlement</i>	<i>(If not applicable, specify sub-paragraphs (xvi) to (xxvii) as Not Applicable)</i>
(xvii) Credit Event Redemption Amount:	[] per Calculation Amount
(xviii) Adjustment for Hedging Costs:	[Applicable/Not Applicable]
(xix) Credit Event Redemption Date:	[] Business Days
(xx) Valuation Date:	[Single Valuation Date: [] Business Days] [Multiple Valuation Dates: [] Business Days; and each [] Business Days thereafter. Number of Valuation Dates: []]
(xxi) Valuation Time:	[]
(xxii) Quotation Method:	[Bid/Offer/Mid-market]
(xxiii) Quotation Amount:	[]
(xxiv) Minimum Quotation Amount:	[]
(xxv) Dealers:	[]
(xxvi) Quotations:	[Include Accrued Interest/Exclude Accrued Interest]
(xxvii) Valuation Method:	[Market/Highest]

	[Average Market/Highest/Average Highest]
	[Blended Market/Blended Highest]
	[Average Blended Market/Average Blended Highest]
(xxviii) Other terms or special conditions:	[]
<i>Terms relating to Physical Settlement</i>	<i>(If not applicable, specify sub-paragraphs (xxviii) to (xl) as Not Applicable)</i>
(xxix) Physical Settlement Period:	[] Business Days
(xxx) Asset Amount:	[Include Accrued Interest/Exclude Accrued Interest]
(xxx1) Adjustment for Hedging Costs:	[Applicable/Not Applicable]
(xxxii) Settlement Currency:	[]
(xxxiii) Deliverable Obligations:	
Deliverable Obligation Category: <i>(select one only)</i>	[Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]
Deliverable Obligation Characteristics: <i>(select all of which apply)</i>	[Not Subordinated] [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] [Transferable] [Maximum Maturity: [] [Accelerated or Matured] [Not Bearer]
Additional Deliverable Obligation(s):	[]
Interpretation of Provisions: <i>(see paragraph (B) of the definition of "Deliverable Obligations")</i>	[Applicable/Not Applicable] <i>[Insert details (N.B. Unless specified as Not Applicable, then paragraph (B) of the definition of "Deliverable Obligations" will apply)]</i>
(xxxiv) Excluded Deliverable Obligation(s):	[]

- | | | |
|-----------|--|---|
| (xxxv) | Indicative Quotations: | [Applicable/Not Applicable] |
| (xxxvi) | Partial Cash Settlement of Consent Required Loans: | [Applicable/Not Applicable] |
| (xxxvii) | Partial Cash Settlement of Assignable Loans: | [Applicable/Not Applicable] |
| (xxxviii) | Adjustment for Hedging Costs in the event of a Partial Cash Settlement: | [Applicable/Not Applicable] <i>(Note that this item relates to the payment of Hedging Costs in the event of a Partial Cash Settlement of an Undeliverable Obligation only, and not to Physical Settlement generally, to which Item 21(xxx) relates)</i> |
| (xxxix) | Cut-Off Date: | [] |
| (xl) | Delivery provisions for Asset Amount (including details of the party making such delivery) if different from Terms and Conditions: | [] |
| (xli) | Other terms or special conditions: | [] |
| 22 | Force Majeure Events: | [Applicable/Not Applicable]
<i>(If Applicable, specify Relevant Jurisdiction)</i>
[Relevant Jurisdiction: []] |

PAYMENTS

- | | | |
|----|--|---|
| 23 | Financial Centre(s) (Condition 5) or other special provisions relating to payment dates: | [Not Applicable/ <i>give details</i>]
<i>(Note that this item relates to the place of payment and not Interest Payment Dates to which Items 15(iii) and 16(ii) relate.)</i> |
|----|--|---|

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|----|----------------|---|
| 24 | Form of Notes: | [Bearer Notes:
Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]*
Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]*
[Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]*

*If a Bearer Global Note is exchangeable for definitive Bearer Notes at the option of Noteholders, the Notes shall be tradable only in principal amounts of at least the Specified Denomination]

