



## INVESTEC BANK LIMITED

*(incorporated with limited liability in South Africa with registration number 1969/004763/06)*

### U.S.\$1,500,000,000 Note Issuance Programme

Under this U.S.\$1,500,000,000 Note Issuance Programme (the "**Programme**"), Investec Bank Limited (the "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below), including Notes that are linked to the performance or movement of one or more underlying assets (each an "**Underlying**"), being (i) a single share (which may be a share in an exchange traded fund (an "**ETF**" share)) or a basket of shares (which may be a basket of ETF shares) (such Notes being "Equity Linked Notes"), (ii) a single index or a basket of indices (such Notes being "**Index Linked Notes**"), (iii) a single fund interest or a basket of fund interests (such Notes being the "**Fund Linked Notes**"), (iv) multiple underlyings, being any combination of single shares, single indices, single fund interests, baskets of indices, baskets of shares and baskets of fund interests (such Notes being the "**Multi Underlying Linked Notes**"), (v) a specified inflation-linked index (such Notes being "**Inflation Linked Notes**"), (vi) two separate underlyings, a specified inflation-linked index and any one of a single share, a single index, a single fund interest, a basket of indices, a basket of shares or a basket of fund interests (such Notes being "**Combined Underlying Linked Notes**") and/or (vii) credit of one or more financial institutions, corporations and/or sovereign entities ("**Credit Linked Notes**").

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$1,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

Notes issued under this Programme may comprise (i) unsubordinated Notes (the "**Senior Notes**"), or (ii) Notes which are subordinated to the Senior Notes (the "**Subordinated Notes**"), or (iii) Notes which are subordinated Notes with terms capable of qualifying the proceeds of such Notes as Regulatory Capital (as defined in the General Terms and Conditions of the Notes) and comprise either additional tier 1 capital of the Issuer ("**Additional Tier 1 Notes**") or tier 2 capital of the Issuer ("**Tier 2 Notes**" and together with the Additional Tier 1 Notes, the "**Subordinated Capital Notes**").

As at the date of this Base Prospectus, the prior written approval of (i) the Financial Surveillance Department of the South African Reserve Bank (the "**FSD**") and (ii) in respect of Notes the proceeds of which are intended to qualify as Regulatory Capital, the South African Prudential Authority (the "**Prudential Authority**"), is required for the issuance of each Tranche of Notes issued under the Programme. The prior approval of the Prudential Authority is not required for the issuance of Senior Notes or Subordinated Notes (other than Subordinated Capital Notes).

Additional Tier 1 Notes are not intended to be sold and should not be sold to retail clients in the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**"), as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, as amended or replaced from time to time, other than in circumstances that do not and will not give rise to a contravention of those rules by any person. Prospective investors are referred to "*Restrictions on Marketing and Sales to Retail Investors*" on pages 3-4 of this Base Prospectus for further information.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".**

This Base Prospectus has been approved by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. Such approval relates only to Notes issued under the Programme within twelve months after the date hereof which are admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**") and/or which are to be offered to the public in any Member State of the European Economic Area. Such approval relates only to Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") or other regulated markets for the purposes of MiFID II in any Member State of the European Economic Area. Application has been made to Euronext Dublin for Notes to be issued under the Programme to be admitted to the official list (the "**Official List**") and trading on its regulated market. The relevant Final Terms in respect of the issue of any Notes will specify whether or not application has been made for such Notes to be listed on Euronext Dublin and to be admitted to trading on its regulated market or other regulated market for the purposes of MiFID II. This Base Prospectus is valid for a period of twelve months from the date of approval. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other information which completes the terms and conditions which are applicable to each Tranche (as defined under "*General Terms and Conditions of the Notes*") of Notes will be set out in the final terms (the "**Final Terms**") for each Tranche of Notes.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Issuer may agree with any Dealer and the Trustee (as defined herein) that Notes may be issued in a form not contemplated by the General Terms and Conditions of the Notes set out in this Base Prospectus, in which event a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

**NO NOTE MAY BE (A) SUBSCRIBED FOR, OR PURCHASED, BY A RESIDENT (AS DEFINED IN "SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS"), OR (B) SOLD TO A RESIDENT, OR (C) BENEFICIALLY HELD, OR OWNED, BY A RESIDENT; OTHER THAN IN STRICT COMPLIANCE WITH THE SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS IN EFFECT FROM TIME TO TIME.** See "*South African Exchange Control Regulations*" for further details.

**Arranger and Dealer**

Investec Bank Limited

The date of this Base Prospectus is 17 December 2020

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation and for the purpose of giving information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect the import of such information.

Copies of Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below) and on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)).

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

Neither the Dealers nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers (other than Investec Bank Limited) or the Trustee as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer (other than Investec Bank Limited) or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, any of the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or the Trustee.

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

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

**The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S. See "*Subscription and Sale*".**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain

jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom), Japan, Australia and the Republic of South Africa, see "*Subscription and Sale*".

All references in this document to "U.S. dollars", "U.S.\$", "USD" and "\$" refer to United States dollars, references to "R", "ZAR" and "Rand" refer to South African rand (or such other lawful currency of South Africa from time to time), references to "Sterling", "GBP" and "£" refer to pounds sterling, references to "euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998, as amended and references to "AUD" are to Australian dollars.

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA or in the UK and registered under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation"), or (2) issued by a credit rating agency which is not established in the EEA or in the UK but will be endorsed by a CRA which is established in the EEA or in the UK and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA or in the UK but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA or in the UK but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK which is certified under the CRA Regulation.

References in this Base Prospectus to ratings issued by "Moody's" are to credit ratings issued by Moody's Investors Service Cyprus Ltd, references to ratings issued by "S&P" are to credit ratings issued by S&P Global Ratings Europe Limited, references to ratings issued by "Fitch" are to credit ratings issued by Fitch Ratings Limited. Each of Moody's, S&P and Fitch is established in the European Union and is registered under the CRA Regulation. The list of registered and certified credit rating agencies may be accessed at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>. As at the date of this Base Prospectus the Issuer's long term senior unsecured foreign currency ratings are: Fitch BB; Moodys' Ba1 and S&P BB-. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. 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 connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, 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 Notes 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 Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

This Base Prospectus has not been, nor will be, lodged with the Australian Securities and Investments Commission or any other regulatory authority in Australia and is not a 'prospectus' or other 'disclosure document' for the purposes of the Corporations Act 2001 (Cth) of Australia (the "**Corporations Act**").

## **BANKING EXEMPTION NO. 1 OF 2018**

The Issuer is not a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 (Cth) of Australia (the "**Australian Banking Act**") nor is it authorised to carry on banking business under the Australian Banking Act. The Notes are not obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia. The Issuer is not supervised by the Australian Prudential Regulation Authority. Notes that are offered for issue or sale or transferred in, or into, Australia are offered only in circumstances that would not require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act and issued and transferred in compliance with the terms of the exemption from compliance with section 66 of the Australian Banking Act that is available to the Issuer. Such Notes are issued or transferred in, or into, Australia in parcels of not less than AUD 500,000 in aggregate principal amount. An investment in any Notes issued by the Issuer will not be covered by the depositor protection provisions in section 13A of the Australian Banking Act and will not entitle Notes to claim under the financial claims scheme under Division 2AA of the Australian Banking Act.

