Export Development Canada
(An agent of Her Majesty in right of Canada)

USD30,000,000,000
Programme for the
Issuance of Debt Instruments

*This document (the "**Offering Memorandum**") constitutes an offering memorandum in respect of the Programme (as defined below). Instruments (as defined below) issued on or after the date of this Offering Memorandum are issued subject to the provisions herein. This Offering Memorandum does not constitute a base prospectus for the purpose of Article 5.4 of Directive 2003/71/EC as amended (including by Directive 2010/73/EU and including any relevant implementing measure in the relevant Member State of the European Economic Area), (the "**Prospectus Directive**").*

Under the programme for the issuance of debt instruments (the "**Programme**") which is described in this Offering Memorandum, Export Development Canada (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt instruments (the "**Instruments**") denominated in any currency agreed by the Issuer and the relevant purchaser. The aggregate principal amount of Instruments issued under the Programme will not at any time exceed USD30,000,000,000 (or the equivalent in other currencies).

Application has been made to the Luxembourg Stock Exchange for Instruments issued under the Programme during the period of twelve months following the date of this document to be admitted to the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange (the "**Euro MTF Market**"). The Euro MTF Market is not a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (as amended or replaced, "**MiFID**"). The Programme provides that Instruments may be listed or admitted to trading, as the case may be, on such further or other stock exchanges or markets as the Issuer and the relevant Dealer(s) (as defined herein) may agree as specified in the applicable Pricing Supplement (as defined herein), subject to compliance with all applicable laws and the rules of such stock exchange. The applicable Pricing Supplement will specify whether the Instruments are to be listed and the stock exchange or market on which they will be listed, or whether the Instruments will not be listed.

This Offering Memorandum is a "prospectus" for the purposes of admission to listing on the Official List of the Luxembourg Stock Exchange and admission to trading of the Instruments on the Euro MTF Market in accordance with the rules and regulations of the Luxembourg Stock Exchange and Part IV of the Luxembourg law dated July 10th, 2005 on prospectuses for securities, as amended. **THIS DOCUMENT DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF ARTICLE 5.4 OF THE PROSPECTUS DIRECTIVE.**

There are certain risks related to an investment in the Instruments which investors should ensure they fully understand. See "*Risk Factors*" at page 7 hereof.

This Offering Memorandum supersedes any previous offering memorandum or prospectus in relation to the Programme.

Arranger
HSBC

December 19, 2017

IMPORTANT NOTICES

The Issuer has prepared this document for the purpose of giving information with regard to the Programme, the Instruments to be issued thereunder, itself as the issuer of such Instruments and Canada.

RESPONSIBILITY

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

OTHER RELEVANT INFORMATION

This Offering Memorandum is to be read in conjunction with any supplements issued from time to time and all documents deemed incorporated herein and in any such supplement by reference (see "*Documents Incorporated by Reference*") and shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Memorandum. This document will, in relation to each Tranche of Instruments issued under the Programme, be supplemented by a pricing supplement (the "**Pricing Supplement**"). In relation to any Tranche of Instruments, this Offering Memorandum should also be read and construed together with the applicable Pricing Supplement.

No representation or warranty is made or implied by the Arranger or any of its affiliates and neither the Arranger nor its affiliates accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Memorandum. Neither the Arranger nor any dealer appointed in respect of an issue of Instruments (a "**Dealer**") has separately verified the information contained in this Offering Memorandum.

NOTICES REGARDING OFFERS IN THE EUROPEAN ECONOMIC AREA

This Offering Memorandum has been prepared on the basis that all offers of Instruments in any member state (the "**Member States**" and each, a "**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 (to the extent implemented in that Member State and including any relevant implementing measure in that Member State), from the requirement to produce or publish a prospectus for offers of Instruments. Accordingly, any person making or intending to make any offer within a Relevant Member State of the Instruments which are the subject of an offering contemplated in this Offering Memorandum as completed, supplemented or modified by the applicable Pricing Supplement in relation to those Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to produce or publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer.

In the case of any Instruments which are to be offered to the public in a Relevant Member State in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive, either the minimum specified denomination shall be at least EUR100,000 (or its equivalent in any other currency) or the offer must be made only to persons in that Member State who are qualified investors within the meaning of the Prospectus Directive.

If and to the extent that this Offering Memorandum is communicated in, or an offer of Instruments under the Programme is made in any Relevant Member State, this Offering Memorandum and the offer are only addressed to and directed at persons in that Member State who are qualified investors within the meaning of the Prospectus Directive (or who are other persons to whom the offer may lawfully be addressed) and must not be acted upon by other persons in that Relevant Member State. The Issuer does not consent to the use of this Offering Memorandum in any other circumstances.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Instruments in circumstances in which an obligation arises for the Issuer or any Dealer to publish a prospectus or supplement a prospectus pursuant to the Prospectus Directive for such offer. Neither the Issuer nor any Dealers have authorized, nor do they authorize, the making of any offer of the Instruments through any financial intermediary, other than offers made by the relevant Dealers which constitute the final placement of the Instruments contemplated in the applicable Pricing Supplement.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

If the Pricing Supplement in respect of Instruments includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Instruments are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE

If the Pricing Supplement in respect of Instruments includes a legend entitled "MiFID II Product Governance/Professional investors and ECPs only target market", then solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of such Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UNAUTHORISED INFORMATION

None of the Arranger, any Dealer, salesperson or any other person has been authorised to give any information or to make any representation not contained in or not otherwise consistent with this Offering Memorandum (as the same may be supplemented from time to time) or any other information supplied by the Issuer in connection with the Programme or the issue or sale of the Instruments and, if given or made, any such information or representation should not be relied on as having been authorised by the Issuer or the Arranger.

CURRENCY OF INFORMATION

Neither the delivery of this Offering Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that the information contained herein is true subsequent to the date hereof or the date upon which this Offering Memorandum has been most recently supplemented or that there has been no adverse change in the financial situation of the Issuer or Canada since the date hereof or, as the case may be, the date upon which this Offering Memorandum has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

INDEPENDENT EVALUATION

None of this Offering Memorandum, any Pricing Supplement, any financial statements or any further information supplied in connection with the Instruments or the Programme constitutes an offer or an invitation to subscribe for or to purchase any Instruments or is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or a statement of opinion (or a report of either of these things) by the Issuer, the Arranger or any Dealer that any investor(s) or any recipient of this Offering Memorandum or any information incorporated by reference herein or any further information supplied in connection with the Instruments or the Programme (including the Pricing Supplement) should subscribe for, or purchase, any Instruments. Each investor contemplating purchasing Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness and the condition (financial or otherwise) of the Issuer and Canada. Each potential investor in Instruments should determine for itself the relevance of the information contained in this Offering Memorandum and its purchase of Instruments should be based upon such investigation as it deems necessary. The Arranger expressly does not undertake to review the financial condition or affairs of the Issuer or Canada during the life of the Programme or to advise any investor or potential investor in the Instruments of any information coming to the attention of the Arranger.

RESTRICTIONS ON USE AND DISTRIBUTION

This Offering Memorandum does not constitute or form part of any offer or invitation to sell Instruments and is not soliciting any offer to buy Instruments in any jurisdiction where such offer or sale is not permitted. Neither this Offering Memorandum nor any Pricing Supplement may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

The distribution of this Offering Memorandum or any Pricing Supplement and the offering, sale and delivery of Instruments in certain countries and jurisdictions may be restricted by law. In particular, no action has been taken by the Issuer which would permit a public offering of the Instruments or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, the Instruments may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this Offering Memorandum comes are required by the Issuer to inform themselves about, and to observe, any such restrictions.

Instruments have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Instruments in bearer form which are subject to United States tax law requirements. Subject to certain exceptions relating to sales made to "Qualified Institutional Buyers" in reliance on Rule 144A promulgated under the Securities Act ("**Rule 144A**") as more fully described under the heading "*Subscription and Sale*" herein, Instruments may not be offered, sold or, in the case of Instruments issued in bearer form, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). Instruments shall be subject to restrictions on transfer as set forth under the heading *"Transfer Restrictions"* herein.

This Offering Memorandum and the applicable Pricing Supplement have been prepared for use in connection with the offer and sale of Instruments outside the United States to Non-U.S. persons in reliance on Regulation S and within the United States to "**Qualified Institutional Buyers**" in reliance on Rule 144A. Prospective investors are hereby notified that sellers of the Instruments may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

For a description of these and certain further restrictions on offers, sales and deliveries of the Instruments and distributions of this Offering Memorandum and other offering material relating to the Instruments and any related Pricing Supplement, in the United States of America, Japan, Switzerland, the EEA (including the United Kingdom), the People's Republic of China, Singapore, Hong Kong, New Zealand, India and Brazil see "*Subscription and Sale*".

INVESTMENT CONSIDERATIONS

Instruments may not be a suitable investment for all investors. Each potential investor in any Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Instruments, the merits and risks of investing in the relevant Instruments and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement hereto;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Instruments and the impact such investment will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Instruments, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the relevant Instruments and is familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A range of Instruments may be issued under the Programme, including Instruments with a fixed or floating rate of interest, Instruments with a variable rate of interest and Instruments that may be payable in a currency other than the currency in which they are denominated. These Instruments may have features which contain particular risks for potential investors. Accordingly, a potential investor should not invest in Instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of such Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

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

CREDIT RATINGS

The Programme has been rated AAA by Standard & Poor's Ratings Services ("**Standard & Poor's**") and Aaa by Moody's Canada Inc. ("**Moody's**"). In addition, the Issuer has received a rating of AAA from Standard & Poor's and Aaa from Moody's Investors Service Inc. Tranches of Instruments to be issued under the Programme may be rated or unrated. Where a Tranche of Instruments is rated, such rating may be specified in the applicable Pricing Supplement. Such ratings will not necessarily be the same as the ratings assigned to the Programme or any Instruments already issued. **A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

DEFINITIONS

References herein to:

"**Brazilian Real**" or "**BRL**" means the lawful currency of the Federative Republic of Brazil;

"**euro**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;

"**Indian Rupee**" or "**INR**" means the lawful currency of the Republic of India;

"**Pounds Sterling**" or "**£**" means the lawful currency of the United Kingdom;

"**Renminbi**" or "**RMB**" means the lawful currency of the PRC; and

"**USD**", "**United States Dollars**" or "**U.S.$**" means the lawful currency of the United States of America.

All references in this Offering Memorandum to:

(a) the "**European Economic Area**" or "**EEA**" are to the member states of the European Union together with Iceland, Norway and Liechtenstein; and

(b) "**PRC**" are to the People's Republic of China, which for the purposes of Instruments issued under the Programme excludes the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan.

STABILISATION

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

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OVERVIEW OF THE PROGRAMME

The overview of the Programme must be read as an introduction to this Offering Memorandum and any decision to invest in the Instruments should be based on a consideration of this Offering Memorandum as a whole, including the information and documents incorporated by reference.

*The terms and conditions (the "**Conditions**") of any particular Tranche of Instruments will be the terms and conditions substantially in the form set out under "Terms and Conditions of the Instruments" as supplemented, modified or replaced by Part A of the Pricing Supplement applicable thereto and, in respect of any Instruments represented by an Instrument in global form (a "**Global Instrument**"), by the provisions of such Global Instrument. Words and expressions defined in the Conditions and in the applicable Pricing Supplement shall have the same meanings in this overview.*

Issuer:	Export Development Canada (the "**Issuer**") Pursuant to the provisions of the *Financial Administration Act* (Canada) the Issuer is named as a Crown corporation and is for all purposes an agent of Her Majesty in right of Canada.
Fiscal Agent:	The Bank of New York Mellon
Registrar(s):	The Bank of New York Mellon (New York) as Principal Registrar The Bank of New York Mellon SA/NV, Luxembourg Branch as First Alternative Registrar The Bank of New York Mellon, London Branch as Second Alternative Registrar
Arranger:	HSBC Bank plc
Programme Amount:	The aggregate principal amount of Instruments which may be outstanding at any time under the Programme will not exceed USD30,000,000,000 (or the equivalent in other currencies). The aggregate principal amount of Instruments outstanding at any time under the Programme is calculated by using the USD equivalent of the principal amount of each outstanding series of Instruments as at the issue date for that series.
Issuance in Series:	The Instruments will be issued in series (each a "**Series**"), and each Series may comprise one or more tranches (each a "**Tranche**") of Instruments issued on the same or different dates. All Instruments of the same Series shall have identical terms, other than in respect of the issue price, issue date and first payment of interest (save that a Series may comprise Instruments in more than one denomination and Instruments in bearer form and Instruments in registered form). Tranches may be issued on different issue dates and at different issue prices and, after the applicable Exchange Date (as defined herein), each such Tranche will be consolidated and form a single Series with the outstanding Instruments of that Series. Each Tranche will be the subject of a Pricing Supplement which, for the purposes of that Tranche only, supplements, modifies or replaces the Conditions of the Instruments, and must be read in conjunction with the Conditions and this Offering Memorandum. The terms and conditions applicable to any particular Tranche of Instruments are the Conditions of the Instruments as so supplemented, modified or replaced by the relevant Pricing Supplement.
Status:	The Instruments constitute direct unconditional obligations of the Issuer and as such constitute direct unconditional obligations of Her Majesty in right of Canada. The Instruments will be issued on an unsubordinated basis and as among themselves, the Instruments of each Series will rank *pari passu* and will be payable rateably without any preference or priority.
Currencies:	Instruments may be denominated in any currency(ies) as may be agreed between the Issuer and the relevant Purchaser(s), subject to all applicable legal, regulatory and/or central bank or monetary authority requirements. Payments for Instruments may, subject to such requirements, be made in currency(ies) other than the currency in which such Instruments are denominated.

Issue Price:	Instruments may be issued at par or at a discount or premium to par, or at such other price or on such other basis as agreed.
Maturities:	Instruments shall have no minimum or maximum maturity subject, in relation to specific currencies, to compliance with all applicable legal, regulatory and/or central bank or monetary authority requirements.
Redemption:	Unless previously redeemed for taxation reasons or purchased and cancelled, Instruments will be redeemed at their principal amount or at such other redemption amount on their maturity date or at such other date as specified in the applicable Pricing Supplement.
Early Redemption:	Early redemption will be permitted for taxation reasons as mentioned in "*Terms and Conditions of the Instruments — Early Redemption for Taxation Reasons*" herein.
Interest:	Instruments may be interest-bearing (fixed, floating or a combination thereof or on such other basis as agreed and specified in the applicable Pricing Supplement) or non-interest-bearing.
Fixed Rate Instruments:	Fixed Rate Instruments shall bear interest payable in arrear on the date or dates in each year and at the rate or rates specified in the applicable Pricing Supplement.
Floating Rate Instruments:	Floating Rate Instruments will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant specified currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (as amended and updated as at the Issue Date of the first Tranche of Instruments of the relevant Series); (b) by reference to a reference rate appearing on an agreed screen page of a commercial quotation service; (c) as the average of the reference rates applicable for each Interest Determination Date in the relevant Interest Period; or (d) on such other basis as agreed, as specified in the applicable Pricing Supplement, and in each case as adjusted by any applicable margin. Interest Periods will be specified in the applicable Pricing Supplement. Details of the interest rate applicable to the then current Interest Period for any Floating Rate Instruments will, so long as such Instruments are listed on the Euro MTF Market, be available from the Luxembourg Stock Exchange.
Zero Coupon Instruments:	Zero Coupon Instruments may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Instruments:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Instruments will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Purchaser(s) may agree as indicated in the applicable Pricing Supplement.
Variable Interest Instruments:	Variable Interest Instruments will bear interest at a rate determined on the basis of a formula either adding or subtracting a reference floating rate appearing on the agreed screen page of a commercial quotation service to or from a pre-determined fixed or floating rate with or without a margin ratchet.
Other provisions in relation to Floating Rate Instruments and Variable Interest Instruments:	Floating Rate Instruments may also have a maximum interest rate, a minimum interest rate or both. Interest in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Purchaser(s) or determined in accordance with the Conditions, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Pricing Supplement, and will be calculated on the basis of the Day Count Fraction specified in the applicable Pricing Supplement.
Denominations:	Instruments will be issued in such denominations as agreed between the Issuer and the relevant Purchaser(s) and as indicated in the applicable Pricing Supplement (the "**Specified Denomination**"), save that Instruments offered to the public in a Relevant Member State in circumstances which would otherwise require publication of a

prospectus under the Prospectus Directive shall have a minimum Specified Denomination of not less than €100,000 (or its equivalent in any other currency).

Instruments which have a maturity of less than one year will, if the issue proceeds are to be accepted in the United Kingdom, have a minimum denomination and a minimum redemption value of £100,000 (or its equivalent in any other currency) unless they are issued to a limited class of professional investors or another applicable exemption from Section 19 of FSMA is available.

Rule 144A Notes shall have a minimum denomination of not less than USD100,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Purchaser(s)). If Rule 144A Notes are offered to the public in a Relevant Member State in circumstances which would otherwise require publication of a prospectus under the Prospectus Directive, such Rule 144A Notes shall have a minimum denomination of not less than USD100,000 or the United States Dollar equivalent of €100,000 (rounded upwards as agreed between the Issuer and the relevant Purchaser(s)), whichever is greater.

Taxation: Payments in respect of the Instruments will be made by the Issuer without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the government of Canada or any political subdivision thereof, or any authority or agency therein having power to tax, unless such taxes, duties, assessments or charges are required by law or by the administration or official interpretation thereof to be withheld or deducted. In that event, subject to customary exemptions, the Issuer will pay such additional amounts as will result in the holder of Instruments or Coupons receiving such amounts as they would have received in respect of such Instruments or Coupons had no such withholding or deduction been required, save as mentioned in "*Terms and Conditions of the Instruments — Taxation*" herein.

Governing Law: The Instruments and all related contractual documentation will be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Listing: Application has been made to the Luxembourg Stock Exchange for Instruments issued under the Programme during the 12 month period after the date of this Offering Memorandum to be admitted to the Official List and admitted to trading on the Euro MTF Market. The Euro MTF Market is not a regulated market for the purposes of MiFID.

In certain circumstances, the Issuer may terminate the listing or admission to trading of Instruments. The Issuer is not under any obligation to holders of Instruments to maintain any listing of the Instruments. See "*Risk Factors*".

Cross-Default: None

Negative Pledge: None

Clearing Systems: Euroclear SA/NV ("**Euroclear**"), Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), The Depository Trust Company ("**DTC**") (for Restricted Notes (as defined below) or as otherwise set forth in the applicable Pricing Supplement) or other clearing systems specified in the applicable Pricing Supplement.

Form of Instruments: Instruments may be issued in bearer or registered form.

For each Tranche of Instruments issued in bearer form, the Issuer will deliver a temporary global Instrument, which will be deposited on or before the relevant issue date therefor with a depositary or a common depositary or (in the case of an NGN (as defined under "*Forms of Instruments*")) a common safekeeper, as applicable, for Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system.

A temporary global Instrument will be exchangeable for a permanent global Instrument or, in the limited circumstances specified in the temporary global Instrument, for Instruments in definitive bearer form and/or (for a Series comprising both bearer and registered Instruments and if specified in the applicable Pricing Supplement) registered form in accordance with its terms. Each permanent global Instrument will be exchangeable for Instruments in definitive bearer form and/or (for a Series comprising both bearer and registered Instruments and if specified in the applicable Pricing Supplement) registered form in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, either have interest coupons ("**Coupons**") attached or have a grid for recording the payment of interest endorsed thereon and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon. Instruments in registered form may not be exchanged for Instruments in bearer form.

Instruments offered in the United States shall be in registered form. Registered Instruments in global form ("**Global Notes**") which are issued and sold pursuant to Rule 144A ("**Restricted Notes**") will initially be represented by interests in either a Restricted Note in fully registered global form deposited with a common depositary for, and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg on its Issue Date (each a "**European Restricted Global Note**") or a Restricted Note in fully registered global form deposited with a custodian for, and registered in the name of a nominee of, DTC on its Issue Date (a "**DTC Restricted Global Note**"), in either case without Coupons.

Registered Instruments in the form of Global Notes which are sold in an "offshore transaction" within the meaning of Regulation S ("**Unrestricted Notes**") will initially be represented by interests in either an Unrestricted Note in fully registered global form deposited with either (a) a common depositary for, and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg if the applicable Pricing Supplement indicates such Instruments are not to be held in the NSS, or (b) a common safekeeper for, and registered in the name of a nominee of Euroclear and Clearstream, Luxembourg if the applicable Pricing Supplement indicate such Instruments are to be held in the NSS (each a "**European Unrestricted Global Note**" together with any European Restricted Global Notes, the "**European Global Notes**") or an Unrestricted Note in fully registered global form deposited with a custodian for, and registered in the name of a nominee of, DTC (a "**DTC Unrestricted Global Note**" together with any DTC Restricted Global Notes, the "**DTC Global Notes**"). Global Notes will bear a legend as described under "*Transfer Restrictions*."

Global Notes may be (1) held by or on behalf of DTC for the benefit of participants in DTC or (2) held by or on behalf of Euroclear and Clearstream, Luxembourg and deposited on or before the relevant Issue Date with and registered in the name of a nominee of the common depository or (in the case of Registered Notes held under the NSS (as defined under "*Forms of Instruments*" below)) the common safekeeper for Euroclear and Clearstream, Luxembourg, as applicable or held by or on behalf of such other agreed clearing system as specified in the applicable Pricing Supplement.

Restricted Notes and Unrestricted Notes will bear a legend setting forth transfer restrictions and may not be transferred except in compliance with such transfer restrictions. Transfers of interests from a Restricted Note to an Unrestricted Note and from an Unrestricted Global Note to a Restricted Global Note are subject to certification requirements as described under *"Terms and Conditions of the Instruments — Form and Denomination — Transfer of Instruments in the Form of Global Notes" and "Transfer Restrictions.*"

Enforcement of Instruments in Global Form: For Instruments in global form, individual investors' rights will be governed by a deed of covenant dated December 9, 2014 (as amended, restated, supplemented or replaced as at the time of issuance of such Instruments), which is available for inspection at the specified office of the Fiscal Agent.

Risk Factors: There are certain risk factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme, including but not limited to: Investors may be subject to risks related to the structure of a particular issue of Instruments; there may be no active trading market for the Instruments; the Instruments are subject to modification and waiver of conditions in certain circumstances; the denomination of Instruments may not involve integral multiples and definitive Instruments may be illiquid and difficult to trade; interest payments may be subject to withholding tax in certain jurisdictions; the laws governing the Instruments may change; there are no assurances Instruments issued in new global note ("**NGN**") form will be eligible collateral for monetary policy of the Eurosystem; Investors may not be able to sell their Instruments at prices that will provide them with a yield comparable to similar investments that have a more highly developed secondary market; Investors may be subject to exchange rate risks and/or exchange controls; Instruments denominated in Renminbi are subject to additional risks; Renminbi is not freely convertible or transferable and there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Instruments denominated in Renminbi; there is only limited availability of Renminbi outside the PRC, which may affect the liquidity of such Instruments and the Issuer's ability to source Renminbi outside the PRC to service such Instruments; if the Issuer is unable to source Renminbi, it may pay holders of such Instruments in U.S. dollars; Investors may be subject to interest rate risks; credit ratings might not reflect all risks; legal investment considerations may restrict certain investments. These and other risks are described in further detail in the section entitled *"Risk Factors"*.

Purchasers should consult their own financial and legal advisers about risks associated with an investment in a particular Tranche of Instruments and the suitability of investing in Instruments in light of their particular circumstances.

Selling Restrictions: For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material in the United States of America, Japan, Switzerland, the European Economic Area (including the United Kingdom), the People's Republic of China, India and Brazil, see the section entitled "*Subscription and Sale*".

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been previously published and which have been filed with the Luxembourg Stock Exchange, shall be incorporated in, and form part of, this Offering Memorandum:

(i) the Issuer's Annual Report for the year ended December 31, 2016;

(ii) Canada's documents "*Building a Strong Middle Class #Budget2017*" and "*Tax Measures: Supplementary Information*" released March 24, 2017;

(iii) Annual Financial Report of the Government of Canada: Fiscal Year 2016-2017 released September 19, 2017;

(iv) Government of Canada: Fall Economic Statement 2017 released October 24, 2017;

(v) Exhibit D to Canada's Form 18-K filed with the United States Securities and Exchange Commission ("**SEC**") on December 18, 2017 (the remainder of Canada's Form 18-K is either not relevant for investors or covered elsewhere in this Offering Memorandum); and

(vi) the section entitled "Terms and Conditions of the Instruments" set out in each of the Issuer's Offering Memoranda dated December 18, 2013, December 9, 2014, December 16, 2015 and December 15, 2016.

The following documents, which may be produced or issued from time to time after the date hereof, shall upon publication be deemed to be incorporated in, and form part of, this Offering Memorandum:

(i) all future annual reports of the Issuer on Form 18-K and amendments thereto;

(ii) all future annual reports of Canada on Form 18-K and amendments thereto; and

(iii) all supplements to this Offering Memorandum prepared by the Issuer from time to time.

Following publication of this Offering Memorandum, a supplement may be prepared by the Issuer. Any statement contained herein, or in a document all or the relative portion of which is incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Offering Memorandum to the extent that a statement contained herein or in any supplement hereto, or in any document which is subsequently incorporated by reference or is deemed incorporated by reference herein, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Offering Memorandum.

Investors in the Instruments shall be deemed to have notice of all information contained in the documents incorporated by reference (or deemed incorporated by reference) in this Offering Memorandum, as if all such information were included in this Offering Memorandum. Investors who have not previously reviewed such information should do so in connection with their purchase of Instruments.

Copies of this Offering Memorandum and the documents incorporated by reference listed at (i) to (vi) above and any supplement hereto approved, together with any documents incorporated therein by reference, can be viewed on the website of the Luxembourg Stock Exchange at www.bourse.lu under the name of the Issuer. Copies of this Offering Memorandum and documents incorporated by reference herein with respect to the Issuer may be obtained from the Investor Relations page on the Issuer's website at www.edc.ca. Copies of documents incorporated by reference herein with respect to Canada may be obtained from the SEC website at www.sec.gov/edgar/searchedgar/companysearch.html under the name of Canada.

Any websites referred to herein do not form part of this Offering Memorandum and are not incorporated by reference into this Offering Memorandum.

SUPPLEMENTAL OFFERING MEMORANDA

If at any time there is a significant new factor, material mistake or inaccuracy relating to information contained in this Offering Memorandum (as amended and supplemented by any prior supplements), which is capable of affecting the assessment of the Instruments, the Issuer will prepare or procure the preparation of a supplement which shall amend and/or supplement this Offering Memorandum (as amended and supplemented) for use in connection with any subsequent issue of Instruments.