[Registered Notes:
[[Regulation S Global Note (U.S.\$[] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg] / [Rule |
|----|----------------|---|

- 144A Global Note (U.S.\$[] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg] exchangeable for Definitive Registered Notes upon an Exchange Event]
- [Regulation S Definitive Registered Notes. Available for Regulation S purchasers only]
- 25 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Applicable/Not Applicable. *If Applicable, give details*]
- 26 Details relating to Instalment Notes:
- Instalment Amount(s): [Not Applicable/*give details*]
- Instalment Date(s): [Not Applicable/*give details*]
- 27 Calculation Agent: [Standard Chartered Bank of 1 Aldermanbury Square, London EC2V 7SB, United Kingdom]
- 28 Business Centre(s): []
- 29 Redenomination: [Applicable/Not Applicable]
- [*If Applicable, specify the terms of Redenomination*]
- 30 Notices to the Issuer: [*Insert notice details for delivery of notices to the Issuer if specific notice details are required and Condition 15(c) applies*]
- 31 Other Final Terms or special conditions: [Not Applicable/*give details*]
- [*When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive*]

DISTRIBUTION

- 32 Names and addresses of any Managers: [Not Applicable/*give names and addresses*]
- 33 Date of Purchase Agreement: [Not Applicable/*inset date*]
- 34 Stabilising Manager (if any): [Not Applicable/*give name*]
- 35 Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [[TEFRA D/ TEFRA 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 rules not applicable]
- 36 Additional selling restrictions: [Not Applicable/*give details, including any additional, supplemental or amended U.S. selling restrictions, transfer restrictions and certifications that may be required in light of specific terms of the securities*]

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the [*specify relevant regulated market*] of the Notes described herein pursuant to the U.S.\$10,000,000,000 Structured Product Programme of Standard Chartered Bank and Standard Chartered Bank (Hong Kong) Limited.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer 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 [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing and admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange with effect from []]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange with effect from []]

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from []]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from []]

[Notes of the same class have been admitted to trading on [specify relevant regulated market or equivalent] from [●]]

[Not Applicable]

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

(ii) Estimate of total expenses related to admission to trading:

[]

2. RATINGS

Ratings:

The Notes to be issued have been rated:

[Fitch: []]

[S & P: []]

[Moody's: []]

[[Other]: []]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[[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 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 and is registered under the CRA Regulation (and, as such 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), disclosed the intention to endorse credit ratings of [insert the legal name of the relevant non-EU credit rating agency entity]. While notification of the corresponding final endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that ratings issued in third countries may continue to be used in the EU by relevant market participants for a transitional period ending on 30 April 2012. [Furthermore, on 15 March 2012, ESMA announced its intention that market participants may continue to use for regulatory purposes credit ratings issued in [the United States, Canada, Hong Kong, Singapore] after 30 April 2012]]

[[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**”). The ratings [[have been]/[are expected to be]] 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-registered 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]

[[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 relevant competent 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]]

3. ISSUE SPECIFIC RISK FACTORS

[Only add issue specific risk factors here if applicable][Not Applicable]

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

[Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the issue of the Credit Linked Notes has an interest material to the offer - *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 16 of the Prospectus Directive)*]

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

[(i) Reasons for the offer

[]

(See “Use of Proceeds” wording in the Notes Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here)

[(ii) Estimated net proceeds:

[]

(If proceeds are intended for more than one use will need to split out and present in order 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”)

6. YIELD (FIXED RATE NOTES ONLY)

Indication of yield:

[]

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

7. HISTORIC INTEREST RATES (FLOATING RATE NOTES ONLY)

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

8. PERFORMANCE OF [THE/EACH] REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING [THE/EACH] REFERENCE ENTITY (CREDIT LINKED NOTES ONLY)

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

[Need to include details of [the/each] reference entity and where information on [the/each] reference entity and on the past and future performance and volatility of [the/each] reference entity can be obtained. Include other information concerning [the/each reference entity] required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation]

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

9. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of initial Paying Agent(s): []
- (vi) Names and addresses of additional Paying Agent(s) (if any): []
- (vii) Name and address of Registrar (which shall be a Relevant Agent where the context requires): []