In Australia, credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Base Prospectus and anyone who receives this Base Prospectus must not distribute it to any person who is not entitled to receive it.

## **RESTRICTIONS ON MARKETING AND SALES TO RETAIL INVESTORS**

**The Additional Tier 1 Notes discussed in this Base Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Additional Tier 1 Notes to retail investors.**

**In particular, in June 2015, the U.K. Financial Conduct Authority (the "FCA") published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (the "PI Instrument"). In addition: (i) on 1 January 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (as amended) (the "PRIIPs Regulation") became directly applicable in all European Economic Area (the "EEA") member states (including, for these purposes, the United Kingdom ("UK")); and (ii) the Markets in Financial Instruments Directive 2014/65/EU (as amended, "MiFID II") was required to be implemented in EEA member states (including, for these purposes, the UK) by 3 January 2018. Together, the PI Instrument, the PRIIPs Regulation and MiFID II are referred to as the "Regulations".**

**The Regulations set out various obligations in relation to: (i) the manufacture and distribution of financial instruments; and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities, such as the Additional Tier 1 Notes.**

**Potential investors in any Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of such Notes (or any beneficial interests therein) including the Regulations.**

**Certain of the Dealers may be required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or a beneficial interest in such Additional Tier 1 Notes) from the Issuer and/or the Dealers each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Dealers that:**

- 1. it is not a retail client in the EEA or in the UK (as defined in MiFID II);**
- 2. whether or not it is subject to the Regulations, it will not**
  - a. sell or offer the Additional Tier 1 Notes (or any beneficial interest therein) to retail clients in the EEA or in the UK; or**

- b. **communicate (including the distribution of this Base Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Additional Tier 1 Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA or in the UK (in each case within the meaning of MiFID II),**

**and in selling or offering the Additional Tier 1 Notes, or making or approving communications relating to the Additional Tier 1 Notes, prospective investors may not rely on the limited exemptions set out in the PI Instrument; and**

3. **it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Additional Tier 1 Notes (or any beneficial interests therein), including (without limitation) any such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Additional Tier 1 Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.**

**Each prospective investor further acknowledges that:**

1. **the identified target market for the Additional Tier 1 Notes (for the purposes of the product governance obligations in MiFID II) is eligible counterparties and professional clients; and**
2. **no key information document (KID) under the PRIIPs Regulation has been prepared and therefore offering or selling the Additional Tier 1 Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.**

#### **MIFID II PRODUCT GOVERNANCE/TARGET MARKET**

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

#### **PRIIPs/IMPORTANT – EEA AND UK RETAIL INVESTORS**

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. 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 MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

#### **BENCHMARK REGULATION**

Amounts payable under the Notes may be calculated by reference to one or more benchmarks. The Final Terms for each Series of Notes will indicate whether or not any benchmarks are used, and if so, whether the relevant administrator for the benchmark appears or does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (as amended, the "**BMR**" or "**Benchmarks Regulation**") (the "**Register**").

In relation to any benchmark identified in the Final Terms as being provided by an administrator that does not appear on the register, the Final Terms will further specify whether, as far as the Issuer is aware, such administrator does or does not fall within the scope of the BMR by virtue of Article 2 of that regulation or whether the transitional provisions in Article 51 of the BMR apply, such that the relevant administrator is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

## **DISCLAIMERS RELATING TO INDICES**

The Notes are not sponsored, endorsed, sold or promoted by any index to which they are linked or any sponsor of such index and such index sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of any index and/or the levels at which such index stands at any particular time on any particular date or otherwise. No index sponsor shall be liable (whether in negligence or otherwise) to any person for any error in any index and an index sponsor is under no obligation to advise any person of any error within an index. No index sponsor has made any representations whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by an index sponsor in connection with the calculation, adjustment or maintenance of an index.

None of the Issuer, the Dealers and the Calculation Agent has any affiliation with or control over any index or index sponsor or any control over the computation, composition or dissemination of any index. Without prejudice to the Issuer's responsibility statement (as specified in the applicable Final Terms) for third party information contained in this Base Prospectus, although the Issuer and the Calculation Agent will obtain information concerning an index to which the Notes are linked from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, an investor in the Notes will have no recourse against the sponsor of any index comprising the Underlying (or, in respect of Multi Underlying Linked Notes or the Combined Underlying Linked Notes, any of the Underlyings), the Issuer, the Dealers or the Calculation Agent in relation to any event or facts relating to the index resulting in a decrease in the value of such index and/or the value of the Notes and/or a loss in the investment.

### *Information risk*

The share(s) constituting the Underlying (i.e. where the Underlying is a share or basket of shares) or a component of the Underlying (i.e. where the Underlying is an index or basket of indices) are listed on a regulated exchange. Accordingly, information is available in the public domain regarding the company(ies) whose shares comprise the Underlying. In addition, where the Underlying is an index or basket of indices, information is available in the public domain regarding the Underlying itself. The Final Terms for each issue of Notes will also provide an indication of where information about the past and the ongoing performance of the Underlying (or components thereof) can be obtained. However the Issuer has made no investigation regarding such company(ies) and this Base Prospectus contains no information regarding such company(ies) except for such information which will be included in the Final Terms.

In addition, no company whose shares constitute or comprise the Underlying, nor any sponsor of any index constituting or comprising the Underlying, has participated in the preparation of this Base Prospectus or any Final Terms. Accordingly, there can be no assurance that all material events regarding the Underlying occurring prior to the relevant issue date of the Notes that would affect the level, price or value (as applicable) of such Underlying have been disclosed in this Base Prospectus. Subsequent disclosure of any such events or the failure to disclose material events concerning the Underlying could affect the trading price and final redemption amount payable on the Notes.

Prospective investors in the Notes should obtain and evaluate information concerning the Underlying or the components of the Underlying as they would if they were investing directly in the Underlying and/or the components of the Underlying. However, this information is not relevant to enable investors to make an informed assessment of the rights attaching to the Notes.

In addition, prospective investors should understand that the historical performance of the Underlying or any component of the Underlying is not predictive of future results.

## Conditions

In this Base Prospectus, "**Conditions**" means the General Terms and Conditions of the Notes.

In addition to these Condition, certain terms (including a set of redemption provisions) relating (as applicable) to Equity Linked Notes (as set out in Part A of this Base Prospectus), Index Linked Notes (as set out in Part A of this Base Prospectus), Fund Linked Notes (as set out in Part A of this Base Prospectus), Multi Underlying Linked Notes (as set out in Part A of this Base Prospectus), Inflation Linked Notes (as set out in Part B of this Base Prospectus) and Combined Underlying Linked Notes (as set out in Part C of this Base Prospectus), will apply to the Notes if so specified in the relevant Final Terms. In this Base Prospectus, "**Terms**" means the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes, the Terms for Inflation Linked Notes or the Terms for Combined Underlying Linked Notes as applicable.