RISK FACTORS

Any investment in the Instruments involves risks, including the factors discussed in this section.

The Issuer believes that at the date of this Offering Memorandum the following factors may be material for the purpose of assessing market risks associated with Instruments issued under the Programme as well as the principal risks inherent in investing in Instruments issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring or the likelihood or extent to which any such contingency may affect the ability of the Issuer to pay interest, principal or other amounts in connection with the Instruments.

The Issuer does not represent that the statements below regarding the risks associated with Instruments issued under the Programme are exhaustive and there may be other factors unknown or considered to be immaterial to the Issuer at this time. Additional risks and uncertainties including those not presently known to the Issuer or that it currently believes to be immaterial, could also adversely affect the ability of the Issuer to pay interest, principal or other amounts in connection with the Instruments. Prospective investors should also read the detailed information set out elsewhere in this Offering Memorandum and any applicable supplement hereto (including any documents deemed to be incorporated by reference herein or therein) and reach their own views prior to making any investment decision.

Words and expressions defined in "Terms and Conditions of the Instruments" below or elsewhere in this Offering Memorandum have the same meanings in this section. In this section, Global Notes and Global Instruments are referred to collectively as "Global Instruments".

<u>Factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme</u>

General

A range of Instruments may be issued under the Programme, including Instruments with a fixed or floating rate of interest, Instruments with a variable rate of interest and Instruments that may be payable in a currency other than the currency in which they are denominated. Certain of these Instruments may entail significant risks not associated with investments in conventional securities and may have features which contain particular risks for potential investors.

If an investor chooses to sell its Instruments issued under the Programme in the open market at any time prior to the maturity of the Instruments, the price the investor will receive from a purchaser may be less than its original investment, and may be less than the amount due to be repaid at the maturity of the Instruments if an investor were to hold onto the Instruments until that time. Factors that will influence the price received by investors who choose to sell their Instruments in the open market may include, but are not limited to, market appetite, inflation, the period of time remaining to maturity of the Instruments, prevailing interest rates and the financial position of the Issuer.

The Instruments may be redeemed prior to maturity in the event additional amounts become payable due to changes in tax legislation after the Issue Date

In the event that the Issuer would be obliged to pay additional amounts in respect of any Instruments due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Canada, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Instruments in accordance with the Conditions.

If the Issuer has the right to redeem any Instruments at its option, this may limit the market value of the Instruments concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

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

The Issuer may be expected to redeem Instruments with an optional redemption feature when its cost of borrowing and prevailing interest rates are lower than the interest rate on the Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed Rate Instruments bear interest at a fixed rate, which may affect the secondary market value and/or the real value of the Instruments over time due to fluctuations in market interest rates and the effects of inflation

Fixed Rate Instruments bear interest at a fixed rate. Investors should note that (i) if market interest rates start to rise then the income to be paid on the Instruments might become less attractive and the price the investors get if they sell such Instruments could fall (however, the market price of the Instruments has no effect on the interest amounts due on the Instruments or what investors will be due to be repaid on the Maturity Date if the Instruments are held by the investors until they expire); and (ii) inflation will reduce the real value of the Instruments over time which may affect what investors can buy with their investments in the future and which may make the fixed interest rate on the Instruments less attractive in the future.

Uncertainty about the future of "benchmarks" may adversely affect the value of, and return on, any Instruments linked to a "benchmark" and the trading market for such Instruments

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms may cause such "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have an adverse effect on any Instruments linked to such a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmark Regulation**") was published in the official journal on June 29, 2016 and will apply from January 1, 2018 (with the exception of provisions specified in Article 59 (mainly on critical "benchmarks") that came into effect from June 30, 2016).

The Benchmark Regulation could have an adverse impact on any Instruments linked to LIBOR, EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the "benchmark". In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith.

As an example of such benchmark reforms, on July 27, 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is impossible to predict whether, and to what extent, banks will continue to provide LIBOR submissions to the administrator of LIBOR. The potential elimination of the LIBOR benchmark could require an adjustment to the Conditions, or result in other consequences in respect of any Instruments linked to LIBOR. Any such consequences could have a material adverse effect on the value and return on any such Instruments.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". Uncertainty about the future of "benchmarks", any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have an adverse effect on the value of, and return on, any Instruments linked to a "benchmark" and the trading market for such Instruments.

Instruments which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor, or caps or floors, are likely to have more volatile market values than more standard securities

Instruments with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Instruments will have more volatile market values than conventional Floating Rate Instruments

Inverse Floating Rate Instruments have an interest rate equal to a fixed rate plus or minus a rate based upon a reference rate. The market values of those Instruments typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms).

Inverse Floating Rate Instruments are more volatile because an increase in the reference rate may not only decrease the interest rate of the Instruments, but may also reflect an increase in prevailing interest rates, which may further adversely affect the market value of those Instruments.

Dual Currency Instruments and Instruments with principal or interest payable in one or more currencies which may be different from the currency in which the Instruments are denominated are exposed to risks associated with currency exchange rate fluctuations

The Issuer may issue Instruments with principal or interest determined by movements in currency exchange rates. In addition, the Issuer may issue Instruments with principal or interest payable in a currency which may be different from the currency in which the Instruments are denominated. Payment of principal or interest may also occur in a different currency than expected. As the value of currencies may at times fluctuate significantly against other currencies there is a risk that between the Issue Date and any Interest Payment Date or the Maturity Date the currency in which the Instruments are denominated may fall in value relative to the currency in which amounts of principal and interest are paid or payable. Investors will bear the currency risk.

If rates of exchange between the currency in which the Instruments are denominated and the currency in which such Instruments are paid or payable significantly change:

(i) the market price of such Instruments may be volatile;

(ii) investors may receive no interest or they may receive interest at a rate that is less than that payable on a conventional fixed rate or floating rate debt security issued at the same time; and

(iii) investors may lose all or a substantial portion of their principal.

The historical experience of the relevant currencies may not be indicative of future performance of such currencies during the term of any Instrument.

If the Issuer has the right to convert the interest rate on any Instruments from a fixed rate to a floating rate, or vice versa, this will affect the secondary market and the market value of the Instruments concerned

Fixed/Floating Rate Instruments may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than the then prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Instruments.

Instruments issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Certain currencies are not freely convertible; are subject to restrictions on transfer; and/or may be subject to other limitations

Instruments may be issued in one or more currencies that are not freely convertible into other currencies, or are subject to restrictions on remittance and transfer. Instruments may also be issued in one or more currencies that are limited in their availability, which in turn may affect the liquidity of Instruments denominated in such currencies and the Issuer's ability to source such currencies to service the Instruments. In addition, unanticipated changes in government regulation may further impact the availability and convertibility of certain currencies, which would impact the suitability of such Instruments as well as the Issuer's ability to source such currencies to service the Instruments.

Potential conflicts of interest may exist between the Calculation Agent and holders of Instruments

The Calculation Agent (if any, and including where a Dealer acts as a calculation agent) specified in the applicable Pricing Supplement may, among other things, make certain determinations and judgments pursuant to the Terms and Conditions that may influence amounts receivable by the holders of Instruments during the term of the Instruments and upon their redemption. Therefore, potential conflicts of interest may exist between the Calculation Agent and holders of Instruments.

Instruments denominated in Renminbi are subject to additional risks

Instruments denominated in Renminbi ("**RMB Instruments**") may be issued under the Programme. Set out below is a description of the principal risks which may be relevant to an investor in RMB Instruments:

Renminbi is not freely convertible and there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of RMB Instruments

Renminbi is not freely convertible at present (see *"PRC Currency Controls"* below). The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities and designated foreign exchange banks on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually and new regulations will be subject to further interpretation and application by the relevant PRC authorities.

Although since October 1, 2016 the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to liberalise control over cross-border Renminbi remittances in the future, that any pilot schemes for Renminbi cross-border liberalisation will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital accounts items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under RMB Instruments.

In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under RMB Instruments.

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

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

While the PBoC has entered into settlement agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**RMB Clearing Banks**"), including but not limited to Hong Kong, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. These banks are only allowed to square their open positions with the relevant RMB Clearing Bank after consolidating the Renminbi trade position of banks outside the RMB Settlement Centres that are in the same bank group of the participating banks concerned with their own trade position, and the RMB Clearing Bank only has access to onshore liquidity support from the PBoC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the settlement agreements between the relevant RMB Clearing Banks and PBoC will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Instruments. There is no assurance that the Issuer will be able to source Renminbi outside the PRC to service such RMB Instruments on satisfactory terms, if at all. If certain events occur (such as illiquidity, inconvertibility or non-transferability in respect of Renminbi) which result in the Issuer being unable to make payments in Renminbi or make it impracticable for the Issuer make payments in Renminbi, the Issuer's obligation to make such payments in Renminbi under the terms of the RMB Instruments is replaced by an obligation to make such payments in the Relevant Currency (as defined below) if 'RMB Currency Event' is selected as being applicable in the relevant Pricing Supplement.

An investment in RMB Instruments is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. Except in the limited circumstances as described under Condition 8, all payments of interest and principal with respect to RMB Instruments will be made in Renminbi. As a result, the value of these Renminbi payments may vary with changes in the prevailing exchange rates in the marketplace.

In the event that access to Renminbi becomes restricted to the extent that, by reason of RMB Inconvertibility, RMB Non-transferability or RMB Illiquidity (as defined in Condition 8C) the Issuer is unable, or it is impractical for it, to pay interest or principal in Renminbi, the Conditions allow the Issuer to make payment in U.S. dollars or other foreign currencies at the prevailing spot rate of exchange, all as provided in more detail in Condition 8C. As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace.

If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a holder's investment in RMB Instruments in U.S. dollar or other foreign currency terms will decline.

An investment in Renminbi Instruments is subject to interest rate risks

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

Payments in respect of RMB Instruments will only be made to investors in the manner specified in the Conditions of such RMB Instruments

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in the RMB Settlement Centre(s) (as defined in Condition 8C).

Except in the limited circumstances stipulated in Condition 8C, all payments to investors in respect of RMB Instruments will be made solely (i) for as long as such RMB Instruments are represented by an Instrument in global form by transfer to a Renminbi bank account maintained in such RMB Settlement Centre(s) as may be specified in the applicable Pricing Supplement in accordance with prevailing rules and procedures of Euroclear Bank SA/NV, Clearstream Banking S.A. or any alternative clearing system as applicable, or (ii) for so long as such RMB Instruments are in definitive form, by transfer to a Renminbi bank account maintained in the RMB Settlement Centre(s) in accordance with prevailing rules and regulations. Other than as described under the Conditions, the Issuer cannot be required to make payment by any other means (including, but not limited to, in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Gains on the transfer of RMB Instruments may become subject to income taxes under PRC laws

Under the New Enterprise Income Tax Law and its implementation rules (as amended from time to time), any gain realised on the sale, transfer, redemption or other disposal of RMB Instruments by holders who are deemed under the New Enterprise Income Tax Law as non-resident enterprises may be subject to PRC enterprise income tax if such gain is regarded as income derived from sources within the PRC. Under the New Enterprise Income Tax Law, a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. In addition, there is uncertainty as to whether gains realised on the sale, transfer, redemption or other disposal of the Renminbi Instruments by individual holders who are not PRC citizens or residents will be subject to

PRC individual income tax. This will depend on how the PRC tax authorities interpret, apply or enforce the New Enterprise Income Tax Law and its implementation rules.

If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the sale, transfer, redemption or other disposal of the Renminbi Instruments minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to an arrangement between mainland China and Hong Kong for avoidance of double taxation, holders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of such Renminbi Instruments.

If a holder of Instruments, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of Renminbi Instruments, the value of the relevant holder's investment in such Renminbi Instruments may be materially and adversely affected. Investors in RMB Instruments should consult their own tax advisers with regard to the application of PRC tax laws to any purchase, holding or sale of RMB Instruments.

Risks related to Instruments generally

Set out below is a brief description of material risks relating to the Instruments generally:

Provisions for the payment of interest or a redemption amount in excess of an effective annual rate of interest of 60% may not be enforceable

All Instruments issued under the Programme are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The *Criminal Code* (Canada) prohibits the receipt of "**interest**" at a "**criminal rate**" (namely, an effective annual rate of interest of 60%). Accordingly, the provisions for the payment of interest or a redemption amount in excess of the aggregate principal amount of the Instruments may not be enforceable if the provision provides for the payment of "**interest**" in excess of an effective annual rate of interest of 60%.

The Conditions of the Instruments contain provisions which may permit their modification without the consent of all Holders

The Conditions of the Instruments contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders (and to modify or waive certain terms and conditions of the Instruments or covenants and agreements made by the Issuer) including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

The Conditions also provide that the amended and restated fiscal agency agreement dated December 9, 2014 (the "**Fiscal Agency Agreement**," which expression shall include any amendments or supplements thereto or restatements thereof), the Instruments and any Coupons attached to the Instruments may be amended by the Issuer and the Agent without the consent of the Holder of any Instrument or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein (ii) to make any further modifications of the terms of the Fiscal Agency Agreement necessary or desirable to allow for the issuance of any additional Instruments (which modifications shall not be materially adverse to Holders of outstanding Instruments) or (iii) in any manner which the Issuer and the Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the Holders of the Instruments and Coupons. The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, the Instruments and any Coupons attached to the Instruments, if to do so could not reasonably be expected to be prejudicial to the interests of the Holders.

An active secondary market in respect of the Instruments may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Instruments

Instruments may not be widely distributed and may not have an established trading market when issued. There can be no assurance of a secondary market for the Instruments or the continued liquidity of such market if one develops. If the Instruments are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and/or Canada. Such factors also will affect the market value of the Instruments. In addition, certain Instruments may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities.

Investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors or are not admitted to trading on the Euro MTF Market or another established securities exchange. These types of Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Instruments.

Because the Global Instruments are held by or on behalf of Euroclear and Clearstream, Luxembourg and/or DTC, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Instruments issued under the Programme may be represented by one or more Global Instruments. Such Global Instruments will be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg and/or a custodian of DTC. Except in the circumstances described in the relevant Global Instrument, investors will not be entitled to receive Instruments in definitive form ("**Definitive Instruments**"). Euroclear, Clearstream, Luxembourg and/or DTC will maintain records of the beneficial interests in the Global Instruments. While the Instruments are represented by one or more Global Instruments, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and/or DTC.

While Instruments are represented by one or more Global Instruments, the Issuer will, subject to the terms set out herein, discharge its payment obligations under the Instruments by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg and/or the custodian for DTC for distribution to their account holders. A holder of a beneficial interest in a Global Instrument must rely on the procedures of Euroclear and Clearstream, Luxembourg and/or DTC to receive payments under the relevant Instruments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Instruments.

Holders of beneficial interests in the Global Instruments will not have a direct right to vote in respect of the relevant Instruments. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg and/or DTC to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Instruments will not have a direct right under the Global Instruments to take enforcement action against the Issuer in the event of a default under the relevant Instruments but will have to rely upon their rights under the Deed of Covenant.

The Issuer has no obligation to maintain a listing of the Instruments

The Issuer may, in certain circumstances, seek to delist Instruments which are listed on the Euro MTF Market or other stock exchange or market, provided that in such cases the Issuer will be required to use its reasonable endeavours to obtain and maintain a listing of such Instruments on an alternative stock exchange or exchanges or market (which may be outside the European Economic Area).

These circumstances include any future law, rule of the Luxembourg Stock Exchange or any other stock exchange or market or any EU directive imposing other requirements (including new corporate governance requirements) on the Issuer or any of its affiliates that the Issuer in good faith determines are impractical or unduly burdensome in order to maintain the continued listing of any Instruments issued under the Programme.

The Issuer may, in its sole discretion, determine that it is impractical or unduly burdensome to maintain such listing and seek to terminate the listing of such Instruments provided it uses all reasonable endeavours to seek an alternative admission to listing, trading and/or quotation of such Instruments by another listing authority, securities exchange and/or quotation system that it deems appropriate. However, if such alternative listing is not available or, in the opinion of the Issuer is impractical or unduly burdensome, an alternative listing may not be obtained.

Although there is no assurance as to the liquidity of any Instruments as a result of the listing on the Euro MTF Market or other stock exchange or market, delisting such Instruments may have a material effect on the ability of investors to (a) continue to hold such Instruments or (b) resell the Instruments in the secondary market.

Investors who purchase Instruments in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if Definitive Instruments are subsequently required to be issued

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

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

The Instruments may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could adversely affect their return on the Instruments

The Conditions of the Instruments contain exemptions from the requirement that the Issuer make gross up payments in the event an amount of, or in respect of, tax were to be withheld from a payment. Where such exemptions apply, neither the Issuer, nor any Paying Agent, nor any other person would be obliged to pay additional amounts with respect to any Instruments as a result of the imposition of such withholding tax.

The value of the Instruments could be adversely affected by a change of law or administrative practice

The terms and conditions of the Instruments are based on the laws of the Province of Ontario and the federal laws of Canada applicable therein in effect as at the date of this Offering Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Ontario or the federal laws of Canada applicable therein or administrative practice after the date of this Offering Memorandum.

Bearer Instruments in NGN form and Registered Global Instruments held under the NSS may not satisfy Eurosystem eligibility criteria

Bearer Instruments in NGN form and Registered Global Instruments held under the NSS allow for the possibility of Instruments being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all items during their life. However, in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Instruments meet such Eurosystem eligibility criteria.

Risks related to the market generally

Set out below is a brief description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

If an investor holds Instruments which are not denominated in the investor's home currency, the investor will be exposed to movements in exchange rates adversely affecting the value of its holding and, in addition, the imposition of exchange controls in relation to any Instruments could result in an investor not receiving payments on those Instruments

The Issuer will pay principal and interest on the Instruments in the Specified Currency (as defined herein) or in another currency or currencies. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency or such other currency that the Instruments may be payable in. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency (or such other currency) or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Specified Currency (or such other currency) or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency (or other currency) would decrease (1) the Investor's Currency-equivalent yield on the Instruments, (2) the Investor's Currency-equivalent value of the principal payable on the Instruments and (3) the Investor's Currency-equivalent market value of the Instruments.

Government and monetary authorities may impose (as some have done in the past) exchange controls or monetary policies that could adversely affect an applicable currency exchange rate or interest rate. As a result, investors may receive less interest or principal than expected, or no interest or principal or receive payments in a significantly devalued Specified Currency or such other currency that the Instruments may be payable in.

In addition, if the Issuer is due to make a payment in a currency (the "**original currency**") other than United States dollars in respect of any Instrument or Coupon and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond the Issuer's control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in United States dollars as described under the Conditions. The exchange rate applied in such circumstances could result in a reduced payment to the holder and such payment amount may be zero.

Credit ratings may not reflect all risks associated with an investment in the Instruments

One or more independent credit rating agencies may assign credit ratings to an issue of Instruments. The ratings may not reflect the potential impact of all risks related to the Issuer or to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted from using a rating for regulatory purposes unless such rating is issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended) or, either the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation, or the rating is provided by a credit rating agency not established in the EEA, but which is certified under the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

FORMS OF INSTRUMENTS

The Instruments may be issued in bearer form only ("**Bearer Instruments**"), in registered form only ("**Registered Instruments**") or in bearer form exchangeable for Registered Instruments ("**Exchangeable Bearer Instruments**").

Each Tranche of Bearer Instruments will be represented on issue by a temporary global instrument (each a "**Temporary Global Instrument**") or, if so specified in the applicable Pricing Supplement, a permanent global instrument (each a "**Permanent Global Instrument**" and together with a temporary Global Instrument, collectively referred to as "**Global Instruments**") without interest coupons or talons. The temporary Global Instrument representing the interest in a Tranche of Instruments will be exchangeable, in whole or in part, for (a) a permanent Global Instrument, or (b) in the limited circumstances set out in the temporary global Instrument, definitive bearer Instruments representing such interest on or after the day that is 40 days after the later of the commencement of the offering of the particular Tranche and the relevant issue date, upon certification as to non-U.S. beneficial ownership and/or (c) (in the case of a Series of Exchangeable Bearer Instruments) Registered Instruments in accordance with its terms.

Each such permanent global Instrument will be exchangeable for Bearer Instruments in definitive form and/or (in the case of a Series of Exchangeable Bearer Instruments) Registered Instruments in accordance with its terms.

Bearer Instruments in definitive form will, if interest-bearing, either have interest coupons ("**Coupons**") attached or have a grid for recording the payment of interest endorsed thereon and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon.

If it is stated in the applicable Pricing Supplement that the Global Instruments are to be issued in new global note ("**NGN**") form, a temporary or permanent Global Instrument will be delivered on or before the relevant issue date to a common safekeeper (the "**Common Safekeeper**") for Euroclear and/or Clearstream Luxembourg. The applicable Pricing Supplement will indicate whether or not such Global Instruments are intended to be held in a manner which would allow Eurosystem eligibility. Neither depositing the Global Instruments with the Common Safekeeper nor indicating that they are to be held in a manner which would allow Eurosystem eligibility necessarily means that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

If the Global Instruments are not issued in NGN form, as stated in the applicable Pricing Supplement, a temporary or permanent Global Instrument will be delivered on or before the relevant issue date to a depositary or a common depositary for Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system.

Registered Instruments may be held through DTC or Euroclear and Clearstream, Luxembourg or another agreed clearing system as specified in the applicable Pricing Supplement. Registered Instruments may not be exchanged for Bearer Instruments.

Instruments offered in the United States shall be in registered form. Registered Instruments offered in the United States to Qualified Institutional Buyers in reliance on Rule 144A will be represented by one or more global instruments (the "**144A Global Notes**", also referred to as "**Restricted Notes**"). Registered Instruments offered outside the United States in reliance on Regulation S will be represented by one or more global instruments (the "**Regulation S Global Notes**" also referred to as "**Unrestricted Notes**" and, collectively with the 144A Global Notes, the "**Global Notes**").

If the Registered Instruments are not intended to be held in a manner which would allow Eurosystem eligibility, the Global Note will be deposited on or prior to the relevant issue date with a depositary or common depositary of and registered in the name of a nominee or common nominee for DTC or Euroclear and Clearstream, Luxembourg or any other agreed clearing system.

If the Registered Instruments are intended to be held in a manner which would allow Eurosystem eligibility (being the new safekeeping structure ("**NSS**"), the Global Note will be delivered on or prior to the relevant Issue Date to and registered in the name of a nominee of the Common Safekeeper. In respect of each Tranche of Global Notes, the applicable Pricing Supplement will indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. None of depositing the Global Note with the Common Safekeeper, registered the Global Note in the name of a nominee of the Common Safekeeper or indicating that they are to be held in a manner which would allow Eurosystem eligibility necessarily means that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

TERMS AND CONDITIONS OF THE INSTRUMENTS

The following is the text of the terms and conditions that, as completed, supplemented, modified or replaced by the applicable Pricing Supplement, shall be applicable to the Instruments of each Series. The Pricing Supplement in relation to any Tranche of Instruments may specify terms and conditions which shall, to the extent so specified, supplement, modify or replace the terms and conditions for such Tranche. Either (i) the full text of these terms and conditions together with the applicable provisions of the applicable Pricing Supplement or (ii) these terms and conditions as so completed, supplemented, modified or replaced (and subject to simplification by the deletion of non-applicable provisions) shall be endorsed on all bearer Instruments in definitive form or on the certificates relating to Registered Instruments in definitive form.

All capitalised terms used but not defined herein shall have the meanings given to them in the applicable Pricing Supplement.

Unless other arrangements are specified in the applicable Pricing Supplement, the Instruments are issued in accordance with an amended and restated fiscal agency agreement dated December 9, 2014 (the "**Fiscal Agency Agreement**" which expression shall include any amendments or supplements thereto or restatements thereof) and made among Export Development Canada (the "**Issuer**"), The Bank of New York Mellon, London Branch, in its capacity as fiscal agent (the "**Fiscal Agent**", which expression shall include any successor to The Bank of New York Mellon, London Branch in its capacity as such) and as second alternative registrar (the "**Second Alternative Registrar**", which expression shall include any successor to The Bank of New York Mellon, London Branch in its capacity as such), The Bank of New York Mellon, New York office as principal registrar (the "**Principal Registrar**", which expression shall include any successor to The Bank of New York Mellon, New York office in its capacity as such), The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as first alternative registrar (the "**First Alternative Registrar**", which expression shall include any successor to Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as such) and certain other financial institutions named therein in their capacities as paying agents (the "**Paying Agents**", which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement). The Instruments have the benefit of a deed of covenant (the "**Deed of Covenant**", which expression shall include any amendments or supplements thereto or restatements thereof) dated December 9, 2014 executed by the Issuer. A copy of each of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection at the specified office of each of the Paying Agents, the Principal Registrar, the Alternative Registrar and the Second Alternative Registrar (together, the "**Agents**"). All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of and to be bound by all of the provisions of the Fiscal Agency Agreement and the Deed of Covenant insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each a "**Series**"), and each Series may comprise one or more tranches (each a "**Tranche**") of Instruments issued on the same or different dates. All Instruments of the same Series shall have identical terms, other than in respect of the issue price, issue date and first payment of interest (save that a Series may comprise Instruments in more than one denomination and Instruments in bearer form and Instruments in registered form). Tranches may be issued on different issue dates and at different issue prices and, after the applicable Exchange Date (as defined herein), each such Tranche will be consolidated and form a single Series with the outstanding Instruments of that Series. The specific terms of each Tranche will be set forth in the applicable Pricing Supplement.

References in these Conditions to "Instruments" are to Instruments of the relevant Series and shall mean (i) in relation to Instruments represented by a global Instrument, units of the lowest Specified Denomination, (ii) definitive Instruments issued in exchange for a global Instrument and (iii) any global Instrument.

Interest bearing definitive Instruments in bearer form will have interest coupons ("**Coupons**") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("**Talons**") attached on issue. References herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons.

References to the "**applicable Pricing Supplement**" are to the Pricing Supplement(s) prepared in relation to the Instruments of the relevant Tranche or Series, which are attached to or endorsed on the Instruments and which complete, supplement, modify or replace these Conditions.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Bearer Instruments in new global note ("**NGN**") form or Registered Instruments intended to be held in a manner which would allow Eurosystem eligibility (being the new safekeeping structure ("**NSS**"), be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

1. Form and Denomination

1.01 Instruments are issued in bearer form or in registered form, as specified in the applicable Pricing Supplement. Bearer Instruments shall be issued in the NGN form if so specified in the applicable Pricing Supplement.