GENERAL INFORMATION

Authorisation

The establishment, amendment and restatement of the Programme and the issue of Notes (including Credit Linked Notes) by SCB have been duly authorised by (i) a resolution of the Court of Directors of SCB dated 9 November, 2001 and (ii) resolutions of a duly appointed Committee of the Court of Directors of SCB dated 14 December, 2001, 25 November, 2002, 5 May, 2004, 18 December, 2006, 20 May, 2009, 28 July, 2010, 16 September, 2011 and 25 June, 2012. The issue of Warrants and Certificates by SCB have been duly authorised by a resolution of a duly appointed Committee of the Court of Directors of SCB dated 20 May, 2009, 28 July, 2010, 16 September, 2011 and 25 June, 2012. Increase in the Programme size in relation to the Notes and the listing of Warrants and Certificates was authorised by a resolution of the Court of Directors of SCB dated 17 May, 2010.

The addition of SCBHK as an issuer under the Programme and the issue of Notes (including Credit Linked Notes) by SCBHK have been duly authorised by (i) a resolution of SCBHK's Board of Directors dated 13 September, 2006 and (ii) resolutions of a duly appointed committee of the Board of Directors of SCBHK dated 8 December, 2006, 27 February, 2008, 29 May, 2009, 7 September, 2010, 27 September, 2011 and 26 June, 2012. The issue of Warrants and Certificates by SCBHK have been duly authorised by a resolution of a duly appointed committee of the Board of Directors of SCBHK dated 29 May, 2009, 7 September, 2010, 27 September, 2011 and 26 June, 2012. Increase in the Programme size in relation to the Notes and the Listing of Warrants and Certificates was authorised by a resolution of the Board of Directors of SCBHK dated 26 May, 2010.

Approval, Listing and Admission to Trading

Application has been made to the CSSF to approve this Product Prospectus as a base prospectus. The CSSF's approval does not confirm, and the CSSF assumes no responsibility as to, the economic and financial soundness of the transaction and the quality or solvency of the Issuers. Application has also been made to the Luxembourg Stock Exchange for Credit Linked Securities issued under the Programme to be listed on the Official List and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.

The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on Markets in financial instruments.

Documents Available

So long as Credit Linked Securities are capable of being issued under the Programme, copies of the following documents will, when published from time to time, be available from the principal place of business of SCB, from the registered office of SCBHK and from the specified office of the Paying Agents for the time being in London (in the case of Notes) or Certificate Agents for the time being in London (in the case of Certificates):

- (i) the constitutional documents of SCB and SCBHK;
- (ii) the Directors' Report and Financial Statements of SCB in respect of the financial years ended 31 December, 2011 and 31 December, 2010;
- (iii) the Directors' Report and Consolidated Financial Statements of SCBHK in respect of the financial years ended 31 December, 2011 and 31 December, 2010;
- (iv) the Notes Agency Agreement, the SCB Deed of Covenant, the SCBHK Notes Deed of Covenant, the Deed Poll and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

- (v) the Warrants and Certificates Agency Agreement, SCB W&C Deed of Covenant, the SCBHK W&C Deed of Covenant and the forms of the Global W&C Securities;
- (vi) a copy of the Notes Base Prospectus and Certificates Base Prospectus;
- (vii) a copy of this Product Prospectus;
- (viii) a copy of the SCB Registration Document;
- (ix) a copy of the SCBHK Registration Document; and
- (x) any future offering circulars, prospectuses, information memoranda, supplements to the Notes Base Prospectus, Certificates Base Prospectus, Product Prospectuses and Final Terms documents (save that a Final Terms document relating to an unlisted Security will only be available for inspection by a holder of such Security and such holder must produce evidence satisfactory to the relevant Issuer or the relevant Paying Agent or Certificate Agent, as applicable, as to its holding of Credit Linked Securities and identity) and any other documents incorporated herein or therein by reference.

In addition, copies of this Product Prospectus, each Final Terms relating to Credit Linked Securities that are admitted to trading on the Luxembourg Stock Exchange's regulated market and the documents incorporated by reference herein are available for viewing on the website of the Luxembourg Stock Exchange website (www.bourse.lu).