Further, in addition to the Conditions and any Terms applicable to the Notes, certain further additional terms relating to Credit Linked Notes (as set out in Part D of this Base Prospectus) will apply to the Notes if so specified in the relevant Final Terms. In this Base Prospectus, "**Additional Terms**" means, the Additional Terms for Credit Linked Notes.



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## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most 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.*

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including information incorporated by reference into this Base Prospectus, to reach their own views prior to making any investment decision. The information given below is as at the date of the Base Prospectus.*

### **Risks related to the Issuer**

***The Issuer is subject to risks arising from general macro-economic conditions in the countries in which it operates, including in particular Southern Africa, as well as global economic conditions***

In recent years, economic conditions in the countries in which the Issuer operates have been negatively impacted by a number of global macroeconomic trends, including ongoing concerns surrounding the significant sovereign debts and fiscal deficits of several countries in Europe, a weakening of the Chinese economy, the potential exit of member states from the European Monetary Union and a decline in global commodity prices such as crude oil. The effects of these events have been felt in the global economy and by financial institutions in particular, and have placed strains on funding markets at times when many financial institutions had material funding needs. Any further adverse developments in the global economy and in particular the South African economy could have an adverse impact on its business, results of operations, financial condition and prospects.

Revenues from the Specialist Banking<sup>1</sup> business are also sensitive to market volatility. Deterioration in the financial markets and general economic activity has in the past affected, and will continue to affect, levels of private client activity. The Issuer's investment banking and corporate banking income is directly related to the number and size of the transactions in which the Issuer participates and general corporate and institutional activity. Accordingly, any reduction in the number and/or size of such transactions and a slowdown in corporate activity, whether occasioned by market volatility or otherwise, will adversely affect its results of operations. Moreover, some of the Specialist Banking income is derived from direct or principal investments or from the management of private equity portfolios. This income is dependent upon the performance of the underlying investments and the ability to realise value upon exit from the investments and, as such, revenues, returns and profitability may fluctuate, impacting the Issuer's results of operations. As a result of the foregoing factors, market volatility may have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

The Issuer also maintains trading and investment positions in various financial and other assets, including equity, fixed income, currency and related derivative instruments and real estate. At any point in time these positions could be either long positions, such that the Issuer will benefit from upward movements in the market prices of these assets, or short positions, such that it will benefit from downward movements in the market prices of these assets. Fluctuations in the value of equities, fixed income, currency and related derivative instruments and real estate, either absolutely or relative to other asset classes, could also adversely affect investor sentiment. These financial markets are sometimes subject to significant stress conditions where steep falls in perceived or actual asset values are accompanied by severe reductions in market liquidity. In dislocated markets, hedging and other risk management strategies may not be as effective as they are in normal market conditions. Market instability of this nature could result in the Issuer incurring losses.

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<sup>1</sup> Investec Specialist Bank or Specialist Banking, a division of Investec Bank Limited

### ***The Issuer faces risk associated with COVID-19***

Pandemics and widespread public health crises (including the recent Coronavirus Disease 2019 (also known as "COVID-19") outbreak, the impact of which will depend on future developments which are highly unpredictable and uncertain) may cause significant volatility in global financial markets, disruptions to commerce and reduced economic activity which could have a significant adverse effect on the Issuer's results or operations, reputation and financial condition.

There is currently unprecedented uncertainty resulting from the COVID-19 pandemic, including the depth of the potential downturn in activity, the duration of restrictive measures and the lockdown exit plans within the geographies in which the Issuer operates. At the present time it is difficult to predict the full impact that the pandemic will have on the group. The board and management will continue to meet regularly, on a virtual basis, to ensure that all aspects of the challenges posed by COVID-19 are given full attention.

An immediate financial impact of the outbreak is an increase in expected credit losses ("ECL") driven by a change in the forward-looking economic scenarios used to calculate ECL. The outbreak has led to a weakening in gross domestic product and an increase in unemployment, both key inputs for calculating ECL. The impact of the outbreak on the long-term prospects of businesses is uncertain and may lead to significant ECL charges on certain exposures. There have been enhanced governance and additional oversight on areas that have been most exposed to the pandemic to date.

The South African government and the South African Reserve Bank have put in place significant initiatives to support funding and liquidity. The Prudential Authority introduced additional term repo facilities for the banks to access and reduced the LCR regulatory minimum until such time as the Prudential Authority is of the view that financial markets have normalised. In addition, there has been temporary relaxation of the Pillar 2A buffer and permission to utilise the capital conservation buffer (CCB) and the Domestically-Systemic Important Bank (D-SIB) buffer, subject to prior approval from the Prudential Authority. The Prudential Authority intends to phase in or reinstate the Pillar 2A buffer post the COVID-19 stress period.

Should the COVID-19 outbreak continue to cause disruption to economic activity, there could be further adverse impacts on the Issuer's income due to lower lending and transaction volumes. In addition, lower interest rates would adversely impact net interest income.

Moreover, the Issuer has financial instruments which are carried at fair value, and such fair values may be impacted by the market volatility resulting from the COVID-19 outbreak. This would in turn affect the market value of such instruments and result in markdowns on such instruments and an increase in the size of fair value adjustments.

There remain significant uncertainties in assessing the duration of the COVID-19 outbreak and its impact. Any and all such events mentioned above (including, without limitation, a prolonged period of significantly reduced economic activity as a result of the impact of the outbreak) could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, liquidity, capital position and credit ratings, as well as on the Issuer's employees, clients and communities.

### ***The Issuer faces risks associated with interest rate levels and volatility***

Interest rates, which are impacted by factors outside of the Issuer's control, including the fiscal and monetary policies of the South African government and central bank, as well as South African and international political and economic conditions, affect the Issuer's results of operations, profitability and return on capital in three principal areas: margins and income, cost and availability of funding, and impairment levels.

Recently, South Africa has experienced a reduction in interest rates to the lowest levels in recent history on the back of the COVID-19 pandemic. Sustained low interest rates may result in relatively low spreads being realised by the Issuer between the rate it pays on customer deposits and the rate received on loans, reducing the Issuer's net interest income and net interest margin. In addition, low interest rates may also reduce incentives for consumers to save and, therefore, could reduce the Issuer's customer deposits, its principal source of funding. The Issuer's business and financial performance and net interest income and margin may be adversely affected should the low interest rate environment continue.

Increases in interest rates could also adversely affect the Issuer. In an increasing interest rate environment, the Issuer may be more exposed to re-pricing of its liabilities than competitors with higher levels of term

deposits. In the event of sudden large or frequent increases in interest rates, the Issuer also may not be able to re-price its floating rate assets and liabilities at the same time, giving rise to re-pricing gaps in the short term, which, in turn, could negatively affect its net interest margin and income.