Form of Bearer Instruments

1.02 The applicable Pricing Supplement will specify whether U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) or any successor rules that are in substantially the same form that are applicable (or relevant under IRS Notice 2012-20) for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended, (the "**TEFRA C Rules**") shall apply. In the absence of specification, U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) or any successor rules that are in substantially the same form that are applicable (or relevant under IRS Notice 2012-20) for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended, (the "**TEFRA D Rules**") will apply. Instruments issued in bearer form ("**Bearer Instruments**") with an original maturity of one year or less or where the applicable Pricing Supplement specifies that the TEFRA C Rules will apply will be represented upon issue by a permanent global instrument without interest coupons (a "**Permanent Global Instrument**"), unless otherwise specified in the applicable Pricing Supplement, and in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement or in such other form as the Issuer, the relevant Purchaser and the Fiscal Agent agree. Bearer Instruments with a maturity of more than one year will be represented upon issue by a temporary global instrument without interest coupons (a "**Temporary Global Instrument**") in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement or in such other form as the Issuer, the relevant Purchaser and the Fiscal Agent agree unless otherwise specified in the applicable Pricing Supplement. Interests in the Temporary Global Instrument may be exchanged in the case of an exchange for Instruments in registered form ("**Registered Instruments**"), at any time and without any requirement for certification, but otherwise, on or after the date (the "**Exchange Date")** which is not earlier than forty days after the original issue date of the relevant Tranche and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in such form as is customarily issued in such circumstances by the relevant clearing systems) has been received, for:

(i) interests in a permanent global Instrument (a "**Permanent Global Instrument**") representing the Instruments of that Tranche and in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement; or

(ii) in the case of a Series comprising both Bearer Instruments and Registered Instruments and if so specified in the applicable Pricing Supplement, definitive Registered Instruments in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement; or

(iii) in the limited circumstances set out in the Temporary Global Instrument, definitive Bearer Instruments ("**Definitive Instruments**").

1.03 Interests in a Permanent Global Instrument will be exchanged by the Issuer in whole (but not in part only), for Definitive Instruments if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so; or (b) an Event of Default occurs in respect of any Instrument of the relevant Series. In the case of a Series comprising both Bearer and Registered Instruments and, if so specified in the applicable Pricing Supplement, interests in a Permanent Global Instrument will be exchanged by the Issuer in whole or in part, for Registered Instruments at the option of the Holder, upon the Holder's request. In either case, such exchange shall be made free of charge to the Holder of such Instrument. In order to exercise the option contained in the preceding sentence, the Holder must, not less than forty five days before the date upon which delivery of such Registered Instruments is required, deposit the relevant Permanent Global Instrument with the Fiscal Agent at its specified office with the form of exchange notice endorsed thereon duly completed. If default is made by the Issuer in the required delivery of Definitive Instruments or Registered Instruments and such default is continuing at 6:00 p.m. (London time) on the thirtieth day after the day on which the relevant notice period expires or, as the case may be, such Permanent Global Instrument becomes so exchangeable, such Permanent Global Instrument will become void in accordance with its terms but without prejudice to the rights of the Relevant Account Holders (as defined in the Deed of Covenant) with Euroclear or Clearstream, Luxembourg or any other relevant clearing system in relation thereto under the Deed of Covenant.

1.04 Interest-bearing Definitive Instruments will, if so specified in the applicable Pricing Supplement, have attached thereto at the time of their initial delivery Coupons, the presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below.

Form of Registered Instruments

1.05 Registered Instruments in global form ("**Global Notes**") which are issued and sold pursuant to Rule 144A("**Restricted Notes**") will initially be represented by interests in either a Restricted Note in fully registered global form deposited with a common depositary for, and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg on its Issue Date (each a "**European Restricted Global Note**") or a Restricted Note in fully registered global form deposited with a custodian for, and registered in the name of a nominee of, DTC on its Issue Date (a "**DTC Restricted Global Note**"), in either case without Coupons.

Registered Instruments in the form of Global Notes which are sold in an "**offshore transaction**" within the meaning of Regulation S ("**Unrestricted Notes**") will initially be represented by interests in either an Unrestricted Note in fully registered global form deposited with either (a) a common depositary for, and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg if the applicable Pricing Supplement indicate such Instruments are not to be held in the NSS, or (b) a common safekeeper for, and registered in the name of a nominee of Euroclear and Clearstream, Luxembourg if the applicable Pricing Supplement indicate such Instruments are to be held in the NSS (each a "**European Unrestricted Global Note**" together with any European Restricted Global Notes, the "**European Global Notes**") or an Unrestricted Note in fully registered global form deposited with a custodian for, and registered in the name of a nominee of, DTC (a "**DTC Unrestricted Global Note**" together with any DTC Restricted Global Notes, the "**DTC Global Notes**"). Global Notes will bear a legend that forms an integral part of the terms of the Global Note.

1.06 Registered Instruments will not be exchangeable for Bearer Instruments.

Denomination of Bearer Instruments

1.07 Bearer Instruments will be in the denomination or denominations specified in the applicable Pricing Supplement (each such denomination being a "**Specified Denomination**"). Bearer Instruments of one denomination will not be exchangeable, after their initial delivery, for Bearer Instruments of any other denomination.

Denomination of Registered Instruments

1.08 Registered Instruments will be in the minimum denomination specified in the applicable Pricing Supplement or (unless otherwise specified in the applicable Pricing Supplement) integral multiples thereof.

1.09 Registered Instruments denominated in United States Dollars will, if so specified in the applicable Pricing Supplement, be the subject of an application by the Issuer to DTC for the acceptance of such Registered Instruments into DTC's book-entry settlement system. If such application is accepted, one or more DTC Global Notes, in denominations equivalent in aggregate to the aggregate principal amount of relevant Registered Instruments which are to be held in such system, will be issued to DTC and registered in the name of Cede & Co., or such other person as may be nominated by DTC for the purpose, as nominee for DTC provided that no DTC Global Note may have a denomination of more than USD500,000,000 and that, subject to such restriction, DTC Global Notes will always be issued in the largest possible denomination. Thereafter, such registered nominee will be the holder of record and entitled to rights in respect of each DTC Global Note. Accordingly, each person having a beneficial interest in a DTC Global Note must rely on the procedures of the institutions having accounts with DTC to exercise any rights of such person. So long as Registered Instruments are traded through DTC's book-entry settlement system, ownership of a beneficial interest in the relevant DTC Global Note will (unless otherwise required by applicable law or regulatory requirement) be shown on, and transfers of such beneficial interest may be effected only through, records maintained by (i) DTC or its registered nominee (as to DTC participant-interests); or (ii) institutions having accounts with DTC.

Currency of Instruments

1.10 Instruments may be denominated in any currency, as specified in the applicable Pricing Supplement (the "**Specified Currency**"), subject to compliance with all applicable legal and/or regulatory and/or central bank or monetary authority (or equivalent body, however called) requirements. Payments in respect of Instruments may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the Specified Currency.

Instruments in the Form of Individual Definitive Registered Instruments

1.11 Registration of title to Registered Instruments in a name other than a depositary or its nominee for Euroclear and Clearstream, Luxembourg or for DTC will not be permitted unless (i) in the case of DTC Global Notes, DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the DTC Global Notes, or ceases to be a "**clearing agency**" registered under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC, or (ii) in the case of European Global Notes, Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (iii) an Event of Default (as defined in Condition 6.01) occurs and is continuing in respect of any Instrument of the relevant Series; (each an "**Exchange Event**"). In such circumstances, the Issuer will cause sufficient individual definitive Registered Instruments ("**Definitive Registered Instruments**") to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Holder(s). Instruments in the form of individual Definitive Registered Instruments will only be available, in the case of Unrestricted Notes, in amounts specified in the applicable Pricing Supplement, and, in the case of Restricted Notes, in amounts of not less than (a) USD100,000 or (b) if such Instruments are offered to the public in a Relevant Member State in circumstances requiring publication of a prospectus under the Prospectus Directive, USD100,000 or the United States Dollar equivalent of €100,000, whichever is greater (rounded upwards as agreed between the Issuer and the relevant Purchaser(s)) and, in either case, higher integral multiples of USD1,000, and in any event, solely in the limited circumstances set out above.

If default is made by the Issuer in the required delivery of Definitive Registered Instruments and such default is continuing at 6:00 p.m. (London time) on the thirtieth day after the Exchange Event, such Global Note will become void in accordance with its terms but without prejudice to the rights of account holders with Euroclear or Clearstream, Luxembourg or any other relevant clearing system in relation thereto under and as provided in the Deed of Covenant.

2. Title and Transfers

2.01 Title to Bearer Instruments and Coupons passes by delivery.

2.02 Title to Registered Instruments passes by registration in the register, which (i) in relation to DTC Global Notes is kept by the Principal Registrar or such other registrar as is specified in the applicable Pricing Supplement and (ii) in relation to European Global Notes is kept by the First Alternative Registrar or, if the applicable Pricing Supplement so specifies, the Second Alternative Registrar. For the purposes of these Conditions, "**Registrar**" means, in relation to any Series of Registered Instruments, the Principal Registrar, the First Alternative Registrar, the Second Alternative Registrar or such other registrar as is specified in the applicable Pricing Supplement.

2.03 References herein to "**Holder**" means, in relation to Definitive Instruments or Coupons, the bearer of such Instruments or Coupons and, in relation to Definitive Registered Instruments, the person(s) in whose names such Instruments are registered in the relevant register. For so long as any of the Instruments is represented by a global Instrument or Instruments, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or any other agreed clearing system as the holder of a particular nominal amount of Instruments (other than a clearing system that is itself an account holder of Euroclear or of Clearstream, Luxembourg or any other agreed clearing system (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or any other agreed clearing system as to the nominal amount of such Instruments standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error)) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Instruments for all purposes other than with respect to the payment of principal or interest on the Instruments, for which purpose the bearer of the relevant global bearer Instrument or the registered holder of the relevant global registered Instrument shall be treated by the Issuer and the Agents as the holder of such Instruments in accordance with and subject to the terms of the relevant global Instrument and the expression "**Holder**" and related expressions shall be construed accordingly. Instruments which are represented by a global Instrument will be transferable only in accordance with the then current rules and procedures of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, as the case may be.

The Holder of any Instrument or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

Transfer of Registered Instruments and Exchange of Bearer Instruments for Registered Instruments

2.04 A Registered Instrument may, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, be transferred in whole or in part only (provided that each such part (including the balance not transferred) is the minimum denomination specified in the applicable Pricing Supplement or an integral multiple thereof or (if so specified in the Pricing Supplement) an integral amount in excess of such minimum denomination) upon the surrender of the Registered Instrument to be transferred, together with the form of transfer endorsed thereon duly completed and executed, at the specified office of the Registrar. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.

2.05 If so specified in the applicable Pricing Supplement, the Holder of Bearer Instruments may exchange the same for the same aggregate principal amount of Registered Instruments upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement. In order to exchange a Bearer Instrument for a Registered Instrument, the Holder thereof shall surrender such Bearer Instrument at the specified office outside the United States of the Fiscal Agent or of the Registrar together with a written request for the exchange. Each Bearer Instrument so surrendered must be accompanied by all unmatured Coupons appertaining thereto, other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition 2.07) where the exchange date would, but for the provisions of Condition 2.06, occur between the Record Date (as defined in Condition 8B.02) for such payment of interest and the date on which such payment of interest falls due.

2.06 Each new Registered Instrument to be issued upon the transfer of a Registered Instrument or the exchange of a Bearer Instrument for a Registered Instrument will, within three Banking Days of the transfer date (as defined in this Condition 2.06) or, as the case may be, the exchange date, be available for delivery at the specified office of the Registrar. For these purposes, a form of transfer or request for exchange received by the Registrar or the Fiscal Agent after the Record Date (as defined in Condition 8B.02) in respect of any payment due in respect of Registered Instruments shall be deemed not to be effectively received by the Registrar or the Fiscal Agent until the day following the due date for such payment.

2.07 For the purposes of this Condition 2,

(i) "**Banking Day**" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Instrument for a Registered Instrument where such request for exchange is made to the Fiscal Agent, in the place where the specified office of the Fiscal Agent is located;

(ii) the "**exchange date**" shall be the Banking Day following the day on which the relevant Bearer Instrument shall have been surrendered for exchange in accordance with Condition 2.05; and

(iii) the "**transfer date**" shall be the Banking Day following the day on which the relevant Registered Instrument shall have been surrendered for transfer in accordance with Condition 2.04 and all reasonable requirements of the Issuer and the Registrar shall have been satisfied in respect of such transfer.

2.08 The issue of new Registered Instruments on transfer or on the exchange of Bearer Instruments for Registered Instruments will be effected without charge by or on behalf of the Issuer, the Registrar or the Fiscal Agent, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

2.09 Upon the transfer, exchange or replacement of Registered Instruments of any Series bearing the private placement legend (the "**Private Placement Legend**") set forth in the form of Registered Instrument scheduled to the Fiscal Agency Agreement, the Registrar shall deliver only Registered Instruments that also bear such legend unless either:

(i) such transfer, exchange or replacement occurs one or more years after the later of (1) the original issue date of such Registered Instruments or (2) the last date on which the Issuer or any of its affiliates (as defined below), as notified to the Registrar by the Issuer as provided in the immediately following paragraph, was the beneficial owner of such Registered Instrument (or any predecessor of such Instrument); or

(ii) there is delivered to the Registrar an opinion reasonably satisfactory to the Issuer of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws.

2.10 The Issuer covenants and agrees that it will not acquire any beneficial interest, and will cause its "**affiliates**" (as defined in paragraph 1 of Rule 144 under the Securities Act) not to acquire any beneficial interest, in any Registered Instrument bearing the Private Placement Legend unless it notifies the Registrar of such acquisition. The Registrar and all Holders of Instruments shall be entitled to rely without further investigation on any such notification (or lack thereof).

3. Status

3.01 The Instruments constitute direct, unconditional obligations of the Issuer and as such constitute direct and unconditional obligations of Her Majesty in right of Canada. Payments of principal of and interest on the Instruments are a charge on and payable out of the Consolidated Revenue Fund of Canada. The Consolidated Revenue Fund is the aggregate of all public moneys, such as tax revenues, which are on deposit to the credit of the Receiver General for Canada (the public officer who receives or collects public moneys for and on behalf of Canada). As among themselves, the Instruments of each Series will rank pari passu and will be payable rateably without any preference or priority.

4. Interest

4.01 Instruments may be interest-bearing or non-interest-bearing or a combination of the two, as specified in the applicable Pricing Supplement. In the case of non-interest-bearing Instruments ("**Zero Coupon Instruments**"), a Reference Price and Accrual Yield will, unless otherwise agreed, be specified in the applicable Pricing Supplement. In relation to any Tranche of interest-bearing Instruments, the applicable Pricing Supplement may specify actual amounts of interest payable rather than, or in addition to, a rate or rates at which interest accrues.

4A Fixed Rate Instruments

4A.01 Each Fixed Rate Instrument shall bear interest on its outstanding nominal amount from, and including, the Interest Commencement Date specified in the applicable Pricing Supplement (or the Issue Date if no Interest Commencement Date is separately specified) to, but excluding, the Maturity Date specified in the applicable Pricing Supplement at the rate or rates per annum equal to the Rate(s) of Interest specified in the applicable Pricing Supplement. Such interest will be payable in arrear on the Interest Payment Dates in each year and on the Maturity Date if it does not fall on an Interest Payment Date.

4A.02 This Condition 4A.02 applies to Fixed Rate Instruments which are represented by a Global Instrument. Interest on Fixed Rate Instruments represented by a Global Instrument shall be calculated by the Fiscal Agent in respect of any Interest Period by applying the Rate of Interest to the aggregate outstanding nominal amount of the Instruments represented by such Global Instrument and multiplying such sum by the Day Count Fraction specified in the applicable Pricing Supplement and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. If no Day Count Fraction is specified in the applicable Pricing Supplement, the applicable Day Count Fraction for Fixed Rate Instruments shall be Actual/Actual, other than for U.S. dollar denominated Instruments where the applicable Day Count Fraction shall be 30/360.

4A.03 This Condition 4A.03 applies to Fixed Rate Instruments in definitive form.

(i) The amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on, but excluding such date will amount to the Fixed Coupon Amount specified in the applicable Pricing Supplement. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount(s) so specified.

(ii) Where the applicable Pricing Supplement does not specify a Fixed Coupon Amount or Broken Amount, interest shall be calculated by the Fiscal Agent in respect of any Interest Period by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the Day Count Fraction specified in the applicable Pricing Supplement and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. If no Day Count Fraction is specified in the applicable Pricing Supplement, the applicable Day Count Fraction for Fixed Rate Instruments shall be Actual/Actual, other than for U.S. dollar denominated Instruments where the applicable Day Count Fraction shall be 30/360.

(iii) Where the Specified Denomination is a multiple of the Calculation Amount, the amount of interest payable in respect of such Instrument shall be the product of the amount (determined in the manner provided in (i) or (ii) above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(iv) For RMB Instruments (as defined in Condition 8C) which are Fixed Rate Instruments, where the Interest Payment Dates specified in the applicable Pricing Supplement are subject to adjustment, each Fixed Coupon Amount shall be calculated by multiplying the product of the relevant Rate of Interest and the relevant Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards.

4B. Floating Rate Instruments and Variable Interest Instruments

4B.01 Floating Rate Instruments and Variable Interest Instruments shall bear interest from the Interest Commencement Date specified in the applicable Pricing Supplement (or the Issue Date if no Interest Commencement Date is separately specified). Such interest will be payable in arrear on:

(i) each date specified as a Specified Interest Payment Date in the applicable Pricing Supplement (each an "**Interest Payment Date**") or,

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified in the applicable Pricing Supplement as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date,

Interest will be payable in respect of each Interest Period (as defined in Condition 8C.04).

4B.02 The Rate of Interest payable from time to time in respect of the Floating Rate Instruments will be on the basis as agreed between the Issuer and the relevant Purchaser as specified in the applicable Pricing Supplement and will be determined by the Calculation Agent in the manner specified in the applicable Pricing Supplement.

4C. Screen Rate Determination:

4C.01 Where Screen Rate Determination is specified as being applicable in the applicable Pricing Supplement, the Rate of Interest for each Interest Period (as defined in Condition 8C.04) shall be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page (or such replacement page on that service which displays the information) as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page (or such replacement page on that service which displays the information or the Back-up Relevant Screen Page, as applicable) as of the Relevant Time on the relevant Interest Determination Date;

(iii) in the case of (ii) above, if five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations;

(iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

  (A) request the principal Relevant Financial Centre office (or, in the case of Instruments denominated in euro, in such financial centre or centres as the Calculation Agent may select) of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time;

  (B) determine the arithmetic mean of such quotations; and

(v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the country for the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre for the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and, subject to Condition 4C.02, the Rate of Interest for such Interest Period shall be the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Instruments during such Interest Period will be the rate or (as the case may be) the arithmetic mean last determined in relation to the Instruments in respect of a preceding Interest Period.

The Rate of Interest for an Interest Period shall be determined on the Interest Determination Date(s) specified in the applicable Pricing Supplement. If no such date is set out, the Interest Determination Date shall be (i) the first day of such Interest Period if the Specified Currency is Pounds Sterling, (ii) the day falling two TARGET Business Days (as defined herein) prior to the first day of such Interest Period if the Specified Currency is euro, or (iii) the day falling on the second London Banking Day (as defined below) prior to the first day of the relevant Interest Period if the Specified Currency is not Pounds Sterling or euro (the "**Interest Determination Date**").

For purposes of these Conditions "**Relevant Time**" means the time as of which any rate is to be determined as specified in the applicable Pricing Supplement or, if none is specified, the time at which it is customary to determine such rate.

4C.02 Where the applicable Pricing Supplement indicates Averaging is applicable, the Rate of Interest for each Interest Period (as defined in Condition 8C.04) shall be the Weighted Average determined by the Calculation Agent on the following basis:

"**Weighted Average**" shall mean D1/D2;

"**D1**" shall mean the sum of the Reference Rates applicable for each Interest Determination Date (as set out in the applicable Pricing Supplement) in the relevant Interest Period, provided however that the Reference Rate applicable for any calendar day that is not a Relevant Banking Day (as specified in the applicable Pricing Supplement) shall be the rate applicable on the immediately preceding Relevant Banking Day; and

"**D2**"shall mean the number of calendar days in the Interest Period;

"**Interest Reset Date**" shall mean each Relevant Banking Day within each Interest Period up to and including the Interest Rate Cut Off Date; and

"**Interest Rate Cut Off Date**" shall mean two Relevant Banking Days prior to each Interest Payment Date or such other date as set out in the applicable Pricing Supplement.

"**Interest Determination Date**" shall mean one Relevant Banking Day prior to each Interest Reset Date or such other day as specified in the applicable Pricing Supplement.

For the avoidance of doubt, where the Reference Rate is the Federal Funds Rate, (i) the Reference Rate on an Interest Reset Date is the Federal Funds Rate that is published on that Interest Reset Date, and (ii) the Federal Funds Rate that is published on an Interest Reset Date is the rate for the corresponding Interest Determination Date (being a Relevant Banking Day prior to the Interest Reset Date).

4D. ISDA Determination

4D.01 Where ISDA Determination is specified as being applicable in the applicable Pricing Supplement, the Rate of Interest for each Interest Period will be a rate that is equal to the Floating Rate that would be determined under an interest rate swap transaction with the Holder of such Instruments under the terms of an agreement (regardless of any event of default or termination event or tax event thereunder) in the form of the 2002 ISDA Master Agreement as published by the International Swaps and Derivatives Association, Inc., (as amended, supplemented and updated as at the Issue Date of the first Tranche of Instruments of the relevant Series, or such other date as is specified in the applicable Pricing Supplement) and the ISDA Definitions as determined by the Calculation Agent and under which:

- the "Floating Rate Option" is as specified in the applicable Pricing Supplement;
- the "Reset Date" is either (i) if the applicable Floating Rate Option is LIBOR or EURIBOR for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement;
- the Issuer is the "Floating Rate Payer";
- the Fiscal Agent or such other person specified in the applicable Pricing Supplement is the "Calculation Agent";
- the "Designated Maturity" is a period as specified in the applicable Pricing Supplement;
- the "Effective Date" was the Issue Date or such Interest Commencement Date as may be specified in the applicable Pricing Supplement;

– the Interest Period is the "Calculation Period"**;**

– the nominal amount of such Instrument was the "Calculation Amount"; and

– all other terms were as specified in the applicable Pricing Supplement.

For purposes of this Condition 4D, "Floating Rate**,**" "Floating Rate Option**,**" "Designated Maturity**,**" **"**Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

4E. Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

4F. Interest — Other Rates

Variable Interest Instruments

4F.01 Where Variable Interest Instruments is specified as applicable in the applicable Pricing Supplement, the Rate of Interest for each Interest Period shall be calculated by the Calculation Agent in accordance with the following formula, provided that the payments of interest shall never be less than the Minimum Rate of Interest:

> Initial Rate (being a fixed rate of interest or floating rate of interest) plus or minus the Reference Rate (being a floating rate of interest)

Where:

> "**Initial Rate**" means the rate specified and for the periods indicated in the applicable Pricing Supplement being, in the case of a fixed rate, either a constant rate of interest or a rate of interest which steps up across a pre-determined margin ratchet and in the case of a floating rate, the Initial Reference Rate specified in the applicable Pricing Supplement as displayed on the Initial Relevant Screen Page at the Initial Relevant Time in the Initial Relevant Location on the Initial Interest Determination Date.
>
> "**Interest Determination Date**" shall mean the day specified in the applicable Pricing Supplement.
>
> "**Reference Rate**" is the Reference Rate (defined by reference to the ISDA Definitions) specified in the applicable Pricing Supplement) as displayed on the Relevant Screen Page at the Relevant Time in the Relevant Location on the Interest Determination Date.

Dual Currency Interest Instruments

4F.02 The Issuer may issue Instruments where the rate or amount of interest is to be determined by reference to a Rate of Exchange or where interest is payable in any currency or currencies other than the Specified Currency. Such Instruments shall bear interest at the rate or rates calculated by the Calculation Agent on the basis specified in, and be payable in arrear in the amounts and manner determined in accordance with, the applicable Pricing Supplement, and where specified in the applicable Pricing Supplement, payment of such interest will be made in or calculated by reference to the Currency of Payment specified in the applicable Pricing Supplement. The amount of interest payable in such Currency of Payment shall be calculated in accordance with Condition 8D or as otherwise set out in the applicable Pricing Supplement.

Other Instruments

4F.03 The Issuer may issue Instruments which bear interest at a rate or rates determined by reference to a formula and/or other variable as specified in the applicable Pricing Supplement. Such Instruments shall bear interest at the rate or rates calculated by the Calculation Agent on the basis specified in, and be payable in arrear in the amounts and manner determined in accordance with, the applicable Pricing Supplement.

4G. Interest — Supplemental Provisions

4G.01 In relation to Floating Rate Instruments, Variable Interest Rate Instruments and Dual Currency Interest Instruments the Calculation Agent will, as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. As soon as practicable after determining the Rate of Interest in relation to each Interest Period, the Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable in respect of the Instruments for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Instruments which are represented by a Global Instrument, the aggregate outstanding nominal amount of the Instruments represented by such Global Instrument; or

(ii) in the case of Definitive Instruments, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (as defined in Condition 4G.06) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Definitive Instrument is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Instruments 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.

Margin, Maximum/Minimum Rates or Amounts of Interest

4G.02 If any Margin is specified in the applicable Pricing Supplement (either (i) generally, or (ii) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (i), or the Rates of Interest for the specified Interest Periods in the case of (ii), calculated in accordance with Condition 4B above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.

4G.03 If the applicable Pricing Supplement specifies a Minimum Rate of Interest or a Minimum Interest Amount for any Interest Period and in the event that the Rate of Interest or Interest Amount in respect of such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest or Minimum Interest Amount, as applicable, then (unless stated otherwise in the applicable Pricing Supplement) the Rate of Interest or Interest Amount for such Interest Period shall be such Minimum Rate of Interest or Minimum Interest Amount, as applicable.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest or a Maximum Interest Amount for any Interest Period and in the event that the Rate of Interest or Interest Amount in respect of such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest or Maximum Interest Amount, as applicable, then (unless stated otherwise in the applicable Pricing Supplement) the Rate of Interest or Interest Amount for such Interest Period shall be such Maximum Rate of Interest or Maximum Interest Amount, as applicable.

For greater certainty, "Rate of Interest" in this Condition 4G.02 means the Rate of Interest after adjustment for the applicable Margin.

Calculations and Rounding

4G.04 For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures shall be rounded to the fifth decimal place (with 0.000005 being rounded up) and (iii) all currency amounts that fall due and payable shall be rounded to the nearest sub-unit of the relevant Specified Currency (with halves being rounded up or otherwise in accordance with applicable market convention).