No significant change

As far as SCB is aware and as at the date of this Product Prospectus, there has been no significant change in the financial or trading position of SCB or any of its subsidiaries (the "**SCB Group**") since 31 December, 2011.

As far as SCBHK is aware and as at the date of this Product Prospectus, there has been no significant change in the financial or trading position of SCBHK or any of its subsidiaries (the "**SCBHK Group**") since 31 December, 2011.

No material adverse change

As far as SCB is aware and as at the date of this Product Prospectus, there has been no material adverse change in the prospects of SCB or the SCB Group since 31 December, 2011.

As far as SCBHK is aware and as at the date of this Product Prospectus, there has been no material adverse change in the prospects of SCBHK or the SCBHK Group since 31 December, 2011.

Litigation

As discussed in the "Risk Review" section of Standard Chartered PLC's Annual Report for 2011 (which is incorporated by reference herein) SCB is conducting a review of its historical US sanctions compliance and is discussing that review with US enforcement agencies and regulators. SCB cannot predict when this review and these discussions will be completed or what the outcome will be. Save in relation to the matters described above (in the "Risk Review" section), as far as SCB is aware, SCB (whether as defendant or otherwise) is not engaged in any governmental, legal, arbitration, administrative or other proceedings, including any such proceedings which are pending or threatened of which it is aware, the results of which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position or the operations of SCB or the SCB Group.

As discussed in the "Risk Review" section of Standard Chartered PLC's Annual Report for 2011 (which is incorporated by reference herein) SCBHK is conducting a review of its historical US sanctions compliance and is discussing that review with US enforcement agencies and regulators. SCBHK cannot predict when this review and these discussions will be completed or what the outcome will be. Save in relation to the

matters described above (in the "Risk Review" section), as far as SCBHK is aware, SCBHK (whether as defendant or otherwise) is not engaged in any governmental, legal, arbitration, administrative or other proceedings, including any such proceedings which are pending or threatened of which it is aware, the results of which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position or the operations of SCBHK or the SCBHK Group.

Post-Issuance Information

Neither SCB nor SCBHK intends to provide any post-issuance information, unless required by applicable laws and regulations.

INDEX OF DEFINED TERMS

	Page
€	6
2.5-year Limitation Date	60
2010 PD Amending Directive	1, 85, 98
20-year Limitation Date	60
5-year Limitation Date	60
Accelerated or Matured	54
Accreted Amount	42
Accreting Obligation	43
Asset Amount	43
Asset Transfer Notice	43
Assignable Loan	53
Auction.....	43
Auction Cancellation Date	43
Auction Cash Settlement Amount.....	44
Auction Covered Transaction	44
Auction Final Price.....	44
Auction Final Price Determination Date.....	44
Auction Notice	34
Auction Settled Securities.....	44
Auction Settlement Date	44
Average Blended Highest.....	81
Average Blended Market	81
Average Highest.....	81
Average Market	81
Bankruptcy.....	44
Bearer Notes	1
Best Available Information.....	45
Bid	71
Blended Highest	81
Blended Market	81
Bond	63

Bond or Loan	63
Borrowed Money	63
Capital Market Authority	7
Cash Settled Securities	45
Cash Settlement Amount.....	35
Cash Settlement Date	35
Cash Settlement Notice.....	34, 35
CBB	7
Certificate Balance	45
Certificates.....	1
Certificates Base Prospectus	1
Certificates Conditions.....	27
Commodity Exchange Act	5
Conditionally Transferable Obligation.....	45
Conditions to Settlement	46
Consent Required Loan.....	53
Convened DC	46
Convertible Obligation	46
CRA Regulation.....	3, 94, 95, 113
Credit Derivatives Auction Settlement Terms.....	46
Credit Derivatives Definitions	46
Credit Derivatives Determinations Committees.....	46
Credit Event.....	46
Credit Event Backstop Date	47
Credit Event Determination Date	47
Credit Event Notice.....	49
Credit Event Redemption Amount.....	49
Credit Event Redemption Date.....	49
Credit Event Resolution Request Date.....	49
Credit Events	16
Credit Linked Certificates	1
Credit Linked Notes	1
Credit Linked Securities.....	1
Credit Terms.....	27