Changes in interest rates could also impact the Issuer's impairment loss levels and customer affordability. A rise in interest rates, without sufficient improvement in customer earnings or employment levels, could, for example, lead to an increase in default rates among customers with variable rate loans who can no longer afford their repayments, in turn leading to increased impairment charges and lower profitability for the Issuer. A high interest rate environment also reduces demand for loan products generally, as individuals are less likely or less able to borrow when interest rates are high. In addition, there is a risk that a sudden rise in interest rates, or an expectation thereof, could encourage significant demand for fixed rate products. High levels of movement between products in a concentrated time period could put considerable strain on the Issuer's business and operational capability, and it may not be willing or able to price its fixed rate products as competitively as others in the market. This could lead to high levels of customer attrition and, consequently, a negative impact on the Issuer's profitability.

If the Issuer is unable to manage its exposure to interest rate volatility, whether through hedging, product pricing or by other means, its business, results of operations, financial condition and prospects could be materially adversely affected.

***Operational risks may disrupt the Issuer's business or result in regulatory action***

Operational losses can result, for example, from fraud, errors by employees, failure to document transactions properly or to obtain proper authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of systems and controls, including those of the Issuer's suppliers or counterparties. Although the Issuer has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and reporting systems and to staff training, it is not possible to be certain that such actions have been or will be effective in controlling each of the operational risks faced by the Issuer. Notwithstanding anything contained in this risk factor, it should not be taken as implying that the Issuer will be unable to comply with its regulatory obligations.

Any operational failure may cause serious reputational or financial harm and could have a material adverse effect on the Issuer's results of operations, reputation and financial condition.

***The Issuer is subject to risks concerning customer and counterparty credit quality***

Credit and counterparty risk is defined as the risk arising from an obligor's (typically a client's or counterparty's) failure to meet the terms of any agreement. Credit and counterparty risk arises when funds are extended, committed, invested, or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet.

Credit and counterparty risk arises primarily from three types of transactions:

- lending transactions through loans and advances to clients and counterparties creates the risk that an obligor will be unable to or unwilling to repay capital and/or interest on loans and advances granted to them. This category includes bank placements, where the Issuer has placed funds with other financial institutions;
- Issuer risk on financial instruments (for example, corporate bonds) where payments due from the issuer of a financial instrument may not be received; and
- trading transactions, giving rise to settlement and replacement risk, which is collectively referred to as counterparty risk. Settlement risk is the risk that the settlement of a transaction does not take place as expected. Replacement risk is the financial cost of having to enter into a replacement contract with an alternative market counterparty following default by the original counterparty.

The Issuer's credit risk arises primarily in relation to its Specialist Banking business, through which it offers products such as private client mortgages and specialised lending to high income professionals and high net worth individuals and a range of lending products to corporate clients, including corporate loans, asset based lending, fund finance, asset finance, acquisition finance, power and infrastructure finance, resource finance and corporate debt securities.

Credit and counterparty risks can be impacted by country risk where cross-border transactions are undertaken. This can include geopolitical risks, transfer and convertibility risks and the impact on the borrower's credit profile due to local and economic political conditions.

In accordance with policies overseen by its Central Credit Management department, the Issuer makes provision for specific impairments and calculates the appropriate level of portfolio impairments in relation to the credit and counterparty risk to which it is subject. This process requires complex judgements, including forecasts of how changing macro-economic conditions might impair the ability of customers to repay their loans. The Issuer may fail to adequately identify the relevant factors or accurately estimate the impact and/or magnitude of identified factors. Further, despite the Issuer having conducted an accurate assessment of customer credit quality, customers may be unable to meet their commitments as they fall due as a result of customer-specific circumstances, macro-economic disruptions or other external factors. The failure of customers to meet their commitments as they fall due may result in higher impairment losses. Increased credit and counterparty risk could have a material adverse impact on the Issuer's business, results of operations, financial condition and prospects.

***Concentration of credit risk could increase the Issuer's potential for significant losses***

The Issuer is subject to concentration risk, which arises when large exposures exist to a single client or counterparty, group of connected counterparties or to a particular geography, asset class or industry. Concentration risk can also exist where a portfolio of loan maturities is clustered within a single period of time. While the Issuer's loan book remains well diversified, geographical concentration in its loan book may pose risks. In the event of a disruption to the credit markets in the geographies in which the Issuer operates or the emergence of adverse economic conditions in any of those geographies, including in relation to interest rates and unemployment levels, this concentration of credit risk could cause the Issuer to experience greater losses than its competitors. While the Issuer regularly monitors its loan book to assess potential concentration risk, efforts to divest, diversify or manage its loan book against concentration risks may not be successful and could result in an adverse effect on its business, results of operations, financial condition and prospects.

***The Issuer is subject to liquidity risk, which may impair its ability to fund its operations***

Liquidity risk is the risk that the Issuer has insufficient capacity to fund increases in its assets, or that it is unable to meet its payment obligations as they fall due, without incurring unacceptable losses. This includes repaying depositors and repayments of wholesale debt. This risk is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events. Liquidity risk can be further broken down into:

Funding liquidity, which relates to the risk that the Issuer will be unable to meet current and/or future cash flow or collateral requirements in the normal course of its business, without adversely affecting its financial position or reputation; and

Market liquidity, which relates to the risk that the Issuer may be unable to trade in specific markets or that it may only be able to do so with difficulty due to market disruptions or a lack of market liquidity.

Sources of liquidity risk include:

- unforeseen withdrawals of deposits;
- restricted access to new funding with appropriate maturity and interest rate characteristics;
- inability to liquidate a marketable asset in a timely manner with minimal risk of capital loss;
- unpredicted customer non-payment of loan obligations; and
- a sudden increased demand for loans in the absence of corresponding funding inflows of appropriate maturity.

The Issuer utilised deposits from its private client base to provide a stable source of funding. The Issuer's primary source of funding is customer deposits. Growth in the Issuer's lending activities will therefore depend in part on the availability of customer deposit funding on acceptable terms, for which there may be increased competition, which is dependent on a variety of factors outside the Issuer's control. These factors

include general macroeconomic conditions and market volatility and confidence of retail depositors in the economy. Increases in the cost of customer deposit funding will adversely affect the Issuer's net interest margin and a lack of availability of customer deposit funding could have a material adverse effect on the Issuer's growth.

While the Issuer does not currently rely heavily on borrowing from other banks, it may need to access interbank markets where there is a residual funding requirement over and above funds held from customer deposits. If the interbank funding markets were to be fully or partially closed, it is likely that interbank funding would prove more difficult to obtain on commercial terms. Significant curtailments of central bank liquidity to the financial markets in connection with other market stresses might also have a material adverse effect on the Issuer's financial position depending on the Issuer's liquidity position at that time.

***The Issuer is exposed to depositor concentration risk***

Due to exchange controls in South Africa, individuals and corporates are limited from making deposits outside South Africa. This has led to large deposits in banks in South Africa being made by corporates and in particular by the local South African fund managers. The principal South African fund managers are the largest depositors in the South African banking market, making deposits on behalf of their customers to benefit from high interest rates available to wholesale depositors. The Issuer, in line with other South African banks, obtains a large percentage of its deposits from such fund managers and thus has a high reliance on wholesale funding. Legislation in South Africa restricts the exposure that the fund managers can have to an individual bank and the fund managers are required to spread their deposits amongst banks. However, given the impact of exchange controls, Rand liquidity is contained within the Rand system thus significantly reducing the potential liquidity risks in South Africa compared to other more open financial systems. Notwithstanding, the Issuer believes that its level of access to domestic and international inter-bank and capital markets and its liquidity risk management policy allow and will continue to allow the Issuer to meet its short-term and long-term liquidity needs.