4G.05 For these purposes "sub-unit" means with respect to any currency other than the euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

Business Day Conventions

4G.06 If a Business Day Convention is specified in the applicable Pricing Supplement as being applicable to Interest Payment Dates or other dates and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date or such other date should occur or (y) if any Interest Payment Date or such other date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(i) "**Floating Rate Convention**", each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the number of months specified in the applicable Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred; or

(ii) the "**Following Business Day Convention**", and if any Interest Payment Date (or other applicable date) would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(iii) the "**Modified Following Business Day Convention**", and if any Interest Payment Date (or other applicable date) would otherwise fall on a day which is not a Business Day such Interest Payment Date (or other applicable date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other applicable date) shall be the immediately preceding Business Day; or

(iv) the "**Preceding Business Day Convention"**, and if any Interest Payment Date (or other applicable date) would otherwise fall on a day which is not a Business Day such Interest Payment Date (or other applicable date) shall be the immediately preceding Business Day.

In relation to any date which is specified as being subject to adjustment in accordance with a Business Day Convention, the applicable Pricing Supplement will indicate if such date is: (a) not adjusted; (b) is adjusted for payment purposes only in accordance with such Business Day Convention; or (c) is adjusted for calculation of interest and for payment purposes in accordance with such Business Day Convention.

Notification of Rates of Interest, Interest Amounts and Interest Payments Dates

4G.07 The Calculation Agent will cause each Rate of Interest, Interest Payment Date, final day of a Calculation Period, Interest Amount for each Interest Period, or any other item determined or calculated by it to be notified to the Issuer and the Paying Agents and, in the case of Registered Instruments, the Registrar (from whose respective specified offices such information will be available) and published in accordance with Condition 14 as soon as practicable after such determination or calculations but in any event not later than the fourth Business Day thereafter and in the case of Instruments listed on the Euro MTF Market of the Luxembourg Stock Exchange, cause all such determinations or calculations to be notified to the Luxembourg Stock Exchange by the time required by such stock exchange provided that the requirements of such stock exchange(s) are complied with. The Calculation Agent will be entitled to amend any Interest Amount, Interest Payment Date or final day of a Calculation Period (or to make appropriate alternative arrangements by way of adjustment) without notice in the event of the extension or abbreviation of the relevant Interest Period or Calculation Period and such amendment will be notified in accordance with the first two sentences of this Condition 4G.07.

4G.08 The determination by the Calculation Agent of all items falling to be determined by it pursuant to these Conditions shall, in the absence of manifest error, be final and binding on all parties. As used herein, the

"**Calculation Agent**" means the Fiscal Agent or such other agent as may be specified in the applicable Pricing Supplement.

Accrual of Interest

4G.09 Interest shall accrue on the outstanding principal amount of each Instrument or otherwise as indicated in the applicable Pricing Supplement. Interest will cease to accrue as from the due date for redemption therefor unless upon due presentation or surrender thereof (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment), payment in full is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue thereon (as well after as before any demand or judgement) at the rate then applicable or such other rate as may be specified in the applicable Pricing Supplement. Interest shall accrue until the date on which, upon due presentation of the relevant Instrument (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment), the relevant payment is made or, if earlier, the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 14 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Act (Canada) Disclosure

4G.10 For the purposes of disclosure pursuant to the *Interest Act* (Canada) and not for any other purpose, where in any Instrument a rate of interest is to be calculated on the basis of a period other than a calendar year, the annual rate of interest to which such rate of interest as determined by such calculation is equivalent is such rate as so calculated multiplied by a fraction, the numerator of which is the actual number of days in the particular calendar year in respect of which the calculation is made, and the denominator of which is the number of days used in the calculation.

4H. Interest – Day Count Fractions

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period or other relevant period of time (the "**Calculation Period**") such day count fraction as may be specified in these Conditions or the applicable Pricing Supplement and;

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Pricing Supplement, means:

(A) where the Calculation Period is equal to or shorter than the Regular Period (as defined below) during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and

(B) where the Calculation Period is longer than one Regular Period, the sum of:

(x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year.

"**Regular Period**"

(A) in the case of Instruments where interest is scheduled to be paid only by means of regular payments, each period from and including the Issue Date or Interest Commencement Date (as specified in the applicable Pricing Supplement) to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(B) in the case of Instruments where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(C) in the case of Instruments where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

(ii) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the applicable Pricing Supplement, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is specified in the applicable Pricing Supplement, means the actual number of days in the Calculation Period divided by 360;

(v) if "**Actual/365 Sterling**" is specified in the applicable Pricing Supplement, means the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;

(vi) if "**30/360**" is specified in the applicable Pricing Supplement, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, and D1 is greater than 29, in which case D2 will be 30;

(vii) if "**30E/360**"or **"Eurobond Basis"** is specified in the applicable Pricing Supplement, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(viii) if "**30E/360 (ISDA)**" is specified in the applicable Pricing Supplement, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where,

"Y_1" " is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D1 will be 30; or

(ix) such other basis as is specified in the applicable Pricing Supplement (including, without limitation, if the Interest Payment Dates do not fall at regular intervals between the Issue Date and the Maturity Date).

5. Redemption and Purchase

Redemption at Maturity

5.01 Unless previously redeemed, or purchased and cancelled, each Instrument shall be redeemed at its Final Redemption Amount specified in, or calculated in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

Early Redemption for Taxation Reasons

5.02 If, in relation to any Series of Instruments and as a result of any change in or amendment to applicable law (which change or amendment becomes effective on or after the date of issue of the first Tranche of Instruments of the Series), the Issuer determines that it would, on the occasion of the next payment in respect of such Instruments, be required to pay additional amounts in accordance with Condition 7, then the Issuer may (but shall not, unless it has given the appropriate notice, be obliged to), upon the expiry of the appropriate notice period, redeem all (but not some only) of the Instruments comprising the relevant Series at their Final Redemption Amount (or at such Early Redemption Amount as may be specified in, or calculated in the manner specified in, the applicable Pricing Supplement), together with accrued interest (if any) thereon.

Issuer's Optional Early Redemption ("Call Option")

5.03 If Call Option is specified in the applicable Pricing Supplement as being applicable, then the Issuer may, upon the expiry of the appropriate notice period, redeem all or part only of the Instruments of the relevant Series then outstanding at their Optional Redemption Amount on such Optional Redemption Date(s) as specified in or determined in accordance with the applicable Pricing Supplement, together with accrued interest (if any) thereon to but excluding the Optional Redemption Date(s). Any redemption of part only of the Instruments must be of a principal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount, both as indicated in the applicable Pricing Supplement.

The Appropriate Notice

5.04 The appropriate notice referred to in Conditions 5.02 and 5.03 is a notice given by the Issuer to the Fiscal Agent, Euroclear and/or Clearstream, Luxembourg (in the case of Bearer Instruments), the Registrar (in the case of Registered Instruments) and the Holders of the Instruments of the relevant Series, which notice shall be signed by one duly authorised officer of the Issuer and shall specify:

– the Series of Instruments subject to redemption;

– whether such Series is to be redeemed in whole or in part only and, if in part only, Minimum Redemption Amount or Maximum Redemption Amount of the Instruments of the relevant Series which are to be redeemed;

– the Optional Redemption Date(s), which shall be a Business Day (as defined in Section 8C.04) which is not more than sixty days and not less than thirty days (or such other or lesser Notice Period as may be specified in the applicable Pricing Supplement, provided however that such Notice Period will not be less than five Business Days) after the date on which such notice is validly given and which is (in the case of Instruments which bear interest at a floating rate) a date upon which interest is payable; and

– the Optional Redemption Amount at which such Instruments are to be redeemed.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

Partial Redemption

5.05 If the Instruments of a Series are to be redeemed in part only on any Optional Redemption Date in accordance with Condition 5.03:

– in the case of Bearer Instruments, (i) the Definitive Instruments to be redeemed shall be individually drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair or (ii) in the case of Global Instruments to be redeemed, shall be selected in accordance with the rules of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), subject in each case always to compliance with all applicable laws and the requirements of any stock exchange or other relevant authority on which the relevant Instruments may be listed; and

– in the case of Registered Instruments, the Registered Instruments shall be redeemed (so far as may be practicable) pro rata to their Nominal Amounts, subject always to compliance with all applicable laws and the requirements of any stock exchange or other relevant authority on which the relevant Instruments may be listed and provided always that the amount redeemed in respect of each Instrument shall be equal to the minimum Specified Denomination thereof or an integral multiple thereof (or, if specified in the applicable Pricing Supplement, an integral amount in excess of the minimum Specified Denomination).

So long as the Instruments are listed on the Luxembourg Stock Exchange and the rules of that stock exchange so require, the Issuer shall, on a partial redemption of the Instruments, promptly cause to be published in a daily newspaper of general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or on the Luxembourg Stock Exchange's website (www.bourse.lu) a notice specifying the aggregate Nominal Amount of Instruments outstanding and a list of the Instruments drawn for redemption but not surrendered.

Optional Early Redemption ("Put Option")

5.06 If Investor Put is specified in the applicable Pricing Supplement as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem all (and not part) of such Instrument on the Optional Redemption Date (or the next of the Optional Redemption Dates specified in the applicable Pricing Supplement) at its Optional Redemption Amount specified in, or determined in accordance with, the applicable Pricing Supplement, together with accrued interest (if any) thereon to but excluding the applicable Optional Redemption Date. In order to exercise such option, the Holder must, not less than forty-five days before the date so specified (or such other Notice Period as may be specified in the applicable Pricing Supplement, provided however that such Notice Period will not be less than fifteen Business Days), deposit the relevant Instrument (together, in the case of an interest-bearing Definitive Instrument, with each unmatured Coupon appertaining thereto) with, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered

Instrument, the Registrar together with a duly completed redemption notice (the "**Put Notice**") in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar. Instruments represented by a Global Instrument or Global Note shall be deemed to be deposited with the Paying Agent or Registrar at the time the Put Notice in respect of such Instruments is received by the Paying Agent or Registrar.

Any Put Notice given by a Holder of any Instrument pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default (as defined in Condition 6) shall have occurred and be continuing in which event such Holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Instrument forthwith due and payable pursuant to Condition 6.

Purchase of Instruments

5.07 The Issuer may at any time purchase Instruments in the open market or otherwise and at any price provided that, in the case of interest-bearing Definitive Instruments, each unmatured Coupon appertaining thereto is purchased therewith.

Cancellation of Redeemed and Purchased Instruments

5.08 All unmatured Instruments purchased in accordance with this Condition 5 and, in the case of interest-bearing Definitive Instruments, any unmatured Coupons attached thereto or surrendered or purchased therewith may, at the option of the Issuer, be cancelled. Instruments which are purchased by the Issuer and not cancelled may be held or resold by the Issuer without limitation.

5.09 All Instruments redeemed as aforesaid will be cancelled forthwith and any Instruments purchased by the Issuer as aforesaid may, at the option of the Issuer, be cancelled. Any Instruments to be cancelled shall be cancelled together with all unmatured Coupons attached thereto or surrendered or purchased therewith, and may not be resold or reissued.

Early Redemption

5.10 For the purpose of Condition 5.02 above and Condition 6, each Instrument will be redeemed at the Early Redemption Amount, which:

(i) unless otherwise specified in the applicable Pricing Supplement, in the case of a Zero Coupon Instrument, is an amount (the "**Amortised Face Amount**") equal to the product of:

  (A) the Reference Price, as set out in the applicable Pricing Supplement; and

  (B) the sum of one (1) and the Accrual Yield, raised to the power of x, where "**x**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Instruments to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Instrument becomes due and repayable and the denominator of which is 360; and

(ii) in respect of any Instrument (other than a Zero Coupon Instrument), shall be the Final Redemption Amount or such other amount as specified in or determined in accordance with the applicable Pricing Supplement.

Late Payment on Zero Coupon Instruments

5.11 If the amount payable in respect of any Zero Coupon Instrument becomes due and payable prior to its Maturity Date and such payment is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Instrument shall be the amount calculated as provided in Condition 5.10(i) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Instrument becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Instrument have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Instrument has been received by the Fiscal Agent and notice to that effect has been given to the Holders of the Instruments in accordance with Condition 14.

6. Events of Default

6.01 Unless otherwise specified in the applicable Pricing Supplement, the following events or circumstances (each an "**Event of Default**") shall be events of default in relation to the Instruments of any Series, namely:

(i) default by the Issuer in the payment of any amount payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of any Instrument, when and as the same shall become due and payable, if such default shall not have been cured within fourteen days after written notice of such default, given by the Holder of such Instrument (who shall also send at the same time a copy of such notice to the Fiscal Agent), shall have been received by the Issuer; or

(ii) the Issuer shall fail duly to perform or observe any other term, undertaking or agreement contained in any of such Instruments for a period of thirty days after the date on which written notice of such failure, requiring the Issuer to remedy the same, shall first have been given to the Issuer by the Holder of any such Instrument.

6.02 If any Event of Default shall occur in relation to any Series of Instruments, any Holder of an Instrument of the relevant Series may, by written notice to the Issuer, at the specified office of the Fiscal Agent, declare that such Instrument and (if the Instrument is interest-bearing) all interest then accrued on such Instrument shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount, together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Instruments of the relevant Series shall have been cured.

7. Taxation

7.01 All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Instruments and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of the government of Canada or any province, territory or political subdivision thereof or any authority or agency therein or thereof having power to tax, unless such taxes, duties, assessments or charges are required by law or by the administration or official interpretation thereof to be withheld or deducted. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder of any Instrument or Coupon after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Instruments or Coupon, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable in respect of payment in respect of any Instrument or Coupon:

(i) to, or to a third party on behalf of, a Holder of an Instrument or Coupon who is liable to such taxes, duties, assessments or charges in respect of such Instrument or Coupon by reason of his (or any other person having a beneficial interest in the Instrument or Coupon) having some connection with Canada other than the mere holding or ownership as a non-resident of Canada of such Instrument or Coupon; or

(ii) presented for payment more than thirty days after the Relevant Date (as defined in Condition 7.02), except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or

(iii) where such withholding or deduction is imposed pursuant to Sections 1471 through 1474 of the Internal Revenue Code of 1986 (the "**Code**"), any current or future regulations or official interpretations thereof, any agreements entered pursuant to Section 1471(b) of the Code and any intergovernmental agreements (and related legislation or official administrative guidance) implementing the foregoing.

7.02 For the purposes of these Conditions, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent or, as the case may be, the Registrar on or prior to such due date, it means the first date on which the full amount of such moneys having been so received and being available for payment to Holders of Instruments and of Coupons, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 14.

7.03 For the purposes of these Conditions, references to (i) "principal" shall be deemed to include any premium payable in respect of the Instruments, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Amortised Face Amount and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and in relation to Dual Currency Interest Instruments, the interest in the relevant Specified Currency and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition 7.

8 Payments

8A. Payments — Bearer Instruments

8A.01 This Condition 8A is applicable in relation to Instruments specified in the applicable Pricing Supplement as being Bearer Instruments.

8A.02 Payments of amounts (other than interest) due in respect of Bearer Instruments will be made against presentation and surrender (or in the case of a partial payment, endorsement) of the relevant Bearer Instruments at the specified office of any of the Paying Agents.

8A.03 If any payment of interest is due in respect of Bearer Instruments while such Instruments are represented by a Temporary Global Instrument, the interest payment will be made only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in such form as is customarily issued in such circumstances by the relevant clearing systems) has been received by Euroclear or Clearstream, Luxembourg or any other relevant clearing system. Payments of principal or interest (if any) on a Permanent Global Instrument will be made through Euroclear and Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.

8A.04 Payment of amounts in respect of interest on Bearer Instruments will be made:

(i) in the case of a Temporary Global Instrument or Permanent Global Instrument, against presentation of the relevant Temporary Global Instrument or Permanent Global Instrument at the specified office of any of the Paying Agents outside the United States and (unless otherwise specified in the applicable Pricing Supplement), in the case of a Temporary Global Instrument, upon due certification as required therein;

(ii) in the case of Definitive Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Instruments at the specified office of any of the Paying Agents outside the United States; and

(iii) in the case of Definitive Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Definitive Instruments, in either case at the specified office of any of the Paying Agents outside the United States.

8A.05 Each Definitive Instrument initially delivered with Coupons attached thereto should be presented and surrendered for final redemption together with all unmatured Coupons appertaining thereto, failing which:

(i) in the case of Definitive Instruments which bear interest at a fixed rate or rates, the amount of any missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the amount of such missing Coupons which the redemption amount so paid bears to the total redemption amount due) will be deducted from the final redemption amount, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within two (2) years of the Relevant Date applicable to payment of such final redemption amount; and

(ii) in the case of Definitive Instruments which bear interest at, or at a Margin above or below, a floating rate, all unmatured Coupons relating to such Definitive Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 8A.05 notwithstanding, if any Definitive Instruments which bear interest at a fixed rate or rates should be issued with a Maturity Date and a fixed rate or fixed rates such that, on the presentation for payment of any such Definitive Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

8A.06 For the purposes of these Conditions, the "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

8B. Payments — Registered Instruments

8B.01 This Condition 8B is applicable in relation to Instruments specified in the applicable Pricing Supplement as being Registered Instruments.

8B.02 Payment of amounts (whether in respect of principal, redemption amount, interest or otherwise and including accrued interest) due in respect of Registered Instruments on the final redemption of Registered Instruments will be made against presentation and, save in the case of partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Registered Instruments at the specified office of the Registrar.

8B.03 Payment of amounts (whether principal, redemption amount or interest or otherwise and including accrued interest) due (other than in respect of the final redemption of Registered Instruments) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar:

(i) in relation to Registered Instruments in global form:

  (A) held in Euroclear and Clearstream, Luxembourg only, as at the close of business for Euroclear and Clearstream, Luxembourg on the first Banking Day (as defined in Condition 2.07) before the due date for payment thereof; or

  (B) held in DTC and/or any other applicable clearing system, as at close of business (local time in the place of the specified office of the Registrar), on the fifteenth Banking Day (as defined in Condition 2.07) before the due date for payment thereof unless otherwise specified in the applicable Pricing Supplement; and

(ii) in relation to Definitive Registered Instruments on the fifteenth Banking Day (as defined in Condition 2.07) before the due date for such payment;

(the "**Record Date**").

8B.04 Notwithstanding the provisions of Condition 8C.02, payment of amounts (whether in respect of principal, redemption amount, interest or otherwise and including accrued interest) due (other than in respect of final redemption of Registered Instruments) in respect of Registered Instruments will be made by cheque and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint Holders, the first-named) on the Banking Day (as defined in Condition 2.07) not later than the relevant date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency.

8C. Payments — General Provisions

8C.01 Save as otherwise specified herein, this Condition 8C is applicable in relation to Instruments whether in bearer form or in registered form.

If the due date for payment of any amount due in respect of any Instrument is not a Payment Day, then the Holder thereof will not be entitled to payment thereof until the next following Payment Day in the relevant place and, thereafter will be entitled to receive payment by cheque or by transfer to a designated account on any day which is a Payment Day and a day on which commercial banks and foreign exchange markets settle payments in the Specified Currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4G.09. For these purposes, "**Payment Day**" means any day which (subject to Condition 9) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

  (A) in the case of Definitive Instruments only, the relevant place of presentation;

(B) each Additional Financial Centre specified in the applicable Pricing Supplement; and

(ii) either (A) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland and Wellington, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open or (C) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in the relevant RMB Settlement Centre(s) are generally open for business and settlement of Renminbi payments in the relevant RMB Settlement Centre(s).

8C.02 Subject as provided below:

(i) payments of amounts due (whether in respect of principal, redemption amount, interest or otherwise) in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland and Wellington, respectively);

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and

(iii) payments in Renminbi will be made by credit or transfer to an account denominated in Renminbi and maintained by the payee with a bank in the relevant RMB Settlement Centre(s) in accordance with applicable laws, rules and regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to settlement in Renminbi in the relevant RMB Settlement Centre(s)).

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

8C.03 Payments in respect of Instruments may be made in the Specified Currency or in such other currency or currencies as may be specified in the applicable Pricing Supplement. The unconditional and irrevocable payment in full by the Issuer to any Holder (including any Relevant Account Holder) shall discharge the Issuer from all corresponding portion of the relevant Instrument.

8C.04 For the purposes of these Conditions:

"**Business Day**" means a day which is both:

(i) in relation to Instruments denominated or payable in euro, a TARGET Business Day; or

(ii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets in the relevant RMB Settlement Centre(s) are open for general business and settlement of Renminbi payments in the relevant RMB Settlement Centre(s); or

(iii) in relation to Instruments payable in any currency other than euro or Renminbi, a day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland and Wellington, respectively); and

(iv) a day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in any Additional Business Centre specified in the applicable Pricing Supplement;

"**Euro-zone**" means those Member States that are participating in the European Economic and Monetary Union whose lawful currency is the euro;

"**ISDA Definitions**" means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (as amended and updated as at the Issue Date of the first Tranche of Instruments of the relevant Series, or such other date as is specified in the applicable Pricing Supplement);

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date (or the Issue Date if no Interest Commencement Date is separately specified in the applicable Pricing Supplement) and ending on (but excluding) the first Interest Payment Date and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**London Banking Day**" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

"**New York Banking Day**" shall mean a day which is not a Saturday, a Sunday or a legal holiday or a day on which banking institutions in the City of New York are authorized or obligated by law or executive order to close;

"**RMB Settlement Centre(s)**" means the financial centre(s) specified as such in the applicable Pricing Supplement in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the relevant Pricing Supplement, the RMB Settlement Centre shall be deemed to be Hong Kong;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system or any successor thereto;

"**TARGET Business Day**" means any day on which TARGET2 is open for the settlement of payments in euro; and

references herein to "**United States Dollars**" "**USD**" or "**U.S.$**" means the lawful currency of the Unites States of America; to "**euro**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended; "**Renminbi**" or "**RMB**" means the lawful currency of the People's Republic of China "(**PRC**"); to "**£**" or "**Pounds Sterling**" means the lawful currency of the United Kingdom; to "**Brazilian Real**" or "**BRL**" means the lawful currency of the Federative Republic of Brazil; and to "**Indian Rupee**" or "**INR**" means the lawful currency of the Republic of India.

8C.05 Unless otherwise specified in the applicable Pricing Supplement, if the Issuer is due to make a payment in a currency (the "**original currency**") other than Renminbi or United States Dollars in respect of any Instrument or Coupon and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond the Issuer's control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in United States Dollars on the basis of the spot exchange rate (the "**United States Dollar FX Rate**") at which the original currency is offered in exchange for United States Dollars in the London foreign exchange market (or, at the option of the Issuer or the Fiscal Agent (or other Calculation Agent as set out in the applicable Pricing Supplement), in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two Business Days prior to the date on which payment is due, or if the United States Dollar FX Rate is not available on that date, on the basis of a substitute exchange rate determined by the Issuer or by or the Fiscal Agent (or other Calculation Agent as set out in the applicable Pricing Supplement) acting in its absolute discretion from such source(s) and at such time as it may select. For the avoidance of doubt, the United States Dollar FX Rate or substitute exchange rate as aforesaid may be such that the resulting United States Dollars amount is zero and in such event no amount of United States Dollars or the original currency will be payable. Any payment made in United States Dollars or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 6.

8C.06 **RMB Currency Event**

If "RMB Currency Event" is specified in the applicable Pricing Supplement and a RMB Currency Event, as determined by the Issuer acting in good faith and in a commercially reasonable manner, exists on a date for payment of any amount in respect of any Instrument or Coupon, the Issuer's obligation to make a payment in RMB under the terms of the Instruments may be replaced by an obligation to pay such amount in the Relevant Currency converted using the Spot Rate for the relevant Determination Date.

Upon the occurrence of a RMB Currency Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 14 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

In this Condition 8C.06:

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the relevant RMB Settlement Centre(s);

"**Relevant Currency**" means U.S. Dollars or such other currency as may be specified in the applicable Pricing Supplement;

"**RMB Currency Event**" means any one of RMB Illiquidity, RMB Inconvertibility and RMB Non-Transferability;

"**RMB Illiquidity**" means the general Renminbi exchange market in the relevant RMB Settlement Centre(s) becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Instruments as determined by the Issuer in good faith and in a commercially reasonable manner;

"**RMB Inconvertibility**" means the occurrence of any event that makes it impossible or, having used its reasonable endeavours, impracticable, for the Issuer to convert into Renminbi any amount due in respect of the Instruments on any payment date in the general Renminbi exchange market in the relevant RMB Settlement Centre(s), other than where such impossibility or impracticability is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible or, having used its reasonable endeavours, impracticable, for the Issuer due to an event beyond its control, to comply with such law, rule or regulation);

"**RMB Non-transferability**" means the occurrence of any event that makes it impossible or, having used its reasonable endeavours, impracticable, for the Issuer to deliver Renminbi between accounts inside the relevant RMB Settlement Centre(s) or from an account in the relevant RMB Settlement Centre(s) to an account outside the relevant RMB Settlement Centre(s) (including where the Renminbi clearing and settlement system for participating banks in the relevant RMB Settlement Centre(s) is disrupted or suspended), other than where such impossibility or impracticability is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible or, having used its reasonable endeavours, impracticable, for the Issuer due to an event beyond its control, to comply with such law, rule or regulation);

"**PRC**" means the People's Republic of China;

"**Rate Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the relevant RMB Settlement Centre(s), London and New York City;

"**Rate Determination Date**" means the day which is two Rate Determination Business Days before the due date of the relevant payment under the Instruments or Coupon; and

"**Spot Rate**" means, unless specified otherwise in the applicable Pricing Supplement, the spot CNY/USD exchange rate for the purchase of U.S. Dollars with Renminbi in the over-the-counter Renminbi exchange market in the relevant RMB Settlement Centre(s) for settlement in two Rate Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (local time at the relevant RMB Settlement Centre(s)) on the Rate Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the rate at or around 11:00 a.m. (local time at the relevant RMB Settlement Centre(s)) on the Rate Determination Date taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in the relevant RMB Settlement Centre(s) or elsewhere and the CNY/USD exchange rate in the PRC domestic foreign exchange market.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8C.06, whether by the Fiscal Agent or other Calculation Agent, shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, Calculation Agent (if applicable), any other Paying Agents and all holders of Instruments and (in the case of Registered Instruments) the Registrar and any Transfer Agent and (in the absence as aforesaid) no liability to the Issuer or the holders of Instruments shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

Any payment made in the Relevant Currency or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 6.