CSSF	2
Currency Amount.....	50
Currency Rate	50
Currency Rate Source	50
DC Credit Event Announcement	50
DC No Credit Event Announcement.....	50
DC Question	51
DC Resolution	51
Dealer	51
Default Requirement.....	51
Defaulted Reference Entity.....	51
Deferred Maturity Date	31
Deliver	51
Deliverable Obligation	51
Deliverable Obligation Category.....	52
Deliverable Obligation Characteristics.....	52
Deliverable Obligation Provisions.....	55
Deliverable Obligation Terms	55
Delivered	51
Delivery.....	51
Delivery Date	55
Delivery Expenses.....	55
Delivery Shortfall	35
Domestic Currency	55
Downstream Affiliate.....	55
Due and Payable Amount.....	55
Eligible Transferee.....	56
Enabling Obligation	56
Equity Securities.....	56
euro	6
Exchange Act	7
Exchangeable Obligation.....	56
Excluded Obligation.....	57
Exercise Cut-off Date	57

Extension Date	57
Failure to Pay	57
Fallback Settlement Method	58
Fallback Settlement Method Event	58
Final Delivery Date	33
Final List	58
Final Price.....	58
Final Terms.....	2
Force Majeure Event	38
Full Quotation	58
Fully Transferable Obligation.....	58
Global Security	31
Global W&C Securities	6
Government Authority.....	40
Governmental Authority.....	58
Grace Period	58
Grace Period Business Day	59
Grace Period Extension Date	59
Group.....	13
Hedge Disruption Event.....	19, 59
Hedge Disruption Obligation.....	19, 59
Hedging Costs	59
Highest	80, 81
Income Tax Act.....	99
Indicative Quotation.....	35
Instrument Payments.....	60
Insured Instrument.....	69
Insured Obligor	69
Intervening Period	60
ISDA	60
Issuer	1
Issuers	1
July 2009 Supplement.....	21, 46
Latest Maturity Restructured Bond or Loan.....	74

Legended Notes	6
Limitation Date	60
Liquidated Value	60
Listed	64
Loan	63
Local Currency	39
Manager	2
Market	80
Market Value	35, 60
Maximum Maturity	54
Mid-market	71
Minimum Quotation Amount	61
Modified Eligible Transferee	61
Modified Restructuring Maturity Limitation Date	61
Movement Option	61
Movement Option Cut-off Date	62
Multiple Holder Obligation	37
Next Currency Fixing Time	62
No Auction Announcement Date	62
Not Bearer	54
Not Contingent	53
Not Domestic Currency	64
Not Domestic Issuance	65
Not Domestic Law	64
Not Sovereign Lender	64
Not Subordinated	64
Notes	1
Notes Base Prospectus	1
Notes Conditions	27
Notes Deed Poll	7
Notice Delivery Period	62
Notice of Publicly Available Information	62
Notice to Exercise Movement Option	62
Obligation	63

Obligation Acceleration.....	65
Obligation Category.....	63
Obligation Characteristics.....	63
Obligation Currency.....	66
Obligation Default.....	66
Offer.....	71
Official List.....	2
Outstanding Principal Balance.....	66
Parallel Auction Cancellation Date.....	66
Parallel Auction Final Price Determination Date.....	66
Parallel Auction Settlement Date.....	66
Parallel Auction Settlement Terms.....	66
Partial Redemption Amount.....	37
Payment.....	63
Payment Requirement.....	66
Permissible Deliverable Obligations.....	66
Permitted Currency.....	66
Physical Determination Date.....	41
Physical Settlement Amendment Notice.....	29
Physical Settlement Date.....	67
Physical Settlement Notice.....	67
Physical Settlement Period.....	67
Physically Settled Securities.....	67
Potential Failure to Pay.....	67
Potential Repudiation/Moratorium.....	67
Product Prospectus.....	85, 98
Programme.....	1
Prospectus Act.....	2
Prospectus Directive.....	1, 85, 98
Public Source.....	67
Publicly Available Information.....	67
QIBs.....	6
Qualifying Affiliate Guarantee.....	68
Qualifying Guarantee.....	68