***The Issuer's risk management policies and procedures may leave it exposed to risks which have not been identified by such policies or procedures***

The Issuer has devoted significant resources to developing its risk management policies and procedures, particularly in connection with credit, market and other banking risks and expects to continue to do so in the future. Nonetheless, its risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. Some of the Issuer's methods of managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding the markets in which the Issuer operates, its clients or other matters that are publicly available or otherwise accessible by the Issuer. This information may not be accurate in all cases, complete, up to date or properly evaluated. Any failure by the Issuer's risk management techniques may have a material adverse effect on its results of operations and financial condition.

***The financial services industry in which the Issuer operates is intensely competitive***

The financial services industry in which the Issuer's businesses operate is highly competitive. The Issuer competes on the basis of a number of factors, including customer services and quality, transaction execution, its products and services, innovation, reputation and price. New competitors, including companies other than banks, may disintermediate the market and as a result they may acquire significant market share. Some of the Issuer's competitors also offer a wider range of services and products than the Issuer offers and have greater name recognition, greater financial resources and more extensive customer bases. These competitors may be able to respond more quickly to new or evolving opportunities, technologies and customer requirements than the Issuer and may be able to undertake more extensive promotional activities. If the Issuer is unable to compete successfully, its future revenue and profit growth could be materially adversely affected.

***Failing infrastructure systems may negatively impact the economy generally and the business and results of operations of the Issuer***

Events such as electricity supply failures, the shutdown of transport systems due to inclement weather (such as snow or extreme heat) or postal, transport or other strikes have a negative impact on the ability of most

firms, including the Issuer, to do business. The regular occurrence of such events or timing of the occurrence of such events could have an adverse effect on the Issuer's operations.

***The Issuer may be unable to recruit, retain and motivate key personnel***

The Issuer's performance is largely dependent on the talents and efforts of key personnel, many of whom have been employed by the Issuer for a substantial period of time and have developed with the business. In addition, while the Issuer is covered by a general director's and officer's insurance policy, it does not maintain any "key man" insurance in respect of any management employees. Competition in the financial services industry for qualified employees is intense. Further, the Issuer's ability to implement its strategy depends on the ability and experience of its senior management and other key employees. The loss of the services of certain key employees, particularly to competitors, could have a negative impact on the Issuer's business. The Issuer's continued ability to compete effectively and further develop its businesses depends on its ability to retain, remunerate and motivate its existing employees and to attract new employees and qualified personnel competitively with its peers. In relation to the development and training of new staff, the Issuer is reliant on the continued development of the educational sector within South Africa, including access to facilities and educational programmes by its future employees. In addition, the South African operations of the Issuer have been and may continue to be affected by the general skill shortages occurring in the labour pool in the industry in which the Issuer operates.

***The Issuer may be vulnerable to the failure of its information and operating systems and breaches of its security systems***

The Issuer relies on the proper functioning of its information and operating systems which may fail as a result of hardware or software failure or power or telecommunications failure. The occurrence of such a failure may not be adequately covered by its business continuity planning. Any significant degradation, failure or lack of capacity of the Issuer's information systems or any other systems in the trading process could therefore cause it to fail to complete transactions on a timely basis, could have an adverse effect on its business, results of operations and financial condition and prospects or could give rise to adverse regulatory and reputational consequences for the Issuer's business.

The secure transmission of confidential information is a critical element of the Issuer's operations. The Issuer's networks and systems may be vulnerable to unauthorised access and other security problems. In particular, as a financial institution, the Issuer is subject to a heightened risk that it will be the target of criminal activity, including fraud, theft or cybercrime. For example, the Issuer is exposed to potential losses due to breaches of its terms of business by its customers (e.g., through the use of a false identity to open an account) or by customers engaging in fraudulent activities, including the improper use of legitimate customer accounts. There also can be no assurance that the Issuer's systems will not be subject to attack by cybercriminals, including through denial of service attacks, which could significantly disrupt the Issuer's operations. The Issuer cannot be certain that its existing security measures will prevent security breaches including break-ins, viruses or disruptions. Persons that circumvent the security measures could use the Issuer's or its client's confidential information wrongfully which could expose it to a risk of loss, adverse regulatory consequences or litigation.

The Issuer's future success will depend in part on its ability to respond to changing technologies and demands of the market place. The Issuer's failure to upgrade its information and communications system on a timely or cost-effective basis could damage its relationships with its clients and counterparties and could have a materially adverse effect on its business, results of operations, financial condition and prospects.

***The Issuer is subject to conduct risk, including the risk that it treats its customers unfairly and delivers inappropriate outcomes and the risk of conducting itself negatively in the market***

The Issuer is exposed to conduct risk, including retail conduct risk and wholesale conduct risk. Retail conduct risk is the risk that the Issuer treats its customers unfairly and delivers inappropriate outcomes. Wholesale conduct risk is the risk of conducting itself negatively in the market. Certain aspects of the Issuer's business may be determined by regulators in various jurisdictions or by courts not to have been conducted in accordance with applicable local or, potentially, overseas laws and regulations, or in a fair and reasonable manner. If the Issuer fails to comply with any relevant laws or regulations, it may suffer reputational damage and may become subject to challenges by customers or competitors, or sanctions, fines or other actions imposed by regulatory authorities. Changes in laws or regulations may also vastly change

the requirements applicable to the Issuer in a short period of time and/or without transitional arrangements. If the Issuer is unable to manage any related emerging risks, its business, results of operations, financial condition and prospects could be materially adversely affected.

***The Issuer may be adversely affected if its reputation is harmed***

The Issuer is subject to the risk of loss due to customer or staff misconduct. The Issuer's ability to attract and retain customers and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged. If it fails to deal with various issues that may give rise to reputational risk, its reputation and in turn its business prospects may be harmed. These issues include, but are not limited to, appropriately dealing with potential conflicts of interest, legal and regulatory requirements, customer management and communication, discrimination issues, money-laundering, privacy, record-keeping, sales and trading practices, and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in its business. Failure to address these issues appropriately could give rise to litigation and regulatory risk to the Issuer.

There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in recent years. The Issuer's reputation could be damaged by an allegation or finding, even where the associated fine or penalty is not material. Misconduct could include hiding unauthorised activities from the Issuer, improper or unauthorised activities on behalf of customers, improper use of confidential information or use of improper marketing materials. The Issuer has systems and controls in place to prevent and detect misconduct; however, the risks posed by misconduct may not be entirely eliminated through controls.