8D. Payment on Dual Currency Instruments

8D.01 The Issuer may issue Instruments denominated in a Specified Currency, provided that all payments in respect of the Instruments will be made in United States Dollars or such other Currency of Payment as set out in the applicable Pricing Supplement. In respect of such Instruments, each Interest Amount, the Early Redemption Amount (if any) and Final Redemption Amount will be payable in United States Dollars or such other Currency of Payment as set out in the applicable Pricing Supplement, in each case as determined by the Calculation Agent on the relevant Valuation Date by dividing the Calculation Amount, Fixed Coupon Amount, Interest Amount and/or the Broken Amount(s) by the Rate of Exchange or in such other manner as is provided in the applicable Pricing Supplement.

8D.02 Unless otherwise provided in the applicable Pricing Supplement:

(i) if the Rate of Exchange is not published on the Relevant Screen Page on any Interest Determination Date, then the Calculation Agent shall obtain an exchange rate from the Back-up Relevant Screen Page specified in the applicable Pricing Supplement on such Interest Determination Date at the Relevant Time in the Relevant Location;

(ii) if no such rate is published on the Back-up Relevant Screen Page on any Interest Determination Date, then the Calculation Agent will request five leading reference banks (selected by the Calculation Agent in its sole discretion) in the relevant interbank market for their mid market quotations of the spot exchange rate between the Specified Currency and the Currency of Payment specified in the applicable Pricing Supplement at the Relevant Time in the Relevant Location on such date;

(iii) in the event that both the Relevant Screen Page and the Back-up Relevant Screen Page are not available on the applicable Valuation Date, the Rate of Exchange shall be determined by the Calculation Agent on the relevant Valuation Date in good faith and in a commercially reasonable manner, having taken into account relevant market practice.

The applicable Pricing Supplement may set out other or additional provisions applicable where calculation by reference to the Rate of Exchange is impossible or impracticable and any other terms relating to the method of calculating amounts payable on the Instruments.

8D.03 In this Condition 8D:

"**Brazil Business Day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in any of Sao Paulo, Rio de Janeiro or Brasilia not otherwise declared as a financial market holiday by the Bolsa de Valores, Mercadorias & Futuros.

"**BRL-PTAX Rate**" means, in respect of a BRL Valuation Date, the BRL/USD offered rate for USD, expressed as the amount of BRL per one USD, for settlement in two New York and São Paulo Business Days reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PTAX-800 ("**Consulta de Cambio**" or Exchange Rate Inquiry), Option 5 ("**Cotacões para Contabilidade**" or Rates for Accounting Purposes) by approximately 1:15 p.m. São Paulo time on such BRL Valuation Date.

"**BRL Valuation Date**" for (a) any Interest Payment Date or the Maturity Date or date on which an amount is payable (other than on early redemption) means the fifth Valuation Business Day prior to such date, provided however that if such date is an Unscheduled Holiday, the BRL Valuation Date shall be the next following Valuation Business Day and (b) an early redemption means the date that is five Business Days prior to the day on which the Early Redemption Amount shall be due and payable.

"**EMTA BRL Industry Survey Methodology**" means a methodology, dated as of March 1, 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions in Brazil that are active participants in the BRL/USD spot markets for the purposes of determining the EMTA BRL Industry Survey Rate.

"**EMTA BRL Industry Survey Rate**" means the foreign exchange rate as specified in the ISDA 1998 FX and Currency Option Definitions (as updated from time to time) – Settlement Rate Options: "**EMTA BRL Industry Survey Rate (BRL12)**", meaning that the spot rate for a BRL Valuation Date will be the BRL/USD offered rate for USD, expressed as the amount of BRL per one USD, for settlement in two New York and São Paulo Business Days, calculated by EMTA (or a service provider EMTA may in its sole discretion select) pursuant to the EMTA BRL Industry Survey Methodology and published on EMTA's website (www.emta.org) at approximately 3:45 p.m. São Paulo time or as soon thereafter as practicable on such BRL Valuation Date.

"**EMTA Failure**" means, in respect of a BRL Valuation Date, that the EMTA BRL Industry Survey Rate, having been requested as prescribed by EMTA, is not available for any reason. For the avoidance of doubt, an EMTA Failure may still occur notwithstanding that the BRL-PTAX Rate is available on the applicable BRL Valuation Date.

"**Mumbai Business Day**" means a day (other than a Saturday or a Sunday) on which the banks and foreign exchange markets are open for business in Mumbai.

"**Mumbai and New York Business Day**" means a day (other than a Saturday or a Sunday) on which the banks and foreign exchange markets are open for business in Mumbai and New York.

"**New York and São Paulo Business Day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in each of São Paulo and New York.

"**Postponed Rate Fixing Day**" means at or about the Relevant Time on the first day (other than a Saturday or a Sunday) following the Scheduled Rate Fixing Date (if such day is a Business Day);

"**Price Materiality**" means, in respect of a BRL Valuation Date, that the EMTA BRL Industry Survey Rate is available on such date and that the BRL-PTAX Rate differs from the EMTA BRL Industry Survey Rate by more than 3 per cent.

"**Rate Fixing Date**" means the Scheduled Rate Fixing Date or the Postponed Rate Fixing Date, provided however that in respect of payment of an Early Redemption Amount, the Rate Fixing Date shall be the day that is five (5) Business Days prior to the day on which the Early Redemption Amount shall be due and payable.

"**Rate of Exchange**" means:

(i) where the Specified Currency is Brazilian Real, in respect of a BRL Valuation Date, the BRL/USD exchange rate, expressed as the amount of BRL per one United States Dollar:

(a) determined by the Calculation Agent on the relevant BRL Valuation Date by reference to the applicable BRL-PTAX Rate; or

(b) in the event that the BRL-PTAX Rate is not available on the applicable BRL Valuation Date, determined by the Calculation Agent on the relevant BRL Valuation Date by reference to the applicable EMTA BRL Industry Survey Rate (if such rate is available); or

(c) in the event that both the BRL-PTAX Rate and the EMTA BRL Industry Survey Rate are not available on the applicable BRL Valuation Date, determined by the Calculation Agent on the relevant BRL Valuation Date in good faith and in a commercially reasonable manner, having taken into account relevant market practice,

provided that:

(a) if, on the applicable BRL Valuation Date, the Calculation Agent determines that a Price Materiality has occurred on such BRL Valuation Date, the Rate of Exchange will be the EMTA BRL Industry Survey Rate applicable in respect of such BRL Valuation Date; and

(b) if, on the applicable BRL Valuation Date, the Calculation Agent determines that an EMTA Failure has occurred on such BRL Valuation Date, the BRL Rate will be determined by the Calculation Agent in good faith and in a commercially reasonable manner, having taken into account relevant market practice; or

(ii) where the Specified Currency is Indian Rupee, the INR/USD spot rate, expressed as the amount of Indian Rupees per one United States Dollar, for settlement in two Mumbai and New York Business Days, reported by the Reserve Bank of India, which is displayed on the Reuters Page "RBIB" at approximately 1:00 p.m., Mumbai time, on the relevant Rate Fixing Date.

If the Reserve Bank of India Reference Rate is not available for any reason on any Scheduled Rate Fixing Date, then the Rate of Exchange for such Rate Fixing Date shall be determined by the Calculation Agent by requesting quotations for the mid INR/USD spot foreign exchange rate either (i) the Postponed Rate Fixing Date or (ii) if the first day (other than a Saturday or a Sunday) following the Scheduled Rate Fixing Date is not a relevant Business Day, at or about 1:00 p.m. Mumbai time on the Scheduled Rate Fixing Date from five banks active in the INR/USD currency and foreign exchange markets (such banks, the "**Reference Banks**") as selected by the Calculation Agent.

If five or four quotations are provided as requested, the Rate of Exchange will be the arithmetic mean (rounded to the nearest five decimal places, 0.000005 being rounded upwards) of the remaining three or two such quotations, as the case may be, for such rate provided by the Reference Banks, after disregarding the highest such quotation and the lowest such quotation (provided that, if two or more such quotations are the highest such quotations, then only one of such quotations shall be disregarded, and if one or more such quotations are the lowest quotations, then only one of such lowest quotations will be disregarded).

If only three or two such quotations are provided as requested, the Rate of Exchange shall be determined as described above except that the highest and lowest quotations will not be disregarded. If only one or no such quotations are provided as requested, or if the Calculation Agent determines in its sole discretion that no suitable Reference Banks active in the USD/INR currency or foreign exchange markets will provide quotes, the Calculation Agent shall be entitled to calculate the Rate of Exchange acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice, by reference to such additional sources as it deems appropriate; and in such case the Calculation Agent shall notify the Issuer and the Fiscal Agent as soon as reasonably practicable that the Rate of Exchange is to be so determined; or

(iii) in respect of any other Specified Currency, the Rate of Exchange specified in the applicable Pricing Supplement.

"**São Paulo Business Day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in São Paulo.

"**Scheduled Rate Fixing Date**" means the date which is five Relevant Business Days prior to the Interest Payment Date or the Maturity Date or such other date on which an amount in respect of the Instruments is due and payable. If the Scheduled Rate Fixing Date or the Postponed Rate Fixing Date is an Unscheduled Holiday, the Rate Fixing Date shall be the next following Relevant Business Day. In the event that such next following Relevant Business Day is also an Unscheduled Holiday, the Calculation Agent shall be entitled to calculate the Reference Rate acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice, by reference to such additional sources as it deems appropriate; and in such case the Calculation Agent shall notify the Issuer and the Fiscal Agent as soon as reasonably practicable that the Reference Rate is to be so determined.

"**Unscheduled Holiday**" means:

(i) where the Specified Currency is Brazilian Real, a day that is not a Valuation Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in São Paulo two Brazil Business Days prior to the relevant BRL Valuation Date, provided, however, that if the next day is also an Unscheduled Holiday, the Rate of Exchange will be determined by the Calculation Agent on such day in its sole discretion acting in good faith in a commercially reasonable manner having taken into account relevant market practice and by reference to such additional sources as it deems appropriate;

(ii) where the Specified Currency is Indian Rupee a day that is not a Mumbai Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in Mumbai, two Mumbai Business Days prior to the relevant Rate Fixing Date; or

(iii) in respect of any other Specified Currency, unless otherwise specified in the applicable Pricing Supplement, a day that is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than the Relevant Time in the Relevant Financial Centre two Business Days prior to the relevant Rate Fixing Date.

"**Valuation Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in such Valuation Business Centres as are specified in the applicable Pricing Supplement.

"**Valuation Date**" means the BRL Valuation Date, the Rate Fixing Date or such other date as specified in the applicable Pricing Supplement.

9. Prescription

9.01 Claims against the Issuer in respect of Bearer Instruments and Coupons will become void unless made within two years after the Relevant Date (as defined in Condition 7.02) for payment thereof.

9.02 Claims against the Issuer in respect of Registered Instruments will be prescribed unless made within two years after the due date for payment.

10. Surrender of Talons

10.01 On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Instrument to which it appertains) a further Talon, subject to the provisions of Condition 9. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

11. The Paying Agents and the Registrars

11.01 The initial Paying Agents and Registrars and their respective initial specified offices are specified herein. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or Registrars and to appoint additional or other Paying Agents or Registrars provided that it will so long as any of the Instruments is outstanding maintain (i) a Fiscal Agent; (ii) a Registrar; and (iii) so long as the Instruments are admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange or any other stock exchange, a Paying Agent (which may be the Fiscal Agent) having a specified office in such place as may be required by the rules and regulations of such stock exchange.

The Paying Agents and the Registrar reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agent or the Registrar will be notified promptly to the Holders of the Instruments in accordance with Condition 14.

11.02 The Paying Agents and Registrars act solely as agents of the Issuer and, save as provided in the Fiscal Agency Agreement, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon them in the Fiscal Agency Agreement or incidental thereto.

12. Replacement of Instruments

12.01 If any Instrument or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the applicable Pricing Supplement (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments), subject to all applicable laws and the requirements of any stock exchange or other relevant authority on which the relevant Instruments are listed, upon payment by the claimant of all expenses incurred in such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Fiscal Agent, the relevant Paying Agent or, as the case may be, the Registrar may require. Mutilated or defaced Instruments and Coupons must be surrendered before replacements will be delivered therefor.

13. Meetings of Holders, Further Issues and Amendments

13.01 The Fiscal Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of these Conditions. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series.

13.02 The Fiscal Agency Agreement, the Instruments and any Coupons attached to the Instruments may be amended by the Issuer and the Fiscal Agent without notice to or the consent of the Holder of any Instrument or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein, (ii) to make any further modifications of the terms of the Fiscal Agency Agreement necessary or desirable to allow for the issuance of any additional Instruments (which modifications shall not be materially adverse to Holders of outstanding Instruments) or (iii) in any manner which the Issuer and the Fiscal Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the Holders of the Instruments and Coupons. The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, the Instruments and Coupons attached to the Instruments, if to do so could not reasonably be expected to be prejudicial to the interests of the Holders.

14. Notices

To Holders of Bearer Instruments

14.01 Notices to Holders of Bearer Instruments will be deemed to be validly given (i) if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*); or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe and (ii) if and for so long as the Instruments are listed on the Luxembourg Stock Exchange, in a daily newspaper of general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or on the Luxembourg Stock Exchange's website (www.bourse.lu). Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the first date on which publication is made). Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition.

To Holders of Registered Instruments

14.02 Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth day after the date of such mailing or if posted from another country on the fifth day.

Global Instruments

14.03 So long as the Instruments are represented by Global Instruments or Global Notes, if permitted by the relevant stock exchange or other relevant authority in substitution for the foregoing, notice may be delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein provided that, in the case of Instruments admitted to listing on any stock exchange or other relevant authority, the rules of such stock exchange or other relevant authority have been complied with. Any notice so given will be deemed to have been validly given on the fourth weekday after the date of such delivery to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system.

To the Issuer

14.04 Notices to the Issuer will be deemed to be validly given if delivered to it at 150 Slater Street, Ottawa, Ontario, Canada K1A 1K3 and clearly marked on their exterior "Urgent — Attention: Treasury Division" (or at such other address and for such other attention as may have been notified to the Holders of the Instruments in accordance with this Condition 14) and will be deemed to have been validly given at the opening of business on the next day on which the Issuer's registered office is open for business.

15. Law and Jurisdiction

15.01 The Instruments, the Fiscal Agency Agreement, the Purchase Agreement (as defined under "*Subscription and Sale*") and the Deed of Covenant are governed by, and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

15.02 The Holders of Instruments may enforce payment against Her Majesty in right of Canada by suit in the Federal Court of Canada or a provincial court of competent jurisdiction, no other governmental or other consent being required for such enforcement. A judgement obtained in an action brought against Her Majesty in right of Canada in the Federal Court of Canada or a provincial court of competent jurisdiction is not capable of being enforced by execution, but is payable out of the Consolidated Revenue Fund of Canada.

16. Further Issues

16.01 The Issuer may from time to time, without notice to or the consent of the Holders of any Instruments, create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Instruments of any particular Series; provided that unless such further Instruments are issued under a separate ISIN and/or CUSIP number, such further issuance must be fungible for United States and Canadian federal income taxation purposes with the Instruments issued on the original issue date.

17. Currency Indemnity

17.01 Save as provided in Condition 8C.05 or 8C.06, the currency in which the Instruments are denominated or, if different, payable, as specified in the applicable Pricing Supplement (the "**Contractual Currency**") is the sole currency of account and payment for all sums payable by the Issuer in respect of the Instruments, including damages. Save as provided in Condition 8C.05 or 8C.06, any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of an Instrument or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of an Instrument or Coupon in respect of such Instrument or Coupon, the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Instrument or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Instruments or any judgement or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of an Instrument or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

18. Waiver and Remedies

18.01 No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

TRANSFERS OF INSTRUMENTS IN THE FORM OF GLOBAL NOTES

Transfers of interests in Instruments in the form of Global Notes within Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a DTC Global Note or European Global Note to such persons may be limited.

Transfers may be made at any time by a holder of an interest in an Unrestricted Global Note to a transferee who wishes to take delivery of such interest through a Restricted Global Note provided that any such transfer made on or prior to the expiration of the distribution compliance period (as referred to in "*Subscription and Sale*") relating to the Instruments represented by such Unrestricted Global Note will only be made upon receipt by the Registrar or any Transfer Agent of a written certificate from the transferor of such interest to the effect that such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities law of any state of the United States or any other jurisdiction. Transfers at any time by a holder of any interest in the Restricted Global Note to a transferee who takes delivery of such interest through an Unrestricted Global Note will only be made upon delivery to the Registrar or any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S.

Subject to compliance with the transfer restrictions applicable to the Registered Instruments described above and under "*Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg account holders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Fiscal Agent.

Although Euroclear, Clearstream, Luxembourg and DTC are expected to follow their customary procedures in order to facilitate transfers of beneficial interests in the Global Notes among participants and account holders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent, the Registrar or any Paying Agent will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations.

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organization" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

PRO FORMA PRICING SUPPLEMENT

Notes in italics in this Pro Forma Pricing Supplement are intended for reference purposes only, will not appear in actual Pricing Supplements and are not binding on the Issuer.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Instruments are not intended, [from 1 January 2018,][1] to be offered, sold or otherwise made available to and, [with effect from such date,][1] should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.] [2]

[MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET: Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][3]

[[*Name of relevant Dealers*] are acting exclusively for the Issuer and no one else in connection with the offering described in this Pricing Supplement. They will not regard any other person (whether or not a recipient of this Pricing Supplement) as their client in relation to the offering described in this Pricing Supplement and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this Pricing Supplement or any transaction or arrangement referred to herein.][4]

Pricing Supplement dated [ ]

EXPORT DEVELOPMENT CANADA

Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments]

under the USD30,000,000,000 Programme for the Issuance of Debt Instruments

IMPORTANT NOTICE

The Offering Memorandum referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Instruments in any Member State of the European Economic Area which has implemented the Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU) (the "**Prospectus Directive**") (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Instruments and in compliance with any other applicable laws and regulations.

The Offering Memorandum does not constitute a base prospectus for the purposes of the Prospectus Directive.

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer in that Relevant Member State of the Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus

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[1] This date reference should not be included in the Pricing Supplement for offers concluded on or after January 1, 2018.
[2] Insert as applicable.
[3] Insert in all cases except for private placement to non-EEA entities that are outside the scope of MiFID.
[4] Insert if required by the relevant Dealer(s).

pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Instruments in any other circumstances.

[*Insert as appropriate*][**The Issuer does not consent to the Offering Memorandum or this Pricing Supplement being used in relation to offers of the Instruments in the EEA, other than offers to persons who are qualified investors within the meaning of the Prospectus Directive ("qualified investors"). Offers of the Instruments in the EEA may be made only to persons who are qualified investors.]**

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Offering Memorandum dated December 19, 2017 [and the supplement[s] to it dated [*date*] [and [*date*]]]], including all documents incorporated by reference ([the Offering Memorandum as so supplemented,] the "**Offering Memorandum**"). This document constitutes the final terms of the Instruments described herein and must be read in conjunction with the Offering Memorandum. Full information on the Issuer and the offer of the Instruments described herein is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing during normal business hours at and copies may be obtained from the offices of the Issuer, Export Development Canada, 150 Slater Street, Ottawa, Ontario, Canada K1A 1K3.]

[*The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Prospectus or Offering Memorandum with an earlier date – note that issues of Instruments issued under a Prospectus with an earlier date that were offered to the public in the EEA in circumstances requiring a prospectus to be published under the Prospectus Directive and/or Instruments that are listed on the London Stock Exchange's regulated market cannot be increased*.]

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in and extracted from the Offering Memorandum dated [*original date*] and which are incorporated by reference in the Offering Memorandum dated December 19, 2017. This document constitutes the final terms of the Instruments described herein and must be read in conjunction with the Offering Memorandum dated December 19, 2017, including the Conditions which are incorporated by reference in it [and the supplement[s] to it dated [*date*] [and [*date*]], including all documents incorporated by reference ([the Offering Memorandum as so supplemented], the "**Offering Memorandum**"). Full information on the Issuer and the offer of the Instruments described herein is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing during normal business hours at and copies may be obtained from the offices of the Issuer, Export Development Canada, 150 Slater Street, Ottawa, Ontario, Canada K1A 1K3.]

[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 Pricing Supplement.]

1.	Issuer:		Export Development Canada
2.	(i)	Series Number:	[ ]
	[(ii)	Tranche Number:	[ ]
	[(iii)]	Date on which the Instruments will be consolidated and form a single Series:	[Not Applicable]/[The Instruments shall be consolidated and form a single Series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*/the Issue Date/exchange of the Temporary Global Instrument for interests in the Permanent Global Instrument, as referred to in paragraph 25 below [which is expected to occur on or about [insert date]].]
3.	Specified Currency or Currencies		[ ] [, provided that all payments in respect of the Instruments will be made in [ ] *(include where payments on the Instruments will be made in a currency other than the Specified Currency (such as USD))*] [Condition 8C.05 is not applicable to the Instruments]
4.	Aggregate Nominal Amount:		

	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from and including [*insert date*] to but excluding [*insert date*] being [ ] days *(in the case of fungible issues only, if applicable*)]
6.	(i)	Specified Denomination(s):	[ ] [[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Instruments in definitive form will be issued with a denomination above [€199,000].] [*So long as the Instruments are represented by a Temporary Global Instrument or Permanent Global Instrument and the relevant clearing system(s) so permit, the Instruments will be tradeable only in nominal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and higher integral multiples of at least the Calculation Amount notwithstanding that no definitive Instruments will be issued with denominations above[€199,000*].]
	(ii)	Calculation Amount:	[ ] [*If only one Specified Denomination and no integral multiples, insert the Specified Denomination. If more than one Specified Denomination and no integral multiples, insert the highest common factor of the Specified Denominations. If a Specified Denomination(s) and integral multiples, insert the highest common factor.] [Note: There must be a common factor in the case of two or more Specified Denominations.*]
7.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[/Issue Date/Not Applicable] *(N.B. an Interest Commencement Date will not be relevant for certain Instruments, for example, Zero Coupon Instruments)*
8.	Maturity Date:		[ ] *Fixed Rate - specify date/ Floating Rate Instruments:* [Interest payment date falling in or nearest to [*specify month and year*]]
9.	Interest Basis:		[per cent. Fixed Rate] [[duration][currency][LIBOR/ EURIBOR/Federal Funds Effective Rate/[*other*] [+/– [ ] per cent.] Floating Rate] [Zero Coupon] [Variable Interest] [Dual Currency] [Formula Linked Interest] [Other (*specify*)] (further particulars specified below)
10.	Redemption[/Payment] Basis :		[Redemption at par][Subject to any purchase and cancellation or early redemption in accordance with the Conditions, the

		Instruments will be redeemed on the Maturity Date at the Final Redemption Amount]
		[Dual Currency]
		[Formula Linked Redemption]
		[Other (*specify*)]
		(further particulars specified below)
11.	Change of Interest Basis or Redemption/Payment Basis:	[Not Applicable]
		[*For Fixed to Floating Rate insert* [For the period from (and including) the Interest Commencement Date, up to (but excluding) [ ] paragraph [15/16] applies and for the period from (and including) [ ], up to (but excluding) the Maturity Date, paragraph [15/16] applies]
		(*Specify details of any provision for convertibility of Instruments into another interest or redemption/ payment basis*)
12.	Put/Call Options:	[Investor Put]
		[Issuer Call]
		[Not Applicable]
		[(further particulars specified below)]
13.	Status of the Instruments	Unsecured, Unsubordinated
14.	Effective date of the Board approval for issuance of Instruments:	February 24, 2017

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Instrument Provisions**		[Applicable/Not Applicable]
			(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate(s) of Interest:	[ ] per cent. per annum payable [annually/semi-annually/quarterly/monthly/[*specify other*]] in arrear [on each Interest Payment Date]
			[. The first Interest Period shall be the period commencing on, and including, the Interest Commencement Date and ending on, but excluding, [ ] ([short][long] first coupon)]
			(*where the rate changes e.g. Fixed-Floating Rate, Step-up, Step-down etc.*) [in respect of the period from and including [ ] to but excluding[ ]]
			[[ ] per cent. per annum payable [annually/semi-annually/quarterly/monthly/[*specify other*]] in arrear in respect of the period from and including [ ] to but excluding [ ]]
	(ii)	Interest Payment Date(s):	[ ] [and [ ]] in each year commencing [ ] up to and including the Maturity Date; [not adjusted/adjusted for payment purposes only in accordance

			with the [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention]/adjusted for calculation of interest and for payment purposes in accordance with the [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][where the Additional Business Centres are [ ]] (*amend in the case of long or short coupons*)
	(iii)	Day Count Fraction:	[Actual/Actual (ICMA)]/[Actual/Actual (ISDA)]/ [30/360] /[Actual/360]/[*other (specify)*][Not Applicable]
	(iv)	Fixed Coupon Amount(s): ***(applicable to Instruments in definitive form only)***	[Not Applicable] [[ ] per Calculation Amount payable [annually/semi-annually/quarterly/monthly/ [*specify other*]] in arrear [on each Interest Payment Date] [*for short or long first coupon insert*:, except for the amount of interest payable on the first Interest Payment Date falling on [ ]] [Condition 4A.03(iv) applies (*for Renminbi Instruments*)] *For step up or step down Instruments include:* [payable from and including [ ] to but excluding [ ]] [[ ] [per Calculation Amount] payable from and including [ ] [to but excluding [ ]][up to and including the Maturity Date] [***See Condition 4A.03 and 4G.04 for provisions relating to calculation of interest and rounding***.]
	(v)	Broken Amount(s): ***(applicable to Instruments in definitive form only)***	[Not Applicable] [[ ] [per Calculation Amount] payable on the Interest Payment Date falling on [ ]] *(insert particulars of any initial or final broken interest amounts (or the amount per Calculation Amount) which do not correspond with the Fixed Coupon Amount(s))* [***See Condition 4A.03 and 4G.04 for provisions relating to calculation of interest and rounding.***]
	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[*give details*/Not Applicable]
16.	**Floating Rate Instrument Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* [***See Condition 4G.01 and 4G.04 for provisions relating to calculation of interest and rounding***.]
	(i)	Specified Period(s):	[ ]
	(ii)	Specified Interest Payment Dates:	[ ] in each year[, adjusted for payment purposes only in accordance with the Business Day Convention/adjusted for

		calculation of interest and for payment purposes in accordance with the Business Day Convention/not adjusted]
(iii)	First Interest Payment Date:	[ ]
(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*Other (give details)*]
(v)	Additional Business Centre(s):	[ ]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/Other *(give details)*]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent) (the "**Calculation Agent**"):	[ ] [Not Applicable]
(viii)	Screen Rate Determination:	[Applicable/Not Applicable]
	– Reference Rate:	[*duration*][*currency*] [LIBOR (or such other rate as may replace LIBOR, as determined by the Calculation Agent)/EURIBOR/Federal Funds Effective Rate/[*other*]]
	– Relevant Financial Centre:	[London/Brussels/[*other (specify)*]]
	– 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/Second day on which the TARGET 2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
	– Relevant Screen Page: (Condition 4)	[ ] *(In the case of EURIBOR, if not Reuters Screen EURIBOR01 Page, ensure it is a page which shows a composite rate or amend the fall back provisions appropriately)*
	– [Back-up Relevant Screen Page: (Condition 4)	[ ] [Where LIBOR is replaced, the relevant screen page for such replacement rate, as determined by the Calculation Agent]]
	– Relevant Time:	[11:00 a.m. [London/Brussels] time] [*other*]
	– [Relevant Location:	[ ]]
	– [Reference Banks:	[ ]] *(Insert, in the case of LIBOR, the principal London office of four major banks in the London inter-bank market; in the case of EURIBOR, the principal Euro-zone offices of four major banks in the Eurozone inter-bank market, in each case as selected by the Calculation Agent or otherwise specify)*
	– Averaging:	[Applicable/Not Applicable]