Qualifying Policy	69
Quotation	36, 70
Quotation Amount	36, 70
Quotation Method	37, 71
Reference Entity	11, 16, 71
Reference Obligation	37, 71
Reference Obligations Only	63
Reference Portfolio	71
Registered Notes	1
Registration Documents	23
Regulated Market	2
Regulation S	5
Regulation S Global W&C Security	6
Relevant Agent	71
Relevant City Business Day	71
Relevant Jurisdiction	40
Relevant Member State	4
Relevant Obligations	71
Relevant Redemption Amount	59
Replacement Deliverable Obligation	29
Repudiation/Moratorium	71
Repudiation/Moratorium Evaluation Date	71
Repudiation/Moratorium Extension Condition	72
Repudiation/Moratorium Extension Notice	72
Resolve	72
Resolved	72
Resolves	72
Restructured Bond or Loan	72
Restructuring	72
Restructuring Date	73
Restructuring Maturity Limitation Date	74
Revised Currency Rate	74
Rule 144A	6
Rules	2, 46

SCB	1
SCB Group	117
SCB Registration Document.....	23
SCBHK	1
SCBHK Group	117
SCBHK Registration Document.....	23
Scheduled Physical Settlement Date	67
SCPLC.....	10
Securities	1, 10
Securities Act.....	5
Securities Base Prospectus.....	1
Senior Obligation	64
Settlement Currency.....	74
Settlement Notice	27, 28
Sovereign	74
Sovereign Agency	74
Sovereign Restructured Deliverable Obligation.....	74
Specified Currency	64
Specified Number	74
Standard Specified Currencies.....	64
Structured Notes.....	26
Subordinated	64
Subordinated Obligation	64
Subordination	64
Substitute Reference Obligation.....	75
succeed	79
Succession Event.....	76
Succession Event Backstop Date.....	76
Succession Event Notice	77
Succession Event Resolution Request Date	77
Successor	77, 79
Supranational Organisation.....	79
Trade Date.....	79
Transaction Auction Settlement Terms	80

Transaction Type.....	80
Transferable	53
U.S. dollars	6
U.S.\$.....	6
Unassignable Obligation.....	35
Undeliverable Loan Obligation	34
Undeliverable Obligation	80
Underlying Obligation	68
Underlying Obligor	68
Unitary Global W&C Security	6
Valuation Date	80
Valuation Method.....	37, 80
Valuation Time.....	37, 81
Voting Shares	81
Warrants	1
Warrants and Certificates Deed Poll	7
Weighted Average Quotation	82

PRINCIPAL OFFICE OF SCB

Standard Chartered Bank

1 Aldermanbury Square
London
EC2V 7SB
United Kingdom

REGISTERED OFFICE OF SCBHK

Standard Chartered Bank (Hong Kong) Limited

32nd Floor, 4-4A Des Voeux Road Central
Hong Kong

**ISSUING AND PRINCIPAL PAYING AGENT AND EXCHANGE AGENT
AND PRINCIPAL CERTIFICATE AGENT**

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London
EC2N 2DB
United Kingdom

LUXEMBOURG CERTIFICATE AGENT

Deutsche Bank Luxembourg S.A.

2 Boulevard Konrad Adenauer
L-1115 Luxembourg

REGISTRAR

Deutsche Bank Luxembourg S.A.

2, Boulevard Konrad Adenauer
L-1115 Luxembourg

PAYING AGENT AND TRANSFER AGENT

Deutsche Bank Luxembourg S.A.

2, Boulevard Konrad Adenauer
L-1115 Luxembourg

LEGAL ADVISERS

To the Issuers as to English law

Allen & Overy LLP
One Bishops Square
London
E1 6AD
United Kingdom

AUDITORS

To SCB

KPMG Audit Plc
15 Canada Square
London
E14 5GL
United Kingdom

To SCBHK

KPMG
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.
2, Boulevard Konrad Adenauer
L-1115 Luxembourg