***The Issuer's business performance could be affected if its capital resources and liquidity are not managed effectively***

The Issuer's capital and liquidity are critical to its ability to operate its businesses, to grow organically and to take advantage of strategic opportunities. The Issuer mitigates capital and liquidity risk by careful management of its balance sheet, through, for example, capital and other fund-raising activities, disciplined capital allocation, maintaining surplus liquidity buffers and diversifying its funding sources. The Issuer is required by regulators, in the jurisdictions in which it undertakes regulated activities, to maintain adequate capital and liquidity. The maintenance of adequate capital and liquidity is also necessary for the Issuer's financial flexibility in the face of any turbulence and uncertainty in the global economy.

Extreme and unanticipated market circumstances may cause exceptional changes in the Issuer's markets, products and other businesses. Any exceptional changes, including, for example, substantial reductions in profits and retained earnings as a result of write-downs or otherwise, delays in the disposal of certain assets or the ability to access sources of liability, including customer deposits and wholesale funding, as a result of these circumstances, or otherwise, that limit the Issuer's ability effectively to manage its capital resources could have a material adverse impact on the Issuer's profitability and results. If such exceptional changes persist, the Issuer may not have sufficient financing available to it on a timely basis or on terms that are favourable to it to develop or enhance its businesses or services, take advantage of business opportunities or respond to competitive pressures.

The Issuer is subject to government regulation in South Africa. Regulatory agencies have broad jurisdiction over many aspects of the Issuer's business, which may range from capital adequacy, funding and liquidity risk management and credit risk management to practices relating to marketing and selling, advertising, licensing agents, policy forms, terms of business and permitted investments.

The Issuer is subject to capital adequacy guidelines adopted by the South African Reserve Bank (the "SARB"), which provide for a minimum target ratio of capital to risk-adjusted assets. Any failure by the Issuer to maintain its ratios may result in sanctions against the Issuer which may in turn impact on its ability to fulfil its obligations under the Notes.

***Social, political and economic risk outside of the Issuer's control may adversely affect its business and results of operations***

Unfavourable economic, political, military and diplomatic developments producing social instability or legal uncertainty may affect both the performance and demand for the Issuer's products and services. The Issuer's businesses, results of operations and financial condition could be materially adversely affected by



changes in government or the economic, regulatory or other policies of the governments of the jurisdictions in which the Issuer operates. Among others, the actions of such governments in relation to employee relations, salaries, the setting of interest rates, or in relation to exerting controls on prices, exchange rates or local and foreign investment, may adversely affect the Issuer's business and results of operations.

The Issuer's operations are concentrated in South Africa and Mauritius, with the majority of its revenues deriving from operations in South Africa. Operations in these markets are subject to various risks which need to be assessed in comparison to jurisdictions elsewhere. These include political, social and economic risks particularly relating to South Africa, such as general economic volatility, recession, inflationary pressure, exchange rate risks, exchange controls, crime and diseases (including e.g. HIV/AIDS), which could affect an investment in the Notes. The existence of such factors may have a negative impact on South African and international economic conditions generally, and more specifically on the business and results of the Issuer in ways that cannot be predicted.

### ***Regulatory risks***

The Issuer is subject to extensive regulation by governmental and other regulatory organisations in the jurisdictions in which it operates, including, in particular, the SARB.

In addition, the Issuer is subject to extensive and increasing legislation, regulation, accounting standards and changing interpretations thereof in the various countries in which it operates. The requirements imposed by the Issuer's regulators, including capital adequacy, are designed to ensure the integrity of financial markets and to protect customers and other third parties who deal with the Issuer.

In addition, new laws are introduced, and existing laws are amended from time to time, including Tax, consumer protection, privacy and other legislation, which affect the environment in which the Issuer operates. Governmental policies and regulatory changes in the other areas which could affect the Issuer, include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy or changes in regulatory regimes that may significantly influence investor decisions in particular markets in which the Issuer operates or may increase the costs of doing business in those markets;
- other general changes in the regulatory requirements, such as prudential rules relating to the capital adequacy and liquidity framework;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- further developments in the corporate governance, conduct of business and employee compensation environments;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; and
- other unfavourable political or diplomatic developments or legal uncertainty which, in turn, may affect demand for the Issuer's products and services.

Consequently, changes in these governmental policies and regulation may limit the Issuer's activities, which could have an adverse effect on the Issuer's results.

It is widely expected that as a result of recent interventions by governments in response to global economic conditions, there will be a substantial increase in government regulation and supervision of the financial services industry, including the imposition of higher capital requirements, heightened disclosure standards and restrictions on certain types of transaction structures. If enacted, such new regulations could significantly impact the profitability and results of firms operating within the financial services industry, or could require those affected to enter into business transactions that are not otherwise part of their preferred strategies, prevent the continuation of current lines of operations, restrict the type or volume of transactions which may be entered into or set limits on, or require the modification of, rates or fees that may be charged

on certain loan or other products. Such new regulations may also result in increased compliance costs and limitations on the ability of the Issuer or others within the financial services industry to pursue business opportunities.

Further changes to the regulatory requirements applicable to the Issuer, whether resulting from recent events in the credit markets or otherwise, could materially affect its business, the products and services it offers and the value of its assets.

***The response of governments and regulators to instability in the global financial markets may not be effective***

In times of economic instability, governments and regulators are faced with pressure from a variety of sources, including market participants, the media, investor organisations and others, to reform the existing financial and regulatory system. There can be no guarantee that the response of governments and regulators in the jurisdictions in which the Issuer operates, and the reforms proposed thereby, will be effective or that the timing of responses (which might otherwise have been effective) will be appropriate. In addition, any such measures taken may negatively impact the Issuer's business even when they achieve their policy goals.

In the past, governments and regulators in some jurisdictions have responded to pressure of the kind referred to above by greatly increasing regulation. Reforms which increase the compliance and reporting burdens of companies can have unintended effects on the environment within which companies operate. There can be no guarantee that the governments and regulators in the jurisdictions in which the Issuer operates will not make policy decisions to implement reforms which increase the burdens faced by the Issuer in relation to compliance and reporting. This could increase the costs the Issuer has to devote to compliance and reporting and, in turn, could have a negative effect on the Issuer's financial condition and results of operations.

***The Issuer's borrowing costs and access to the debt capital markets depend significantly on its credit rating***

Rating agencies, which determine the Issuer's own credit ratings and thereby influence the Issuer's cost of funds, take into consideration management effectiveness and the success of the Issuer's risk management processes. Rating agencies have, in the past, altered their ratings of all or a majority of the participants in a given industry as a result of the risks affecting that industry or have altered the credit ratings of the Issuer or instruments issued by the Issuer specifically. Changes to the sovereign rating in the countries in which the Issuer primarily operates could also impact the Issuer's credit rating.

A reduction in the Issuer's long- or short-term credit ratings could increase its borrowing costs, limit its access to the capital markets and trigger additional collateral requirements in derivative contracts and other secured funding arrangements. Any further changes in the credit ratings of the Issuer could negatively impact the volume and pricing of the Issuer's funding, which could in turn have a materially adverse effect on its business, results of operations, financial condition and prospects.