			(if Not Applicable delete following two items)
		– Relevant Banking Day:	[New York Banking Day][*other*]
		– Interest Rate Cut Off Date:	[ ]
	(ix)	ISDA Determination:	[Applicable/Not Applicable]
		(Condition 4C)	
		– Floating Rate Option:	[ ]
		– Designated Maturity:	[ ]
		– Reset Date:	[ ]
			(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
	(x)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period)*]
	(xi)	Margin(s):	[+/-][ ] per cent. per annum
	(xii)	Minimum [Rate][Amount] of Interest:	[[ ] per cent. per annum][Not Applicable]
	(xiii)	Maximum [Rate][Amount] of Interest:	[[ ] per cent. per annum] [Not Applicable]
	(xiv)	Day Count Fraction:	[Actual/Actual (ISDA)]
			[Actual/Actual]
			[Actual/365 (Fixed)]
			[Actual/365 (Sterling)]
			[Actual/360]
			[30/360]
			[*other (specify)*]
	(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions:	[Condition 4C.01 applies] [*other*]
17.	**Zero Coupon Instrument 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)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
	(iv)	Any other formula/basis of determining amount payable:	[ ]
18.	**Variable Interest Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* ***[See Condition 4G.01 and 4G.04 for provisions relating to calculation of interest and rounding.]***
	(i)	Initial Rate:	*Where the Initial Rate is a Fixed Rate*: [[ ] per cent. per annum] *If the Initial Rate steps up include as applicable for each relevant period:* [For the period from and including [ ] to but excluding [ ]: [ ] per cent. per annum] [For the period from and including [ ] to but excluding [ ]: [ ] per cent. per annum]
	Where the Initial Rate is a Floating Rate:		
		– Initial Reference Rate:	[*duration*][*currency*] [LIBOR/EURIBOR/Federal Funds Effective Rate/*other*]]
		– Initial Relevant Screen Page(s):	[ ] [ ]
		– Initial Relevant Time:	[ ]
		– Initial Relevant Location:	[ ]
		– Initial Interest Determination Date(s):	[ ]
	(ii)	Reference Rate: *(this is the rate added to or deducted from the Initial Rate)*	[+/-] [*duration*][*currency*] [LIBOR/EURIBOR/Federal Funds Effective Rate/*other*]/[ ]]
		– Interest Determination Date:	[ ]
		– Relevant Screen Page:	[ ]
		– Relevant Time:	[ ]
		– Relevant Location:	[ ]
	(iii)	Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal	[ ][Not Applicable]

		Agent) (the "**Calculation Agent**"):	
	(iv)	Interest Period(s):	[ ]
	(v)	Specified Interest Payment Dates:	[ ] in each year[, adjusted for payment purposes only in accordance with the Business Day Convention/adjusted for calculation of interest and for payment purposes in accordance with the Business Day Convention/not adjusted]
	(vi)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*other (give details)*] [Unadjusted]
	(vii)	Additional Business Centre(s):	[ ]
	(viii)	Minimum Rate of Interest:	[[ ] per cent. per annum][Not Applicable]
	(ix)	Maximum Rate of Interest:	[[ ] per cent. per annum] [Not Applicable]
	(x)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [*other (specify)*]
	(xi)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating amounts payable, if different from those set out in the Conditions:	[ ]
19.	**Dual Currency Instrument Provisions:**		[Applicable: Condition [ ] applies][other][Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) [***See Condition 4G.01 and 4G.04 for provisions relating to calculation of interest and rounding.***] [***See Condition 8D for provisions relating to payment***.]
	(i)	Currency of Payment:	[ ] [United States Dollars]
	(ii)	Rate of Exchange/method of calculating Rate of Exchange:	[ ]
		– Relevant Screen Page: (Condition 8)	[ ]
		– Relevant Time:	[[ ] a.m. [ ] time] [ ]

		– Valuation Date:	[ ]
		– Back-up Relevant Screen Page: (Condition 8)	[ ]
		– Relevant Location:	[ ]
		– Relevant Business Day:	[ ]
	(iii)	Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent) (the "Calculation Agent"):	[ ][Not Applicable]
	(iv)	Person at whose option Specified Currency(ies) is/are payable:	[ ][Not Applicable]
	(v)	Valuation Business Centre(s):	[ ][Not Applicable] *(For purposes of the definition of Valuation Date in Condition 8D)*
	(vi)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable and any other terms relating to the method of calculating amounts payable, if different from those set out in the Conditions:	[ ][Not Applicable] *(include if not set out in or different from Condition 8D)*
	(vii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*Other (give details)*] [Not Applicable]
20.	**Linked Instrument Provisions**:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* ***[See Condition 4G.01 and 4G.04 for provisions relating to calculation of interest and rounding.]***
	(i)	Formula/other variable:	[*give or annex details*]
	(ii)	Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent) (the "Calculation Agent"):	[ ][Not Applicable]
	(iii)	Provisions for determining interest where calculated by reference to a formula and/or other variable:	[ ]
	(iv)	Determination Date(s):	[ ][Not Applicable]
	(v)	Provisions for determining interest where calculation by reference to a formula and/or other variable is impossible or impracticable or otherwise disrupted:	[ ]

(vi)	Interest Periods/Calculation Periods/Interest Payment Dates:	[ ]
(vii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*other (give details)*] [Unadjusted]
(viii)	Additional Business Centre(s):	[ ]
(ix)	Maximum Rate of Interest:	[[ ] per cent. per annum][Not Applicable]
(x)	Minimum Rate of Interest:	[[ ] per cent. per annum] [Not Applicable]
(xi)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [*other (specify)*]
(xii)	Additional terms relating to calculation:	[ ][Not Applicable]

PROVISIONS RELATING TO REDEMPTION

21.	**Call Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):	[ ]
(ii)	Optional Redemption Amount(s):	[[ ] per Calculation Amount/*other/*see Appendix]
(iii)	If redeemable in part:	
(a)	Minimum Redemption Amount:	[[ ] per Calculation Amount/Not Applicable]
(b)	Maximum Redemption Amount:	[[ ] per Calculation Amount/Not Applicable]
(iv)	Notice period (if other than as set out in the Conditions):	[ ] [Conditions apply]
22.	**Put Option**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Optional Redemption Date(s):	[ ]
(ii)	Optional Redemption Amount(s):	[[ ] per Calculation Amount/*other*/see Appendix
(iii)	Notice period (if other than as set out in the Conditions):	[ ][Conditions apply][*other*]

23.	**Final Redemption Amount of each Instrument**	[Redemption at par/[ ] per Calculation Amount *for payments in a currency other than the Specified Currency, include:* [and will be paid in [*insert currency of payment*] [as determined in accordance with Condition [8D][*other*]] [*or set out other provisions relating to calculation of Final Redemption Amount*]
	In cases where the Final Redemption Amount is Formula-Linked or other variable-linked:	
	(i) Formula/variable:	[give or annex details]
	(ii) Rate Setting Agent/Party responsible for calculating the Final Redemption Amount (if not the Fiscal Agent):	[ ] [include name and address of Calculation Agent]
	(iii) Provisions for determining Final Redemption Amount where calculated by reference to Formula and/or other variable:	[ ]
	(iv) Determination Date(s):	[ ]
	(v) Provisions for determining Final Redemption Amount where calculation by reference to Formula and/or other variable is impossible or impracticable or otherwise disrupted including market or settlement disruption events, and/or adjustment rules with relation to events concerning the underlying:	[ ]
	(vi) Payment Date:	[ ]
	(vii) Minimum Final Redemption Amount:	[ ] per Calculation Amount/Not Applicable
	(viii) Maximum Final Redemption Amount:	[ ] per Calculation Amount/Not Applicable
24.	**Early Redemption Amount** Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption (if different from that set out in the Conditions):	[[ ] per Calculation Amount/ Condition [ ] applies/Not Applicable] *for payments in a currency other than the Specified Currency, include:* [and will be paid in [*insert currency of payment*] [as determined in accordance with Condition [8D][*other*]] [*or set out other provisions relating to calculation of Early Redemption Amount*]

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

25.	Form of Instruments:	**Bearer Instruments:**

		[Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments in the limited circumstances specified in the Permanent Global Instrument.] [Temporary Global Instruments exchangeable for Definitive Instruments in the limited circumstances specified in the Temporary Global Instrument.] [Permanent Global Instrument exchangeable for Definitive Instrument in the limited circumstances specified in the Permanent Global Instrument.] *(if Instruments have an original maturity of one year or less or if the TEFRA C Rules apply the Instruments should be represented on issue by a Permanent Global Instrument)* [[Temporary Global Instrument/ Permanent Global Instrument] exchangeable for Registered Instruments] **Registered Instruments:** [Global Registered Instrument registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg / a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg]
26.	New Global Note/New Safekeeping Structure**:**	[Yes/No] (*If Instruments are intended to be eligible collateral for Eurosystem monetary policy and intra-day credit operations, the New Global Note/New Safekeeping Structure should be used and a "yes" election made in the section in Part B under the heading "Intended to be held in a manner which would allow Eurosystem eligibility"*.)
27.	Additional Financial Centre(s):	[Not Applicable/*give details*. *Note that this item relates to the date and place of payment for purposes of Condition 8, and not interest period end dates, to which items 15(ii), 16(v) and 18(xvi) relate*]
28.	Talons for future Coupons to be attached to Definitive Instruments (and dates on which such Talons mature):	[Yes. As the Instruments have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.] [No]
29.	Other final terms or special conditions:	[Not Applicable/*give details*] *Include any changes to Record Date for purposes of Condition 8B.03*
PROVISIONS RELATING TO RMB DENOMINATED INSTRUMENTS:		[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
30.	RMB Currency Event:	[Applicable/Not Applicable]
31.	Spot Rate (if different from that set out in Condition 8C.06):	[*Specify*/Not Applicable]
32.	Party responsible for calculating the Spot Rate:	[Give name (the "**Calculation Agent**")]

33.	Relevant Currency (if different from that set out in Condition 8C.06):	[*Specify*/Not Applicable]
34.	RMB Settlement Centre(s):	[*Specify*/Not Applicable]

This Pricing Supplement comprises the final terms required for issue of the Instruments described herein pursuant to the USD30,000,000,000 Programme for the Issuance of Debt Instruments of the Issuer.

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By: ....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

[Application [has been/will be/is expected to be] made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on [the Euro MTF Market of the Luxembourg Stock Exchange with effect from [ ]][*other*].] [Not Applicable.]

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

2. RATINGS

[The Instruments [have been/are expected to be]][The Programme has been] assigned the following ratings:

[[AAA] [A-1+] by Standard & Poor's Ratings Services ("**Standard & Poor's**")]

[[Aaa] [P-1] by Moody's Investors Service Ltd. ("**Moody's**".]

A rating is not a recommendation to buy, sell or hold the Instruments and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

3. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/ [ ]]:
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s)/ Transfer Agent(s))/Registrar/ Exchange Agent(s) (if any):	[ ]
(vi)	Intended to be held in a manner that would allow Eurosystem eligibility:	[*Insert as appropriate:* [Yes. Note that the designation "yes" simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for Registered Instruments*] and does not necessarily mean that the Instruments will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [*if "yes", the Instruments must be issued in NGN form*] [No. While the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for Registered Instruments*] . Note that this does

	not necessarily mean that the Instruments will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

4. DISTRIBUTION

Method of distribution:		[Syndicated]/[Non-syndicated]
(i)	Name[s] and address[es] of [Relevant Dealer]/[Manager[s]] [and underwriting commitments]:	[ ]
(ii)	Stabilising Manager(s) (if any):	[Not Applicable/give name]
(iii)	U.S. Selling Restrictions:	Reg. S Compliance Category 2 [TEFRA D/TEFRA C/TEFRA Not Applicable] [144A eligible]
(iv)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the offer of Instruments is concluded prior to 1 January 2018, or if on and after that date the Instruments clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Instruments is concluded on or after 1 January 2018 and the Instruments may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified*)
(v)	Additional Selling Restrictions:	[ ][Not Applicable]

5. USE OF PROCEEDS

[The net proceeds of the issue of the Instruments shall be used for special environmental projects *(add detail as necessary)*]

[The net proceeds of the issue of the Instruments will be used by the Issuer in furtherance of its corporate purposes]

TAXATION

CANADIAN FEDERAL INCOME TAXATION

The following summary describes the principal Canadian federal income tax considerations generally applicable as of the date hereof to a beneficial owner of an Instrument acquired pursuant to this Offering Memorandum and applicable Pricing Supplement who, for the purposes of the *Income Tax Act* (Canada) ("**Tax Act**"), and at all relevant times: (i) is not resident and is not deemed to be resident in Canada, and (ii) does not use or hold and is not deemed to use or hold the Instrument in, or in the course of, carrying on a business in Canada ("**Non-resident Holder**"). Special rules which apply to non-resident insurers carrying on business in Canada and elsewhere are not discussed in this summary.

This summary is based upon: (a) the provisions of the Tax Act and the regulations thereunder ("**Regulations**") in force on the date hereof; (b) all specific proposals to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance for Canada prior to the date hereof ("**Tax Proposals**"), and (c) the current administrative and assessing practices and policies published by the Canada Revenue Agency. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurance can be given that this will be the case. This summary does not take into account or anticipate any other changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign income tax considerations. No assurances can be given that changes in law or administrative practices or future court decisions will not affect the Canadian federal income tax treatment of a Non-resident Holder.

This summary is of a general nature only, is not exhaustive of all Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Non-resident Holder. Non-resident Holders are advised to consult their own tax advisers with respect to their particular circumstances.

Interest paid or credited or deemed to be paid or credited by the Issuer to a Non-resident Holder of an Instrument will be exempt from Canadian non-resident withholding tax unless such interest or deemed interest is "**participating debt interest**" (as defined in the Tax Act). In general terms, participating debt interest means interest on an obligation all or any portion of which is contingent or dependent on the use of or production from property in Canada or that is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable on any class or series of shares of the capital stock of a corporation.

If applicable, the normal rate of Canadian non-resident withholding tax is 25% but such rate may be reduced under the terms of an applicable income tax treaty.

Generally, there are no other Canadian federal income taxes that would be payable by a Non-resident Holder as a result of holding or disposing of an Instrument (including for greater certainty, any gain realized by a Non-resident Holder on a disposition of an Instrument).

UNITED STATES FEDERAL INCOME TAXATION

This disclosure is limited to the U.S. federal tax issues addressed herein. Additional issues not addressed in this disclosure could affect the U.S. federal tax treatment of the Instruments. This tax disclosure was written in connection with the promotion or marketing of the Instruments, and it is not intended to be used, and cannot be used, by any holder for the purpose of avoiding penalties that may be asserted against the holder under the Internal Revenue Code. Holders should seek their own advice based on their particular circumstances from an independent tax adviser.

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Instruments that are held as capital assets. Because the U.S. federal income tax consequences of the acquisition, ownership and disposition of Instruments that could be issued under this Offering Memorandum may differ from that described below depending on the terms of the relevant Instrument, the Issuer will provide supplemental information as to the tax consequences of the acquisition, ownership and disposition of any Instruments not addressed herein. The applicable Pricing Supplement may contain additional or modified disclosure concerning the U.S. federal income tax consequences relevant to a particular type of Instrument. Each prospective purchaser should consult its own tax adviser regarding the consequences to it of the acquisition, ownership and disposition of Instruments.

This discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Instruments by particular investors, and does not address state, local or foreign tax laws. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, regulated investment companies, real estate investment trusts, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Instruments as part of straddles, hedging transactions, conversion transactions, constructive sale transactions or other integrated transactions for U.S. federal income tax purposes, investors whose functional currency is not the U.S. dollar). This summary does not address any U.S. federal tax consequences other than U.S. federal income tax consequences (such as the estate and gift tax, alternative minimum tax consequences, or the Medicare tax on net investment income).

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect. No rulings have or will be sought from the Internal Revenue Service ("**IRS**") regarding the proper characterization of Instruments or other matters discussed below.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING INSTRUMENTS, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

General Considerations for U.S. Holders

As used herein, the term "**U.S. Holder**" means a beneficial owner of Instruments that is for U.S. federal income tax purposes (i) a citizen or resident of the United States (ii) a corporation, or other entity treated as a corporation, created or organized under the laws of the United States or any state thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or a trust that has validly elected to be treated as a U.S. person.

Uncertainty Regarding the Characterization of Instruments

The Instruments are complex instruments whose relevant terms may vary materially as among different series of Instruments. There may be limited authority directly applicable to the Instruments and such authority may not directly address Instruments with terms substantially similar to those of a particular Instrument. Accordingly, the proper characterization for federal income tax purposes of the Instruments may be unclear under current law.

Although the Instruments are in form debt securities, in certain cases (for example, where the investor is not legally entitled to repayment of an amount at least equal to the issue price of an Instrument or the yield is based on an index that is not a customary interest rate index), certain Instruments could be characterized as an instrument other than debt for federal income tax purposes. Under applicable authorities this determination is made based on all the facts and circumstances and the presence or absence of any one relevant factor is not determinative. As a result, alternative characterizations are possible.

Instruments characterized other than as debt, depending on their precise terms, may be properly characterized as options or collateralized options written or held by the U.S. Holder, forward contracts (including prepaid forward contracts), or some other form of derivative financial contract. If the Instrument provides for interim payments, the Instrument also may be characterized as notional principal contracts or as consisting of a unit comprised of a derivative and a separate interest-bearing deposit that collateralizes a holder's obligations under that derivative. Alternative characterizations are also possible. The Treasury Department and IRS have released a notice requesting comments on the U.S. federal income tax treatment of prepaid forward contracts and similar instruments. The notice focuses in particular on whether to require holders of such instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments, the relevance of factors such as exchange-traded status of the instruments and the nature of the underlying property to which they are linked, and whether these investments are or should be subject to the constructive sale transaction tax consequences excluded from this discussion. Prospective U.S. investors considering an investment in an applicable Instrument should consult their tax advisers regarding the notice and its potential implications for an investment in an applicable Instrument.

For the reasons above, the timing and character of income recognized by a holder for U.S. federal income tax purposes is uncertain and also may vary depending on the precise terms of an Instrument. Accordingly, each prospective U.S. investor is urged to consult its own tax adviser about the timing, character and source of income it will recognize as a result of acquiring, holding or disposing of an Instrument and should also consult the terms contained in the applicable Pricing Supplement which may contain additional or modified disclosure concerning the U.S. federal income tax consequences relevant to a particular type of Instrument.

The balance of the discussion below applies only to Instruments properly treated as debt for U.S. federal income tax purposes.

General Considerations for U.S. Holders of Instruments Characterized as Debt

Payments of Interest

General

Interest on an Instrument, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (each, a "**foreign currency**"), other than interest that is not "qualified stated interest" (as defined below under "*Original Issue Discount — General*"), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. Interest received or accrued by a U.S. Holder on the Instruments and Original Issue Discount ("**OID**"), if any, accrued with respect to the Instruments (as described below under "*Original Issue Discount*") generally will constitute income from sources outside the United States for purposes of computing the foreign tax credit limitation. For foreign tax credit limitation purposes, such income will generally constitute **"**passive category income" or "general category income." The rules regarding the availability of foreign tax credits are complex and U.S. Holders may be subject to various limitations thereon.

Foreign Currency Denominated Interest

If an interest payment is denominated in, or determined by reference to, a single foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, a U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period or taxable year, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of an Instrument) denominated in, or determined by reference to, a foreign currency an accrual basis U.S. Holder will recognize ordinary income or loss measured by the difference between the exchange rate used to accrue interest income pursuant to one of the two above methods and the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

Original Issue Discount

General

The following is a summary of the principal United States federal income tax consequences of the ownership of Instruments issued with OID.

An Instrument, other than an Instrument with a term of one year or less (a "**Short-Term Instrument**"), will be treated as issued with OID (a "**Discount Instrument**") if the excess of the Instrument's "stated redemption price at maturity" over its issue price is not less than a *de minimis* amount (0.25% of the Instrument's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "**installment obligation**") will be treated as a Discount Instrument if the excess of the Instrument's stated redemption price at maturity over its issue price is not less than 0.25% of the Instrument's stated redemption price at maturity multiplied by the weighted average maturity of the Instrument. An Instrument's weighted average maturity is the sum of the following amounts determined for each payment on an Instrument (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made, multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Instrument's stated redemption price at maturity. Generally, the issue price of an Instrument will be the first price at which a substantial amount of Instruments included in the issue of which the Instrument is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of an Instrument is the total of all payments provided by the Instrument that are not payments of "qualified stated interest." A qualified stated interest payment is generally any one of a series of stated interest payments on an Instrument that are unconditionally payable in cash or property (other than additional debt instruments of the Issuer) at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "*Variable Interest Rate Instruments*"), applied to the outstanding principal amount of the Instrument.

U.S. Holders of Discount Instruments must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Instruments. The amount of OID includible in income by a U.S. Holder of a Discount Instrument is the sum of the daily portions of OID with respect to the Discount Instrument for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Instrument ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to an Instrument may be of any length selected by the U.S. Holder and may vary in length over the term of the Instrument as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Instrument occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Instrument's adjusted issue price at the beginning of the accrual period and the Discount Instrument's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Instrument allocable to the accrual period. The "adjusted issue price" of a Discount Instrument at the beginning of any accrual period is the issue price of the Instrument increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Instrument that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Instrument for an amount less than or equal to the sum of all amounts payable on the Instrument after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "acquisition premium") and that does not make the election described below under "*Election to Treat All Interest as Original Issue Discount*," is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's acquisition premium over the Instrument's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Instrument after the purchase date, other than payments of qualified stated interest, over the Instrument's adjusted issue price.

Market Discount

An Instrument, other than a Short-Term Instrument, generally will be treated as purchased at a market discount (a "**Market Discount Instrument**") if the Instrument's stated redemption price at maturity or, in the case of a Discount Instrument, the Instrument's "revised issue price" exceeds the amount for which the U.S. Holder purchased the Instrument by at least 0.25% of the Instrument's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Instrument's maturity (or, in the case of an Instrument that is an installment obligation, the Instrument's weighted average maturity). If this excess is not sufficient to cause the Instrument to be a Market Discount Instrument, then the excess constitutes "de minimis market discount". For this purpose, the "revised issue price" of an Instrument generally equals its issue price, increased by the amount of any OID that has accrued on the Instrument and decreased by the amount of any payments previously made on the Instrument that were not qualified stated interest payments.

Under current law, any gain recognized on the maturity or disposition of a Market Discount Instrument (including any payment on an Instrument that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Instrument. Alternatively, a U.S. Holder of a Market Discount Instrument may elect to include market discount in income currently over the life of the Instrument. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Instrument that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Instrument that is in excess of the qualified stated interest and any OID on the Instrument includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Instrument was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies to all debt instruments with market discount held or thereafter acquired by the U.S. Holder and is irrevocable without the consent of the IRS.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on an Instrument using the constant-yield method described above under "*General*" with certain modifications. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium (described below under "*Instruments Purchased at a Premium*") or acquisition premium. This election will generally apply only to the Instrument with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on an Instrument is made with respect to a Market Discount Instrument, the electing U.S. Holder will be treated as having made the election discussed above under "*Market Discount*" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Variable Interest Rate Instruments

It is expected that Instruments that provide for interest at variable rates ("**Variable Interest Rate Instruments**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Instrument will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total noncontingent principal payments due under the Variable Interest Rate Instrument by more than a specified de minimis amount and (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate. A Variable Interest Rate Instrument that does not meet the requirements for qualification as a "variable rate debt instrument" under the U.S. Treasury regulations generally will be treated as a "contingent payment debt instrument" for U.S. federal income tax purposes. See "— Contingent Payment Debt Instruments" below.

A "**qualified floating rate**" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Instrument is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Instrument (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Instrument's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Instrument.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Instrument will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Instrument's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Instrument's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Instrument provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Instrument's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Instrument that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument," then any stated interest on the Instrument which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Instrument that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Instrument is issued at a "true" discount (i.e., at a price below the Instrument's stated principal amount) not less than a specified de minimis amount. OID on a Variable Interest Rate Instrument arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Instrument.

In general, any other Variable Interest Rate Instrument that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Instrument. Such a Variable Interest Rate Instrument must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Instrument with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Instrument's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Instrument is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Instrument. In the case of a Variable Interest Rate Instrument that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Instrument provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Instrument as of the Variable Interest Rate Instrument's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Instrument is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Instrument is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Instrument will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Instrument during the accrual period.

Contingent Payment Debt Instruments

Payments on an Instrument that provides for one or more contingent interest or principal payments (unless there is only a remote likelihood as of the issue date of the Instrument that these payments will be made, the amounts thereof are considered incidental and/or there is one payment schedule on the Instrument that is significantly more likely than not to occur) are generally includible in income based on an accrual schedule calculated by the Issuer on the issue date that estimates, based on available market information or the expected value of such payments on the issue date, the contingent payments reasonably expected to be made over the term of the note (a "projected payment schedule").

To determine the accrual schedule, the Issuer must determine the yield (the "comparable yield") at which it would issue a fixed rate non-contingent debt instrument with otherwise similar terms and conditions. The Issuer must then determine the projected payment schedule for the Instruments including any noncontingent payments and an amount for each contingent payment . If the projected payment schedule does not produce the comparable yield, it must be adjusted to produce the comparable yield with adjustments made first to amounts in respect of contingent payments not based on market information. The accrual schedule generally remains fixed throughout the term of the Instrument and is binding on all holders. Certain adjustments to the amount included in income are made when actual interest or principal payments differ from projected payments. Any gain upon a sale or other taxable disposition of such an Instrument generally will be taxable to a U.S. Holder as ordinary interest income rather than capital gain unless all contingencies have been resolved prior to the disposition; any loss will be ordinary loss to the extent of the interest previously included in gross income by the U.S. Holder with respect to the Instrument, and thereafter, capital loss. U.S. Holders are urged to consult their tax advisers regarding the tax treatment of contingent payments.