***Certain financial instruments are recorded at fair value under relevant accounting rules. To determine fair value, the Issuer uses financial models which require it to make certain assumptions and judgements and estimates which may change over time***

Under IFRS, the Issuer is required to carry certain financial instruments on its balance sheet at fair value, including, among others, trading assets (which include certain retained interests in loans that have been securitised), available-for-sale securities and derivatives. Generally, in order to establish the fair value of these instruments, the Issuer relies on quoted market prices or internal valuation models that utilise observable market data. In certain circumstances and over the past year in particular, however, the ability of the Issuer and other financial institutions to establish fair values has been influenced by the lack of readily available observable market prices and data and the fact that the availability or reliability of such information has diminished due to market conditions. Furthermore, in common with other financial institutions, the Issuer's processes and procedures governing internal valuation models are complex, and require the Issuer to make assumptions, judgements and estimates in relation to matters that are inherently uncertain, such as expected cash flows from a particular asset class, the ability of borrowers to service debt, house price appreciation and depreciation, and relative levels of defaults and deficiencies. Such assumptions, judgements and estimates may need to be updated to reflect changing trends in relation to such matters. To the extent the Issuer's assumptions, judgements or estimates change over time in response

to market conditions or otherwise, the resulting change in the fair value of the financial instruments reported on the Issuer's balance sheet could have a material adverse effect on the Issuer's earnings.

Financial instruments are valued differently under relevant applicable accounting rules depending upon how they are classified. For example, assets classified as held-to-maturity are carried at cost (less provisions for permanent impairment) while trading assets are carried at fair value. Similar financial instruments can be classified differently by a financial institution depending upon the purpose for which they are held and different financial institutions may classify the same instrument differently. In addition, financial institutions may use different valuation methodologies which may result in different fair values for the same instruments. Accordingly, the Issuer's carrying value for an instrument may be materially different from another financial institution's valuation of that instrument or class of similar instruments.

Furthermore, a fair value determination does not necessarily reflect the value that can be realised for a financial instrument on a given date. As a result, assets and liabilities carried at fair value may not actually be able to be sold or settled for that value. If such assets are ultimately sold or settled for a lower or greater value, the difference would be reflected in a write-down or gain. The difference between the fair value determined at a particular point in time and the ultimate sale or settlement value can be more pronounced in volatile market conditions or during periods when there is only limited trading of a particular asset class from which to establish fair value. This can result in a significant negative impact on the Issuer's financial condition and results of operations due to an obligation arising to revalue assets at a fair value significantly below the value at which the Issuer believes it could ultimately be realised.

#### ***The Issuer faces significant legal risks***

The Issuer faces significant legal risks, and the volume and amount of damages claimed in litigation against financial intermediaries generally is increasing. These risks include potential liability under securities or other laws for materially false or misleading statements made in connection with the sale of securities and other transactions, potential liability for advice the Issuer provides to participants in corporate transactions and disputes over the terms and conditions of complex trading arrangements. The Issuer also faces the possibility that counterparties in complex or risky trading transactions will claim that the Issuer failed to properly inform them of the risks or that they were not authorised or permitted to enter into these transactions with the Issuer and that their obligations to the Issuer are not enforceable.

The Issuer may also be subject to claims arising from disputes with employees for, among other things, alleged discrimination or harassment. These risks may often be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Liability resulting from any of the foregoing or other claims could have a material adverse effect on the Issuer's results of operations and financial condition.

These issues require the Issuer to deal appropriately with, *inter alia*, potential conflicts of interest; legal and regulatory requirements; ethical issues; anti-money laundering laws or regulations; privacy laws; information security policies; sales and trading practices; and conduct by companies with which it is associated. Failure to address these issues appropriately may give rise to additional legal and compliance risk to the Issuer, with an increase in the number of litigation claims and the amount of damages asserted against the Issuer, or subject the Issuer to regulatory enforcement actions, fines, penalties or reputational damage.

#### ***The Issuer is subject to the substance and interpretation of tax laws in all countries in which it operates. A number of double taxation agreements entered into between countries also affect the taxation of the Issuer.***

Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of consequences arising from failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to increased tax charges, including financial or operating penalties, for not complying as required with tax laws. Action by governments to increase tax rates or to impose additional taxes would reduce the profitability of the Issuer. Revisions to tax legislation or to its interpretation might also affect the Issuer's results in the future.

## Risks related to Notes issued under this Programme

### *Certain benchmark rates, including LIBOR and EURIBOR, may be discontinued or reformed in the future - including the potential phasing-out of LIBOR after 2021.*

Reference rates and indices, including interest rate benchmarks, such as the LIBOR and EURIBOR, which are used to determine the amounts payable under financial instruments or the value of such financial instruments, have been the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "BMR" or "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 became applicable from 1 January 2018. The BMR applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The scope of the BMR is wide and, in addition to so-called "critical benchmarks" such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in certain financial instruments (including securities or OTC derivatives traded on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or via a "systematic internaliser"), certain financial contracts and investment funds. Different types and categories of "benchmark" are subject to more or less stringent requirements, and in particular a lighter touch regime may apply where a "benchmark" is not based on interest rates or commodities and the value of financial instruments, financial contracts or investment funds referring to a benchmark is less than €50bn, subject to further conditions.

The Benchmarks Regulation could have a material impact on any Notes linked to a "benchmark" index, including in any of the following circumstances:

- (i) a rate or index which is a "benchmark" could not be used as such if its administrator does not obtain authorisation/registration or is not able to rely on one of the regimes available to non-EU benchmarks. In such event, depending on the particular "benchmark" and the applicable terms of the Notes, the Notes could be de-listed, adjusted, redeemed or otherwise impacted; and
- (ii) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level and, depending on the particular "benchmark" and the applicable terms of the Notes, could lead to adjustments to the terms of the Notes, including Calculation Agent determination of the rate or level in its discretion.

More broadly, any of the international or national reforms, 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 following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and, on 12 July 2018, announced that the LIBOR benchmark may cease to be a regulated benchmark under the Benchmark Regulation. Such announcements indicate that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021. In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its working group

on Sterling risk free rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of LIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (for example, as further described in Condition 7.5 (*Benchmark Replacement*) or Condition 7.2(b)(iv) (*Interest – Floating Rate Notes referencing SOFR*), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "*General Terms and Conditions of the Notes*" provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, unlawful or unrepresentative, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the BMR reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

### **The market continues to develop in relation to SONIA and SOFR as reference rates for Floating Rate Notes**

Investors should be aware that the market continues to develop in relation to the Sterling Overnight Index Average ("**SONIA**") and the Secured Overnight Financing Rate ("**SOFR**") as reference rates in the capital markets and their adoption as an alternative to Sterling or U.S. Dollar LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA and SOFR, including term SONIA and SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA and SOFR rate over a designated term). The nascent development of Compounded Daily SONIA and SOFR rates as interest reference rates for the Eurobond markets, as well as continued development of SONIA- and SOFR-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

The use of Compounded Daily SONIA and SOFR as a reference rate for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing Compounded Daily SONIA and SOFR. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked notes issued to date and no assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of SONIA or SOFR that differs significantly from that set out in the Conditions as applicable to the Notes. Furthermore, the Issuer may in future issue Notes referencing SONIA or SOFR that differ materially in terms of interest determination when compared with the Notes. In addition, the manner of adoption or application of SONIA or SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA or SOFR in other markets, such as the derivatives or SOFR and loan markets. Noteholders should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing Compounded Daily SONIA or SOFR.