Short-Term Instruments

In general, a cash basis U.S. Holder of a Short-Term Instrument is not required to accrue OID (as specially defined below for the purposes of this paragraph) for United States federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Instruments on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale or retirement of the Short-Term Instrument will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Instruments will be required to defer deductions for interest on borrowings allocable to Short-Term Instruments in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Instrument are included in the Short-Term Instrument's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Instrument as if the Short Term Instrument had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Instrument. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Foreign Currency Instruments

Except with respect to Instruments denominated in more than one foreign currency or subject to one or more non-currency related contingencies discussed below under "*Dual Currency Instruments*," OID for any accrual period on a Discount Instrument that is denominated in, or determined by reference to, a single foreign currency will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under "*Payments of Interest*." Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of an Instrument), a U.S. Holder may recognize exchange gain or loss, which will be ordinary gain or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate on the date of receipt) and the amount previously accrued.

Market Discount on an Instrument that is denominated in, or determined by reference to, a single foreign currency will be accrued by a U.S. Holder in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder will recognize ordinary gain or loss measured in the same manner as for accrued qualified stated interest or OID. A U.S. Holder that does not make this election will recognize, upon the disposition or maturity of the Instrument, the U.S. dollar value of the amount accrued, calculated at the exchange rate in effect on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Instruments Purchased at a Premium

A U.S. Holder that purchases an Instrument for an amount in excess of its principal amount, or for a Discount Instrument, its stated redemption price at maturity, may elect to treat the excess as "amortizable bond premium," in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Instrument will be reduced by the amount of amortizable bond premium allocable (based on the Instrument's yield to maturity) to that year. In the case of an Instrument that is denominated in, or determined by reference to, a foreign currency, bond premium will be computed in units of foreign currency, and amortizable bond premium will reduce interest income in units of the foreign currency. At the time amortised bond premium offsets interest income, exchange gain or loss (taxable as ordinary income or loss) is realized measured by the difference between exchange rates at that time and at the time of the acquisition of the Instruments. Any election to amortize bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "*Original Issue Discount — Election to Treat All Interest as Original Issue Discount*."

Dual Currency Instruments

If an Instrument is issued in circumstances where certain payments on the Instrument are denominated in or determined by reference to one currency and other payments on the Instrument may be denominated in or determined by reference to another currency ("**Dual Currency Instrument**"), such Instrument will be a "nonfunctional currency contingent payment debt instrument" subject to special rules. Certain Instruments denominated in a single foreign currency may also be subject to these rules if they are subject to one or more non-currency related contingencies. OID on a Dual Currency Instrument is generally includible in income based on an accrual schedule calculated by the Issuer on the issue date that estimates, based on available market information, the contingent payments reasonably expected to be made over the term of the Instrument similar to the rules governing contingent payment debt instruments.

To determine the accrual schedule of a nonfunctional currency contingent payment debt instrument the Issuer must determine the "comparable yield" based on the predominant currency of the Instrument (the **"Denomination Currency**"), which will generally be the currency in which the principal of the Instrument is denominated. The Issuer must then determine the projected payment schedule for the Instruments in the Denomination Currency including any noncontingent payments and an amount for each contingent payment based on market information or the expected value of the payment as of the issue date. If the projected payment schedule does not produce the comparable yield, it must be adjusted to produce the comparable yield with adjustments made first to amounts in respect of contingent payments not based on market information. The accrual schedule generally remains fixed throughout the term of the Instrument and is binding on all holders. Adjustments apply when actual interest or principal payments differ from projected payments.

A U.S. Holder will generally include in income the U.S. dollar value of the accrued interest based on the average currency exchange rate for the applicable accrual period, or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. Alternatively, a U.S. Holder may elect to translate interest income for an interest accrual period into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year).

At maturity or upon earlier sale or exchange, any gain realized by a U.S. Holder will be ordinary income, and any loss realized will very generally be ordinary loss to the extent of previous interest inclusions, and thereafter will be capital loss. These consequences are governed by a complex set of Treasury regulations under which some of a U.S. Holder's ordinary gain may be treated as interest income and the rest (if any) as ordinary foreign exchange gain, and some of a U.S. Holder's ordinary loss may be treated as ordinary foreign exchange loss. In certain circumstances, it is also possible that a U.S. Holder could be required to recognize capital loss as well as ordinary foreign exchange gain. U.S. Holders are urged to consult their tax advisers regarding the tax treatment of Dual Currency Instruments and other contingent payment debt instruments.

Sale, Retirement and other Taxable Dispositions of Instruments

A U.S. Holder's tax basis in an Instrument will generally be its U.S. dollar cost (as defined below) increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Instrument and the amount, if any, of income attributable to de minimis OID and de minimis market discount included in the U.S. Holder's income with respect to the Instrument, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Instrument. The U.S. dollar cost of an Instrument purchased with a foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Instruments traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder will generally recognize gain or loss on the sale, retirement or other taxable disposition of an Instrument equal to the difference between the amount realized on the sale or retirement and the tax basis of the Instrument. The amount realized on a sale, retirement, or other taxable disposition for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement or, in the case of Instruments traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Except to the extent described above under "*Original Issue Discount—Market Discount*", "*Original Issue Discount—Contingent Payment Debt Instruments*", "*Original Issue Discount—Short-Term Instruments*" or "*Dual Currency Instruments*" or attributable to accrued but unpaid interest or changes in exchange rates, gain or loss recognized on the sale, retirement, or other taxable disposition of an Instrument will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Instruments exceeds one year. Long-term capital gain is currently taxable at a reduced rate for individuals, trusts and estates. The deductibility of capital losses is subject to significant limitations.

Gain or loss recognized by a U.S. Holder on the sale, retirement, or other taxable disposition of an Instrument that is attributable to changes in exchange rates will be treated as ordinary income or loss and is generally taken into account only to the extent of total gain or loss realized on the transaction.

Gain or loss realized by a U.S. Holder on the sale, retirement, or other taxable disposition of an Instrument generally will be U.S. source.

Bearer Instruments

A U.S. Holder of a bearer instrument that is treated as a debt obligation who is a U.S. person will be subject to the limitations under U.S. income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Code. U.S. Holders are strongly urged to consult their tax advisers about the potentially adverse consequences of acquiring, owning or disposing of an Instrument in bearer form.

Exchange of Amounts in other than U.S. Dollars

Foreign currency received as interest on an Instrument or on the sale or retirement of an Instrument will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or retirement. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Instruments or an exchange for U.S. dollars) will be ordinary income or loss.

General Considerations for U.S. Holders of Instruments Characterized Other Than As Debt

General

Instruments not properly characterized as debt, depending on their precise terms, may be characterized as options or collateralized options written or held by the U.S. Holder, forward contracts (including prepaid forward contracts), or some other form of derivative financial contract including for example, if the Instrument provides for interim payments, as notional principal contracts or as consisting of a unit comprised of a derivative and a separate interest-bearing deposit that collateralizes a holder's obligations under that derivative. Alternative characterizations are also possible.

In general, in the case of an Instrument that does not provide for payments prior to maturity and is properly treated as a forward contract, variable prepaid forward contract or option contract, a U.S. Holder generally should not recognize income until maturity. Gain or loss to a holder generally would be recognized and determined when the Instrument is settled based on the difference between the amounts received under the Instrument and the holder's tax basis in the Instrument. Such gain or loss generally would be capital gain or loss. As mentioned above, however, on December 7, 2007, the Treasury Department and IRS released a notice requesting comments on the U.S. federal income tax treatment of prepaid forward contracts and similar instruments. Although it is not possible to predict the content of any future regulations or other guidance, it could alter the foregoing consequences.

An Instrument that provides not only for a single payment or settlement at maturity but also for interim payments could be treated as a notional principal contract, or as a unit comprised of an option or forward contract collateralized by an interest-bearing deposit, in which case all or a portion of the interim payments may be treated as interest on the deposit. Amounts not treated as deposit interest could still constitute ordinary income. In either case, income could be recognized in advance of maturity as ordinary income rather than taken into account in computing the gain or loss from the Instrument.

To the extent that an Instrument is treated as a "constructive ownership transaction," any gain on disposition may be treated as ordinary income and an interest charge may be imposed on a deemed underpayment of tax for each taxable year during which the Instrument was held. For purposes of determining the interest charge, gain treated as ordinary income is allocated to each such taxable year during which the Instrument was held so that the amount of gain accrued from each year to the next increases at a constant rate equal to the "applicable federal rate" (a rate published monthly by the IRS based on prevailing Treasury yields) in effect at the time the Instrument is issued.

If an Instrument is issued in circumstances in which it is not properly characterized as debt, the applicable Pricing Supplement will discuss the material U.S. federal income tax consequences in respect of such Instrument to U.S. Holders and any special features of such Instruments including rights of the Issuer and/or the holders or attributes of the underlying references assets, if any.

Foreign Currency Instruments

In the case of an Instrument denominated in a currency other than the United States dollar, all or a portion of the amount recognized may be treated as foreign currency gain or loss. Foreign currency gain or loss recognized by a U.S. Holder (generally, the gain or loss attributable to changes in value of the foreign currency relative to the dollar) would be treated as ordinary income rather than capital gain.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose this participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Instruments as a reportable transaction if the loss exceeds USD50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. A penalty in the amount of USD10,000 in the case of a natural person and USD50,000 in any other case is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction that is treated as a reportable transaction. In the event the acquisition, holding or disposition of Instruments constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. Holder may be required to disclose its investment by filing Form 8886 with the IRS. In addition, the Issuer and its advisers may be required to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Instruments.

Taxation of Non-U.S. Holders

As used herein, the term "**Non-U.S. Holder**" means a beneficial owner of Instruments that is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes. Interest or income from other payments made or gain realized on the sale, exchange, retirement or other disposition of an Instrument by a Non-U.S. Holder will generally not be subject to U.S. federal income tax unless (i) such income is effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States, or (ii) the Non-U.S. Holder has or had a current or former relationship with the United States, including a relationship as a citizen or resident thereof or based on an individual's presence in the United States for 183 days or more in the taxable year of the applicable jurisdiction.

United States Backup Withholding and Information Reporting

Payments on, and proceeds from the taxable disposition of, Instruments may be subject to U.S. backup withholding unless the Non-U.S. Holder has provided applicable certification of foreign status or otherwise establishes an exemption. Subject to the foregoing, unless the Issuer or the Paying Agent has actual knowledge or reason to know that the holder or beneficial owner, as the case may be, is a U.S. person, payments on and proceeds from the sale of the Instruments made outside the United States generally will be exempt from the U.S. backup withholding and, if made by or through a person that is not a person with certain enumerated connections with the United States, the information reporting rules. Any amounts withheld under the backup withholding rules may be allowed as a credit against the holder's U.S. federal income tax liability, and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS. Holders should consult their tax advisers regarding the application of information reporting and backup withholding to their particular situations, the availability of an exemption therefrom, and the procedure for obtaining an exemption, if available.

"**Specified Foreign Financial Asset**" **Reporting**

Owners of "specified foreign financial assets" with an aggregate value in excess of USD 50,000 (and in some circumstances, a higher threshold), may be required to file an information report with respect to such assets with their U.S. federal income tax returns. "Specified foreign financial assets" generally include any financial accounts maintained by foreign financial institutions as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in foreign entities. Prospective investors should consult their tax advisers regarding the possible implications of this requirement on their investment in the Instruments.

THE PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")

On February 14, 2013, the European Commission published a proposal (the "**Commission Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission Proposal has very broad scope and could, if introduced, apply to certain dealings in securities (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Instruments where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Instruments are advised to seek their own professional advice in relation to the FTT.

PRC CURRENCY CONTROLS

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Offering Memorandum, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to Instruments. Prospective holders of Instruments who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.

Remittance of Renminbi into and outside the PRC

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC being Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. In June 2010 and July 2011, respectively, the PRC Government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades and the Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement (the "**Circulars**") with regard to the expansion of designated cities and offshore jurisdictions implementing the pilot Renminbi settlement scheme for cross-border trades. Pursuant to the Circulars (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover all provinces and cities in the PRC; and (iii) the restriction on designated offshore districts has been lifted. Accordingly, PRC enterprises and offshore enterprises are entitled to use Renminbi to settle imports of goods and services and other current account items between them; Renminbi remittance for exports of goods from the PRC may only be effected by approved pilot enterprises in designated pilot districts in the PRC.

On February 3, 2012, PBoC and five other PRC Authorities (the "**Six Authorities**") jointly issued the Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods (the "**2012 Circular**"). Under the 2012 Circular, any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports, provided that the relevant provincial government has submitted to the Six Authorities a list of key enterprises subject to supervision and the Six Authorities have verified and signed off on such list. On June 12, 2012, the PBoC issued a notice stating that the Six Authorities had jointly verified and announced a list of 9,502 exporting enterprises subject to supervision and as a result any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports.

On July 5, 2013, the PBoC promulgated the Circular on Simplifying the Procedures for Cross-Border Renminbi Transactions and Improving Related Policies (the "**2013 PBoC Notice**") with the intent to improve the efficiency of cross border Renminbi settlement and facilitate the use of Renminbi for the settlement of cross border transactions under current accounts or capital accounts. In particular, the 2013 PBoC Notice simplifies the procedures for cross border Renminbi trade settlement under current account items. For example, PRC banks, based on due diligence review to know their clients (i.e., PRC enterprises), may conduct settlement for such PRC enterprises upon the PRC enterprises presenting the payment instruction, with certain exceptions. PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank's verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross border remittance).

On November 1, 2014, the PBoC promulgated the Notice on Matters concerning Centralized Cross-Border RMB Fund Operation conducted by Multinational Enterprise Groups (the "**2014 PBoC Notice**"), which provides that qualified multinational enterprise groups ("**MEGs**") may carry out cross-border Renminbi fund centralised operations via a group member incorporated in the PRC, which operations include (i) two-way Renminbi cash-pooling arrangement and (ii) centralised receipt and payment of cross-border Renminbi under the current account. A qualified MEG shall have an aggregate revenue generated by domestic participating group members of no less than RMB 5 billion, and an aggregate revenue generated by foreign participating group members of no less than RMB 1 million. The group parent company of a qualified MEG may be incorporated in or outside of the PRC.

On September 5, 2015, the PBoC promulgated the Notice on Further Facilitating the Two-way Cross-border Renminbi Cash-pooling Business by Multinational Enterprise Groups, which rephrases the requirements on two-way Renminbi cash-pooling arrangement and replaces those set forth under the 2014 PBoC Notice. Among other things, the PBoC effectively increases the cap for net cash flow by increasing the default macro-prudential policy parameter from 0.1 to 0.5 for the time being and stipulates that (i) a qualified MEG is only allowed to have one two-way cross-border Renminbi cash-pooling in the PRC, (ii) the aggregate revenue generated by the domestic participating group members of a MEG shall be no less than RMB 1 billion and that of the foreign participating group members shall be no less than RMB 200 million, (iii) the group parent company of a qualified MEG may be incorporated in or outside of the PRC; and (iv) the fund held in the special RMB deposit account under the name of the domestic group parent company is prohibited from being used for investing in securities, financial derivatives or non-self-use real estates or for purchasing wealth management products or granting entrusted loans.

As new regulations, the above circulars and notices will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such rules. Local authorities may adopt different practices in applying these circulars and impose conditions for the settlement of current account items.

Capital Account Items

Under the applicable PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments have been generally subject to the approval of the relevant PRC authorities. However, as set out below, it has been announced that as from June 1, 2015, the capital account regulation in relation to direct investment has been delegated by the governmental authority (i.e. the local branches of the SAFE) to designated foreign exchange banks.

Prior to October 2011, settlements for capital account items were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) were required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties were also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. The relevant PRC authorities may, however, have granted approvals for a foreign entity to make a capital contribution or a shareholder’s loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to remit interest and principal repayment to its foreign investor outside the PRC in Renminbi. The foreign invested enterprise may, however, have been required to complete a registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On October 13, 2011, the PBoC issued the Administrative Measures on RMB Settlement of Foreign Direct Investment (“**PBoC RMB FDI Measures**”) which set out operating procedures for PRC banks to handle Renminbi settlement relating to Renminbi foreign direct investment (“**RMB FDI**”) and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBoC RMB FDI Measures, cross-border Renminbi settlement for RMB FDI has required approvals on a case-by-case basis from the PBoC. The new rules replace the PBoC approval requirement with less onerous post-event registration and filing requirements. The PBoC RMB FDI Measures provide that, among others, foreign invested enterprises are required to conduct registrations with the local branch of PBoC within ten working days after obtaining business licenses for the purpose of Renminbi settlement; a foreign investor is allowed to open a Renminbi expense account to reimburse some expenses before the establishment of a foreign invested enterprise and the balance in such an account can be transferred to the Renminbi capital account of such foreign invested enterprise when it is established, commercial banks can remit a foreign investor’s Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries out of the PRC after reviewing certain requisite documents; if a foreign investor intends to use its Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries to reinvest onshore or increase the registered capital of the PRC subsidiaries, the foreign investor may open a Renminbi reinvestment account to receive such Renminbi proceeds; and the PRC parties selling a stake in domestic enterprises to foreign investors can open Renminbi accounts and receive the purchase price in Renminbi paid by foreign investors by submitting certain documents as required by the guidelines of PBoC to the commercial banks. The PBoC RMB FDI Measures also state that the foreign debt quota of a foreign invested enterprise applies to both its Renminbi debt and foreign currency debt owed to its offshore shareholders, offshore affiliates and offshore financial institutions, and a foreign invested enterprise may open a Renminbi account to receive its Renminbi proceeds borrowed offshore by submitting the Renminbi loan contract and the letter of payment order to the commercial bank and make repayments of principal and interest on such debt in Renminbi by submitting certain documents as required by the guidelines of the PBoC to the commercial bank.

On June 14, 2012, the PBoC further promulgated the Notice on Clarifying the Detailed Operating Rules for RMB Settlement of Foreign Direct Investment (“**PBoC RMB FDI Notice**”) to provide more detailed rules relating to cross-border Renminbi direct investments and settlement. This PBoC RMB FDI Notice details the rules for opening and operating the relevant accounts and reiterates the restrictions upon the use of the funds within different Renminbi accounts.

On May 10, 2013, the SAFE promulgated the Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors (the "**SAFE Provisions**"), which became effective on 13 May 2013. The SAFE Provisions removed previous approval requirements for foreign investors and foreign invested enterprises in opening of, and capital injections into, foreign exchange accounts, although registration for foreign exchange (including cross-border Renminbi) administration is still required.

On July 5, 2013, the PBoC promulgated the 2013 PBoC Notice (together with the PBoC RMB FDI Measures and the PBoC RMB FDI Notice, the "**PBoC Rules**") which, among other things, provide more flexibility for funds transfers between the Renminbi accounts held by offshore participating banks at PRC onshore banks and offshore clearing banks respectively.

On December 3, 2013, MOFCOM promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the "**MOFCOM Circular**"), which became effective on January 1, 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify "Renminbi Foreign Direct Investment" and the amount of capital contribution required for each FDI in the approval. Unlike the previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also expressly prohibits the FDI Renminbi funds from being used for any investment in securities and financial derivatives (except for investment in PRC listed companies by strategic investors) or for entrusted loans in the PRC.

On February 13, 2015, the SAFE promulgated the Notice on Further Simplifying and Improving Foreign Exchange Administration on Policies for Foreign Direct Investment (the "**2015 SAFE Notice**"), which became effective on June 1, 2015. Under the 2015 SAFE Notice, the SAFE delegates the authority for approval/registration of foreign currency (including cross-border Renminbi) related matters for direct investment (inbound and outbound) to designated foreign exchange banks.

On March 30, 2015, SAFE promulgated the Circular on Reforming Foreign Exchange Capital Settlement for Foreign Invested Enterprises (the "**2015 SAFE Circular**"), which became effective on and from June 1, 2015. The 2015 SAFE Circular allows foreign-invested enterprises to settle 100 per cent. (tentative) of the foreign currency capital (that has been processed through SAFE's equity interest confirmation proceedings for capital contribution in cash or registered by a bank on SAFE's system for account-crediting for such capital contribution) into Renminbi according to their actual operational needs, though SAFE reserves its authority to reduce the proportion of foreign currency capital that is allowed to be settled in such manner in the future. On the other hand, it is notable that the 2015 SAFE Circular continues to require that capital contributions should be applied within the business scope of a foreign-invested company for purposes that are legitimate and for that foreign-invested company's own operations; with respect to the Renminbi proceeds obtained through the aforementioned settlement procedures, the 2015 SAFE Circular prohibits such proceeds from being applied outside the business scope of the company or for any prohibitive purposes in law, or applied directly or indirectly (i) to securities investments (unless otherwise permitted in law), (ii) to granting entrusted loans or repaying of inter-company lending (including advance payment made by third parties) or (iii) bank loans that have been on lent to third parties, or to purchasing non-self-use real estates (unless it is a real estate company). In addition, the 2015 SAFE Circular allows foreign-invested investment companies, foreign-invested venture capital firms and foreign-invested equity investment companies to make equity investment through Renminbi funds to be settled, or those already settled, from their foreign currency capital by transferring such settled Renminbi funds into accounts of invested enterprises, according to the actual investment scale of the proposed equity investment projects.

On June 5, 2015, the PBoC promulgated an order to revise certain existing PBoC regulations, which is to reflect the reform to a new registered capital system of PRC-incorporated companies under the PRC Company Law effective as of March 1, 2014 (the "**PBoC Order**"). Among other things, the PBoC confirmed in the PBoC Order that capital verification of a foreign-invested enterprise under article 10 of the PBoC RMB FDI Measures is no longer a mandatory procedure before the establishment, and the requirement under the PBoC RMB FDI Notice that a foreign-invested enterprise is not allowed to borrow offshore RMB funds until its registered capital is paid up in full and as scheduled is also abolished.

On 26 April 2016, SAFE promulgated the Notice on Further Promoting Trade and Investment Facilitation and Improving Authenticity Review (the "**2016 SAFE Notice**") to streamline the reviewing process of the foreign exchange administration to prevent the risks of cross-border capital flows. First, the 2016 SAFE Notice stretches the lower limit of the composite foreign exchange settlement and sale position of banks. For example, the lower limit of the position for a bank whose foreign exchange settlement and sale business volume in the preceding year reaches or exceeds the equivalent of USD 200 billion will be adjusted to negative USD 5 billion. Second, the 2016 SAFE Notice makes more delivery methods available for forward foreign exchange settlement, where banks may select the method of gross settlement or balance settlement for delivery upon maturity when handling forward foreign exchange settlement for institutional clients. Furthermore, the policies on the administration over foreign exchange settlement of foreign debts applicable to Chinese-funded and foreign-invested enterprises are unified under the 2016 SAFE Notice; the foreign debts borrowed by Chinese-funded non-financial enterprises may be settled for use pursuant to the prevailing regulations on foreign debt applicable to foreign-invested enterprises. The 2016 SAFE Notice also emphasises standardisation of the administration over the outbound remittance of profits in foreign currency from direct investment, and banks, when handling the remittance of profits exceeding the equivalent of USD 50,000 abroad for a domestic institution, are required to examine the profit distribution resolution of the board of directors (or the profit distribution resolution of all investors) that is related to this remittance of profits abroad, the original of its tax record-filing form and the financial statements as proof of the profits involved in this remittance according to the principle of transaction authenticity.

On 9 June 2016, SAFE promulgated another Circular on Reforming and Standardising the Administrative Provisions on Capital Account Foreign Exchange Settlement (the "**2016 SAFE Circular**"), which became effective on the date of issuance. The 2016 SAFE Circular summarises the experience in settlement of capital account items gained from the earlier pilot programmes in a number of free trade zones, and intends to uniform the management rules on voluntary settlement and payment of foreign exchange earnings under capital account nationwide. Among other things, the 2016 SAFE Circular allows (i) domestic enterprises (including Chinese-funded enterprises and foreign-invested enterprises, excluding financial institutions) to settle their foreign debts in foreign currencies according to the method of voluntary foreign exchange settlement, and (ii) all the domestic institutions to voluntarily settle 100 per cent. (tentative) of the foreign exchange earnings under capital account (including capital in foreign currencies, foreign debts, funds repatriated from overseas listing, etc.) into Renminbi based on their actual operating needs, although SAFE reserves its authority to reduce the proportion of the foreign currency gains under the capital account that can be settled in such manner in the future. With respect to the Renminbi proceeds obtained through the aforementioned settlement procedure, the 2016 SAFE Circular reiterates that such proceeds are prohibited from being applied outside the business scope of the enterprise or for any purposes prohibited by law, or applied (x) directly or indirectly to securities investment or investment and wealth management products other than principal-protected products issued by banks, (y) directly or indirectly to granting entrusted loans, unless otherwise permitted by business scope, or (z) purchasing or constructing non-self-use real estate (unless it is a real estate company). Finally, the 2016 SAFE Circular expressly indicates that in the event of any discrepancy between the 2016 SAFE Circular and the 2015 SAFE Circular, the 2016 SAFE Circular shall prevail.

On 11 January 2017, PBoC issued the Notice on Full-coverage Macro-prudent Management of Cross-border Financing (the "**2017 PBoC Notice**"), according to which, the non-financial enterprises and financial institutions (excluding government financing platforms and real estate enterprises) in China may independently carry out cross-border financing in Renminbi and foreign currencies pursuant to applicable provisions, subject to the cross-border financing restraint mechanism under the framework of macro-prudent rules imposed by PBoC. Among other things, the 2017 PBoC Notice provides that the upper limit of the risk-weighted balance of cross-border financing of an enterprise is increased from 100 per cent. to 200 per cent. of the net assets of such enterprise, and the new method to calculate the risk-weighted balance of cross-border financing grants the financial institutions a larger quota for cross-border financing.

On 26 January 2017, SAFE promulgated a Notice on Further Promoting the Reform of Foreign Exchange Administration and Improving Authenticity and Compliance Review (the "**2017 SAFE Notice**", together with the 2015 SAFE Notice, 2015 SAFE Circular, 2016 SAFE Notice and 2016 SAFE Circular, the "**SAFE Rules**") to establish a capital flow management system under the macro-prudent management framework. Pursuant to the 2017 SAFE Notice, (i) the scope of settlement of domestic foreign exchange loans is expanded, where the settlement is allowed for domestic foreign exchange loans with a background of export trade in goods, and domestic institutions shall repay such loans with the foreign currency earned from export trade in goods rather than by purchasing foreign exchange; (ii) funds under foreign debts (including those denominated in offshore Renminbi) secured by domestic guarantees (*Nei Bao Wai Dai*) are allowed to be repatriated to China and therefore a debtor may directly or indirectly repatriate such funds to China by way of extending loans or making equity investments in China; (iii) centralised operation and management of the foreign exchange funds of multinational companies is further facilitated, and the percentage of the deposits drawn by a domestic bank via a main account for international foreign exchange funds that may be used in China is adjusted to no more than 100 per cent. (as opposed to 50 per cent., previously) of the average daily deposit balance of the preceding six months; and (iv) foreign exchange settlement is allowed for the domestic foreign exchange accounts of overseas institutions within pilot free trade zones. The 2017 SAFE Notice also emphasised the importance of the foreign exchange administration over trade in goods, and the management of the outbound remittance of the foreign exchange profits of foreign direct investment in China, as well as the authenticity and compliance review of the outbound direct investment by PRC domestic institutions.

As the MOFCOM Circular, the PBoC Rules, the PBoC Order, the 2017 PBoC Notice and the SAFE Rules are relatively new regulations, they will be subject to interpretation and application by the relevant PRC authorities.

Although since October 1, 2016 the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant SAFE rules.

If any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under RMB Instruments.

USE OF PROCEEDS

Unless otherwise specified in the applicable Pricing Supplement, the net proceeds of the issue of each Series of Instruments will be used by the Issuer in furtherance of its corporate purposes. The net proceeds of the issue of any Series of Instruments shall, if so indicated in the applicable Pricing Supplement, be used for special environmental projects.

EXPORT DEVELOPMENT CANADA

Export Development Canada (the "**Issuer**" or "**EDC**") was established as a corporation on October 1, 1969 by the *Export Development Act* (Canada) (the "**Export Development Act**"). The Issuer is established for the purposes of supporting Canada's export trade and Canadian capacity to engage in that trade and to respond to international business opportunities by the provision of loans, guarantees, insurance and such other agreements or undertakings necessary or desirable to fulfil such purposes.

In addition, EDC may provide support in the domestic market without the requirement for ministerial approval. In line with EDC's export-related mandate, regulations under the Export Development Act allow EDC to provide domestic support (financing, guarantees and insurance) to companies that have at least 50% of their total annual sales in the export and foreign markets. EDC will also be required to ensure that its domestic transactions complement those of the Business Development Bank of Canada and private sector institutions.

In May, 2017, for the purposes of creating the Development Finance Institute of Canada (DFIC) Inc. (the "**DFIC**"), the Government of Canada broadened EDC's mandate and scope of activity to include providing, directly or indirectly, development financing and other forms of development support in a manner that is consistent with Canada's international development priorities. The DFIC has been established as a wholly-owned subsidiary of EDC.

The Issuer is the successor to the Export Credits Insurance Corporation which commenced operations in 1944. Activities were originally limited to insuring Canadian exporters against non-payments of credits extended to foreign buyers. To further enhance Canada's growing export trade, the Issuer introduced an export loans program, a foreign investment guarantees program and a surety risk protection insurance program.

The Issuer is a corporation having, as at December 31, 2016 an authorised capital of CAD3,000,000,000 divided into 30,000,000 shares having a par value of CAD100 each. At the date of this document, such shares, of which 13,332,000 shares having an aggregate paid-in amount of CAD1,333,200,000 are in issue as at December 31, 2016, may only be subscribed by the Minister for International Trade, are not transferable and, pursuant to Section 11(3) of the *Export Development Act*, are to be held in trust for Her Majesty. The principal executive offices of the Issuer are at 150 Slater Street, Ottawa, Ontario, Canada K1A 1K3, telephone number: +1 613 598 2500.

The necessary authority of Parliament for the borrowing of money and the issuance of securities is contained in the *Export Development Act*. The *Export Development Act* further provides that the Issuer is for all purposes an agent of Her Majesty in right of Canada. The payment of all moneys borrowed by the Issuer and interest thereon and of the principal of and interest on all securities issued by the Issuer is a charge on and payable out of the Consolidated Revenue Fund of Canada under the *Financial Administration Ac*t (Canada).

The Consolidated Revenue Fund is the aggregate of all public moneys, such as tax revenues, which are on deposit to the credit of the Receiver General for Canada. The Receiver General is the public officer who receives or collects public moneys for and on behalf of Canada.

The Issuer's borrowing power, which is exercisable by senior officers of the Issuer appointed under a Standing Resolution Authorizing the Issuance of Debt Instruments adopted by the Board of Directors of the Issuer, as amended from time to time ("**Borrowing Resolution**"), is subject to the limitation provided for in the Export Development Act that the aggregate amount of its borrowings (including any borrowings from the Consolidated Revenue Fund) outstanding at any time may not exceed an amount equal to fifteen times the aggregate of its paid-in capital plus its retained earnings, if any, for the previous year's audited financial statements and is subject to the Borrowing Resolution, in accordance with which the Issuer must obtain the approval (which may be given in respect of a specified transaction or a specified class of transactions) of the Minister of Finance of Canada under the Financial Administration Act. Borrowing by the Issuer is also subject to the overall cap on borrowings by the Minister of Finance; by issue and sale of Canada Mortgage Bonds that are guaranteed by Canada Mortgage and Housing Corporation; and by way of issue and sale of securities or otherwise by agent corporations (including EDC) set out in section 4 of the *Borrowing Authority Act* (Canada).

Financial Information

The information in the following tables was prepared in accordance with IFRS and is extracted from the financial statements contained in the 2016 Annual Report of the Issuer incorporated by reference in this Offering Memorandum, which financial statements are audited by the Auditor General of Canada.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at December 31 *(in millions of Canadian dollars)*	**2016**	2015
Assets		
Cash	**330**	438
Marketable securities:	**7,059**	7,256
Derivative instruments	**324**	350
Assets held-for-sale	**42**	15
Loans receivable	**55,250**	53,136
Allowance for losses on loans	**(1,552)**	(1,715)
Investments at fair value through profit or loss	**1,005**	848
Net investment in aircraft under finance leases	**-**	64
Recoverable insurance claims	**63**	54
Reinsurers' share of premium and claims liabilities	**116**	141
Other assets	**156**	110
Retirement benefit asset	**43**	-
Property, plant and equipment	**55**	53
Intangible assets	**92**	71
Building under finance lease	**141**	148
Total Assets	**$63,124**	$60,969
Liabilities and Equity		
Accounts payable and other credits	**142**	115
Loans payable:	**49,101**	46,909
Derivative instruments	**2,819**	3,434
Obligation under finance lease	**158**	162
Retirement benefit obligations	**240**	225
Allowance for losses on loan commitments	**78**	113
Premium and claims liabilities	**656**	688
Loan guarantees	**167**	158
	53,361	51,804
Equity		
Share capital	**1,333**	1,333
Retained earnings	**8,430**	7,832
	9,763	9,165
Total Liabilities and Equity	**$63,124**	$60,969

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended December 31 *(in millions of Canadian dollars)*	**2016**	2015
Financing and investment revenue:		
Loan	**1,720**	**1,475**
Finance lease	**1**	**5**
Marketable securities	**73**	**60**
Investments	**9**	**8**
Total financing and investment revenue	**1,803**	**1,548**
Interest expense	**450**	**183**
Leasing and financing related expenses	**37**	**28**
Net Financing and Investment Income	**1,316**	**1,337**
Loan Guarantee Fees	**40**	**41**
Insurance premiums and guarantee fees	**223**	**217**
Reinsurance assumed	**6**	**7**
Reinsurance ceded	**(37)**	**(30)**
Net Insurance Premiums and Guarantee Fees	**192**	**194**
Other (Income) Expenses	**76**	**(200)**
Administrative Expenses	**385**	**351**
Income before Provision and Claims-Related Expenses (Recovery)	**1,087**	**1,421**
Provision for (Reversal of) Credit Losses	**(31)**	**437**
Claims-Related Expenses (Recovery)	**46**	**59**
Net Income	**1,072**	**925**
Other comprehensive income: Pension plan re-measurement	**26**	**24**
Comprehensive Income	**$1,098**	**$949**

CANADA

GENERAL INFORMATION

A description of Canada, including its area and population and form of government, can be found at pages 3-5 in Exhibit D to the Form 18-K of Canada and filed with the United States Securities and Exchange Commission on December 18, 2017 (the "**Form 18-K**"), which is incorporated by reference herein.

THE CANADIAN ECONOMY

A description of the Canadian economy, including gross domestic product, gross domestic income and expenditure, economic developments, the balance of international payments, debt maturity and foreign exchange and international reserves can be found at pages 6-16, 24-26, 32 and 35-55 in the Form 18-K, which is incorporated by reference herein.

DEBT RECORD

Canada has always paid the full face amount of the principal and interest on every direct obligation issued by it and every indirect obligation on which it has been required to implement its guarantee, promptly when due. During war, where such payment would have violated laws or regulations forbidding trading with the enemy, payment was made to a custodian of enemy property.

GOVERNMENT FINANCES

A description of government finances, including fiscal policy can be found at pages 17-23 and 26-28 in the Form 18-K, which is incorporated by reference herein.

CLAIMS AND PENDING AND THREATENED LITIGATION

Information on claims and pending and threatened litigation can be found at pages 33-34 in the Form 18-K, which is incorporated by reference herein.

Except as set out in the Form 18-K, there are no governmental, legal, or arbitration proceedings (including any such proceedings which are pending or threatened of which Canada is aware), during a period covering the 12 month period preceding the date of this Offering Memorandum which may have, or have had in the recent past, significant effects on Canada's financial position.

SUBSCRIPTION AND SALE

Subject to the restrictions set forth below, Instruments may be sold in a repeated manner by the Issuer from time to time to any person. The form and terms and conditions of the relevant Instruments, their purchase price and any commissions or deductibles payable or allowable by the Issuer in respect of their purchase will be as agreed between the Issuer and the relevant purchaser(s) (each, a "**Purchaser**") at or prior to the time of issuance of the relevant Tranche. Save as otherwise agreed to the contrary between the Issuer and the Purchaser at or prior to that time, the purchase of the relevant Instruments will be upon the terms set out in a pro forma purchase agreement (the "**Purchase Agreement,**" which expression shall include any amendments or supplements thereto) which has been signed by the Issuer for the purposes of identification, a copy of which is available for inspection at the specified office of each of the Paying Agents, the Principal Registrar, the First Alternative Registrar and the Second Alternative Registrar and at the registered office of the Issuer.

The United States of America

Regulation S Category 2; TEFRA D; Rule 144A eligible if so specified in the applicable Pricing Supplement

Instruments have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except that Instruments in registered form may be offered or sold to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act) in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments in bearer form are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possession or to U.S. persons, except in certain transactions. Terms used in the preceding sentence have the respective meanings given to them by the Code and regulations thereunder.

In addition, until forty days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of Instruments within the United States by a purchaser (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

Each Purchaser of Instruments in registered form in the United States will, by its purchase of such Instruments, be deemed to have made the representations and agreements set forth under *"Transfer Restrictions – Rule 144A/Restricted Notes"***.**

The Purchase Agreement requires each Purchaser to represent and agree that, except as permitted by the Purchase Agreement, it has not offered, sold or delivered and will not offer, sell or deliver Instruments, (i) as a part of their distribution at any time, or (ii) otherwise until forty days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Purchaser (or, in the case of a sale of a Tranche of Instruments to or through more than one Purchaser, by each of such Purchasers as to Instruments of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Purchaser when all such Purchasers have so certified) (referred to as the "distribution compliance period") within the United States or to or for the account or benefit of U.S. persons, and such Purchaser will have sent to each purchaser to which it sells Instruments during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to or for the account or benefit of U.S. persons. The Purchase Agreement also requires that each Purchaser represent and agree that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Instruments and, except as permitted by the Purchase Agreement, that they have complied and shall comply with the offering restrictions requirements and Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

In the event that the Purchase Agreement permits offers and sales pursuant to Rule 144A, the Purchase Agreement will require each Purchaser to represent and agree that neither it nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act), nor any person acting on its or their behalf has engaged in or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer and sale of the Instruments pursuant to Rule 144A in the United States.

Furthermore, each Tranche of Instruments may also be subject to such further United States selling restrictions as the Issuer and the relevant Purchaser(s) may agree.

Public Offer Selling Restriction under the Prospectus Directive

Prior to January 1, 2018, and from that date if the Pricing Supplement specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Purchaser of Instruments will be required to represent, warrant and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Instruments to the public in that Relevant Member State:

(i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Purchaser or Purchasers nominated by the Issuer for any such offer; or

(iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Instruments referred to above shall require the Issuer or any Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Instruments to the public**" in relation to any Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC, as amended, including by Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

Prohibition of Sales to EEA Retail Investors

From 1 January 2018, unless the Pricing Supplement in respect of any Instruments specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Purchaser of Instruments will be required to represent, warrant and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Offering Memorandum as completed by the applicable Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Directive; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments.

United Kingdom

The Purchase Agreement requires that each relevant Purchaser has represented and agreed that:

(i) in relation to any Instruments which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instrument would otherwise constitute a contravention of section 19 of FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which Section 21(1) of the FSMA would not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

Japan

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Law**"). Accordingly, each Purchaser will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Instruments in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act. No. 228 of 1949, as amended) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws, regulations and ministerial guidelines of Japan.

Switzerland

The Purchase Agreement requires the relevant Purchaser to have agreed that it (a) will only offer or sell Instruments in Switzerland in compliance with all applicable laws and regulations in force in Switzerland and (b) will to the extent necessary, obtain any consent, approval or permission required, if any, for the offer or sale by it of Instruments under the laws and regulations in force in Switzerland.

In particular, each Purchaser is required to agree that it will make sure that its selling and/or marketing of the Instruments does not qualify as a "public offering" in the meaning of Art. 1156 Para. 1 of the Swiss Code of Obligations or any other applicable Swiss laws, regulations, rules, codes and practices of any nature whatsoever. Further, each Purchaser is required to agree that any issue of Instruments denominated in Swiss Francs will be in compliance with the Directive on Notes of Foreign Borrowers of May 2001 of the Swiss Bankers Association.

In Switzerland, this Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in Instruments described herein. The Instruments may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Instruments constitutes a prospectus as such term is understood pursuant to article 625a or article 1156 of the Swiss Code of Obligations, and neither this Offering Memorandum nor any other offering or marketing material relating to the Instruments may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Memorandum nor any other offering or marketing material relating to the offering of the Instruments has been or will be filed with or approved by any Swiss regulatory authority. The Instruments do not constitute a participation in a collective investment scheme in the meaning of the Swiss Collective Investment Schemes Act and are not subject to the approval of, or supervision by, any Swiss regulatory authority, such as the Swiss Financial Markets Supervisory Authority (FINMA), and investors in the Instruments will not benefit from protection or supervision by any Swiss regulatory authority.

Singapore

Each Purchaser will be required to acknowledge that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Purchaser will be required to represent and agree that it has not offered or sold any Instruments or caused such Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell such Instruments or cause such Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Instruments, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Instruments are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Instruments pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law; or

(d) as specified in Section 276(7) of the SFA.

Hong Kong

Each Purchaser will be required to represent and agree that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Instruments other than (a) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap.571) and any rules made under that Ordinance.

People's Republic of China

Each Purchaser will be required to represent and agree that the Instruments are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

Brazil

The Instruments may not be offered or sold to the public in Brazil and the offering of the Instruments has not been submitted to the Brazilian Securities and Exchange Commission (Commisáo de Valores Mobilários, the "**CVM**") for approval. Each Purchaser is required to represent and agree that the documents relating to such offering, as well as the information contained therein, may not be supplied to the public as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil.

India

Each Purchaser will be required to represent and agree that it has not offered or sold and will not offer or sell in India, by means of any document, any Instruments in circumstances which would constitute an offering to the public within the meaning of the Companies Act, 2013; and that any document by means of which it offers the Instruments will not be generally distributed or circulated in India and will be for the sole consideration and exclusive use of the persons permitted to acquire Instruments under Indian law to whom it is issued. This Offering Memorandum is strictly personal to the recipient and neither this Offering Memorandum nor the offering of Instruments is calculated to result, directly or indirectly, in the Instruments becoming available for subscription or purchase by persons other than those receiving the invitation or offer.

The Instruments have not been approved by the Securities and Exchange Board of India, Reserve Bank of India or any other regulatory authority of India, nor have the foregoing authorities approved this Offering Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Offering Memorandum. This Offering Memorandum has not been and will not be registered as a prospectus or a statement in lieu of prospectus with the Registrar of Companies in India.

Prospective investors must seek legal advice as to whether they are entitled to subscribe to the Instruments and must comply with all relevant Indian laws in this respect. Each investor is deemed to have acknowledged and agreed that it is eligible to invest in the Instruments under applicable laws and regulations and that it is not prohibited under any law or regulation in India from acquiring, owning or selling the Instruments.

New Zealand

The Instruments may not be offered in a manner that makes the Instruments subject to a regulated offer within the meaning of the New Zealand Financial Markets Conduct Act 2013 (the "**FMC Act**"). Without limitation, no person may (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy, or sell or transfer the Instruments, or distribute any product disclosure statement or any other advertisement or offering material relating to the Instruments in New Zealand, or to any person in New Zealand except:

(a) to "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the FMC Act, being a person who is:

    (i) an "investment business";

    (ii) "large"; or

    (iii) a "government agency".

    in each case as defined in Schedule 1 to the FMC Act; and

(b) in other circumstances where there is no contravention of the FMC Act, provided that (without limiting paragraph (a) above) Instruments may not be offered or transferred to any "eligible investors" (as defined in the FMC Act) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMC Act.

Turkey

The Instruments (or beneficial interest therein) shall not be offered or sold in Turkey in any circumstances which would constitute an offer to the public within the meaning of the Capital Markets Law No 6362 and no prospectus, and other offering material related to the offering may be utilised in connection with any general offering to the public within Turkey for the purpose of the offer or sale of the Instruments without prior approval of the Capital Markets Board of Turkey. Pursuant to Article 15(d)(ii) of Decree No. 32 regarding the protection of the value of the Turkish currency, residents of Turkey may purchase the Instruments, provided that (i) such Instruments are traded in the financial markets outside of Turkey; (ii) such purchase is made through licensed banks and/or licensed brokerage institutions in Turkey; and (iii) the consideration of the purchase of such Instruments has been or will be transferred through licensed banks operating in Turkey.

General

No action has been or will be taken in any country or jurisdiction by the Issuer that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Memorandum comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Instruments or have in their possession or distribute this document on such offering material, in all cases at their own expense.

The Purchase Agreement provides that Purchasers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of a change or changes in official interpretation of or a change or changes in applicable laws and regulations, after the date of the Purchase Agreement, no longer be applicable.

Purchasers will be required to comply with such other additional restrictions as the Issuer and the relevant Purchaser shall agree in writing.

TRANSFER RESTRICTIONS

Rule 144A/Restricted Notes

Each purchaser of Instruments in the form of Restricted Notes pursuant to Rule 144A, by accepting delivery of this Offering Memorandum and any applicable Pricing Supplement, will be deemed to have represented, agreed and acknowledged that:

(1) It is purchasing the Instruments for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is a Qualified Institutional Buyer, and is aware that the sale to it is being made in reliance on Rule 144A.

(2) The Instruments have not been registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of U.S. persons, except as set forth below.

(3) It understands and agrees that Instruments initially offered in the United States to Qualified Institutional Buyers will be represented by 144A Global Notes.

(4) It agrees that it will not offer, resell, pledge or otherwise transfer any of such Instruments except (A) to the Issuer or a Purchaser, (B) within the United States to a Qualified Institutional Buyer in a transaction complying with Rule 144A, (C) outside the United States, in compliance with Rule 903 or 904 of Regulation S under the Securities Act, (D) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (E) pursuant to an effective registration statement under the Securities Act.

(5) It agrees that it will give to each person to whom it resells, pledges or transfers the Instruments notice of any restrictions on transfer of such Instruments.

(6) It acknowledges that prior to any proposed resale, pledge or transfer of Instruments to a person who takes delivery in the form of an interest in an Unrestricted Global Note of the same Series, the Holder of such Instruments will be required to provide certifications relating to the manner of such transfer.

(7) It acknowledges that the Issuer, the Purchaser(s) and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the Instruments are no longer accurate, it shall promptly notify the Issuer and the Purchaser(s). If it is acquiring the Instruments as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each account.

(8) Set forth below is a form of legend which will appear on the face of the Restricted Notes and which will be used to notify transferees of the foregoing restrictions on transfer. Additional copies of such notice may be obtained from the Fiscal Agent.

> "THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR ANY OTHER SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF EXPORT DEVELOPMENT CANADA (THE "ISSUER") THAT THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE ISSUER, (2) SO LONG AS THIS INSTRUMENT IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE."

Any additional transfer restrictions on the Instruments shall be set forth in the relevant Instrument.

Regulation S Notes/Unrestricted Notes

Each purchaser of Instruments outside the United States pursuant to Regulation S and each subsequent purchaser of such Instruments in resales prior to the expiration of the distribution compliance period (as used in "*Subscription and Sale*"), by accepting delivery of this Offering Memorandum and the Instruments, will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time Instruments are purchased will be, the beneficial owner of such Instruments and (a) it is not a U.S. person and it is located outside the United States (in each case, within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(2) It understands that such Instruments have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Instruments except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a Qualified Institutional Buyer purchasing for its own account or the account of a Qualified Institutional Buyer or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

(3) It understands that such Instruments, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

> "THIS INSTRUMENT HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 AS AMENDED **(**THE **"**SECURITIES ACT**"**). THIS INSTRUMENT IS BEING OFFERED OUTSIDE THE UNITED STATES AND, PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S **(**"REGULATION S"**)** UNDER THE SECURITIES ACT), THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S), EXCEPT TO A PERSON REASONABLY BELIEVED TO BE A **"**QUALIFIED INSTITUTIONAL BUYER" **(**AS DEFINED IN RULE 144A (**"**RULE 144A**"**) UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND THE FISCAL AGENCY AGREEMENT REFERRED TO HEREIN**."**

(4) It understands that the Issuer, the Registrar, the Purchaser(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(5) It understands that Instruments in registered form offered in reliance on Regulation S will be represented by an Unrestricted Global Note. Prior to the expiration of the distribution compliance period, before any interest in a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note of the same Series, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Fiscal Agency Agreement) as to compliance with applicable securities laws.

GENERAL INFORMATION

1. The issuance of Instruments under this Programme is subject to the approval of the Minister of Finance of Canada. The terms and conditions of each Pricing Supplement shall be approved by senior officers of the Issuer appointed under the Borrowing Resolution.

2. From the date of this document and for the period of 12 months following the date of this Offering Memorandum, copies of this Offering Memorandum, together with any supplements hereto and all documents incorporated herein or therein by reference may be obtained from the Investor Relations page on the Issuer's website at www.edc.ca, save that:

   (a) copies of EDC's annual report on Form 18-K and amendments thereto may be obtained from the SEC website at www.sec.gov/edgar/searchedgar/companysearch.html under the name of Export Development Canada; and

   (b) copies of Canada's annual report on Form 18-K and amendments thereto may be obtained from the SEC website at www.sec.gov/edgar/searchedgar/companysearch.html under the name of Canada.

3. From the date of this document and for the period of 12 months following the date of this Offering Memorandum, copies of the following documents may be inspected during normal business hours at the registered office of the Issuer and the specified office of the Fiscal Agent, namely:

   - the Export Development Act (Canada) and the Financial Administration Act (Canada);
   - the By-Law of the Issuer and the Standing Resolution;
   - the Fiscal Agency Agreement;
   - the pro forma Purchase Agreement; and
   - the Deed of Covenant.

4. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg, which are the entities in charge of keeping the records in respect of the Instruments. The appropriate common code and International Securities Identification Number in relation to the Instruments of each Series and the relevant identification number(s) of any other clearing system as shall have accepted the relevant Instruments for clearance will be specified in the Pricing Supplement relating thereto. If the Instruments are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement. The address of Euroclear is 3 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.

5. The price and amount of Instruments to be issued under the Programme will be determined by the Issuer and the relevant Purchaser(s) at the time of issue in accordance with prevailing market conditions.

6. Bearer Instruments (other than Temporary Global Instruments) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Bearer Instruments or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Instruments or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

7. Settlement arrangements will be agreed between the Issuer, the relevant Purchaser(s) and the Fiscal Agent or, as the case may be, the Registrar in relation to each Tranche of Instruments.

8. The Issuer has no intention to provide any post-issuance information in relation to any issue of Instruments.

9. The Programme is the subject of a legal opinion, given on the date of this document to the Issuer, by internal Legal Counsel to the Issuer.

10. There has been no significant change to the information set out under the heading "*Export Development Canada — Financial Information*" on pages 80-81 hereof which has occurred since December 31, 2016.

11. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the period covering the 12 month period preceding the date of this Offering Memorandum which may have, or have had in the recent past, significant effects on the Issuer's financial position.

12. The Instruments constitute direct, unconditional obligations of the Issuer and as such constitute direct and unconditional obligations of Her Majesty in right of Canada. Payments of principal of and interest on the Instruments are a charge on and payable out of the Consolidated Revenue Fund of Canada. The Consolidated Revenue Fund is the aggregate of all public moneys, such as tax revenues, which are on deposit to the credit of the Receiver General for Canada (the public officer who receives or collects public moneys for and on behalf of Canada). The Holders of Instruments may enforce payment against Her Majesty in right of Canada by suit in the Federal Court of Canada or a provincial court of competent jurisdiction, no governmental or other consent being required for such enforcement. A judgement obtained in an action brought against Her Majesty in right of Canada is not capable of being enforced by execution, but is payable out of the Consolidated Revenue Fund of Canada.

13. The Auditor General of Canada audits the public accounts of Canada and the annual financial statements of the Issuer.

14. HSBC Bank plc is authorised with the Prudential Regulation Authority (the "**PRA**") and regulated by the PRA and the Financial Conduct Authority in the United Kingdom. HSBC Bank plc is acting for the Issuer and no one else in connection with the Programme and offerings under the Programme, and is neither advising nor treating as a client any other person and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for providing the services in relation to the Programme or any offering described in this Offering Memorandum or any transaction or arrangement referred to herein. Neither HSBC Bank plc nor any of its affiliates has authorised the content of, or any part of, this Offering Memorandum.

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