### **SONIA and SOFR differ from LIBOR in a number of material respects and have a limited history**

Compounded Daily SONIA and SOFR differ from LIBOR in a number of material respects, including that Compounded Daily SONIA and SOFR are backwards-looking, compounded, risk-free overnight rates, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SONIA or SOFR may behave materially differently as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to LIBOR which is an unsecured rate. For example, since publication of SOFR began on April 3, 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Publication of SONIA and SOFR began in April 2018 and they therefore have a limited history. The future performance of SONIA and SOFR may therefore be difficult to predict based on the limited historical performance. The level of SONIA and SOFR during the term of the Notes may bear little or no relation to the historical level of SONIA or SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SONIA and SOFR such as correlations, may change in the future.

Furthermore, the Rate of Interest is only capable of being determined at the end of the relevant Reference Period and immediately prior to the relevant Interest Payment Date. It may be difficult for Noteholders to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, in contrast to LIBOR-based Notes, if the Notes become due and payable as a result of an Event of Default under Condition 12 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

### **The administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR**

The Bank of England or The New York Federal Reserve (or a successor), as administrator of SONIA or SOFR, may make methodological or other changes that could change the value of SONIA or SOFR, including changes related to the method by which SONIA or SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or SOFR, or timing related to the publication of SONIA or SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA or SOFR.

### ***Modification and waivers and Substitution***

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders

including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes (other than any modifications, waivers or authorisations relating to any matters described in clauses 26 to 28 of the Trust Deed or paragraph 19(f) of Schedule 3 to the Trust Deed) or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16 (*Notices*) of the conditions of the Notes.

### ***Change of law***

The conditions of the Notes, and any non-contractual obligations arising out of or in connection with the Notes, are governed by English law (save for Conditions 3.2 – 3.5 and Clause 7 of the Trust Deed, which are governed by South African law) in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law, South African law or administrative practice in either such jurisdiction after the date of this Base Prospectus. Such changes in South African law may include, but are not limited to, the introduction of a variety of statutory resolution and loss-absorption tools which may affect the rights of holders of securities issued by the Issuer, including the Subordinated Capital Notes. Such tools may include the ability to write off sums otherwise payable on such securities at a time when the Issuer is no longer considered viable by its regulator or upon the occurrence of another trigger event.

### ***Notes where denominations involve integral multiples: Definitive Notes***

In relation to any Tranche of Notes which have a denomination consisting of a minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a minimum Specified Denomination.

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

### **Risks related to the Underlying**

Certain Notes issued under the programme are linked to the value of one or more underlying assets ("**Underlying Linked Notes**"). The price at which a holder may be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the initial investment, based upon one or more of the factors described below.

The factors that will affect the trading value and return at maturity of the Notes interrelate in complex ways (for example, one factor may offset an increase in the trading value of the Notes caused by another factor). Factors that may impact the value of the Notes, assuming other conditions remain constant, include:

#### **(a) *Risk factors affecting the value of and return on the Notes***

##### **(i) *Value of the Underlying***

The redemption amount of and return of:

- (A)** an Equity Linked Note, and accordingly its value will depend on the performance of a single share (which may be a share in an exchange traded fund (an "**ETF**" share)) or a basket of such shares;

- (B) an Index Linked Note, and accordingly its value, will depend on the performance of a single index or basket of indices;
- (C) a Fund Linked Note, and accordingly its value, will depend on the performance of a single fund interest or basket of fund interests;
- (D) an Inflation Linked Note, and accordingly its value, will depend on the performance of a rate of inflation or other rate-dependent variable,

such share, basket of shares, index, basket of indices, fund interest or baskets of fund interests or inflation based underlying asset being the "**Underlying**" to which the Note is linked.

The redemption amount of, and return of, a Multi Underlying Linked Note, and accordingly its value, will depend on the performance of two or more underlying assets (being any combination of shares, baskets of shares, indices, baskets of indices, fund interests or baskets of fund interests), being the "**Underlyings**" to which the Note is Linked.

The redemption amount of and return of Combined Underlying Linked Notes will depend on the performance of two separate underlyings, a specified inflation-linked index and any one of a single share, a single index, a single fund interest, a basket of indices, a basket of shares or a basket of fund interests, one of which will be specified as the "**Return Underlying**" and the other will be specified as the "**Risk Underlying**", the Return Underlying and the Risk Underlying together being the Underlyings to which the Note is linked.

Therefore, any change (positive or negative, depending on the particular set of redemption provisions specified to apply to the Notes) in the "**level**" (in respect of an index, basket of indices or inflation-linked variable), "**price**" (in respect of a share) or "**value**" (in respect of a basket of shares, a fund interest or a basket of fund interests) of the Underlying (or, in respect of Multi Underlying Linked Notes or Combined Underlying Linked Notes, the relevant Underlying(s) or the average performance of the Underlyings, as applicable) will affect the redemption amount and trading value of the Note. Accordingly, and since the Notes may not be capital protected, it is possible that **the return on a Note and value at any time may be considerably less than the amount paid by the investor for such Note and may even be zero.**

(ii) *Fluctuations in the Underlying*

The level, price or value (as applicable) of the Underlying (or, in respect of Multi Underlying Linked Notes or Combined Underlying Linked Notes, one or more of the Underlyings) may change during the term of the Notes. The frequency and amount of any changes in the level, price or value (as applicable) of the Underlying(s) cannot be predicted and may be caused by various factors including political or economic developments. Therefore, the value of the Notes during the term of the Notes and may be subject to fluctuation as a result of the fluctuation (or expectations of fluctuation) in the level, price or value (as applicable) of the Underlying(s).

**Accordingly, the value of a Note prior to maturity and the return on a Note may be lower and less predictable than would be received or expected when investing in a conventional debt instrument.**

Investors who require a certain or a predefined return should consider carefully before investing in any Notes.

(iii) *Volatility of the Underlying(s)*

If the size or frequency of market fluctuations in the level, price or value (as applicable) of the Underlying (or, in respect of Multi Underlying Linked Notes or Combined Underlying Linked Notes, one or more of the Underlyings) increases or decreases, the value of the Notes may be affected. Where an Underlying is an index, the volatility of such index will affect the value of the Notes.



Inflation rates can be volatile and unpredictable. Investors should be aware of the possibility of significant changes in inflation rates resulting in a decrease in the value of interest payments and/or the principal payable on the Notes at maturity. As a consequence the market value of the Notes may also fall.

**Accordingly, the value of and return on the Notes may be less predictable than the return on a product which is unaffected by market fluctuations.**

(iv) *Past performance*

Prospective investors should understand that the **historical performance of the Underlying(s) or any component of the Underlying(s) is not predictive of future results.** Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning any company whose shares comprise an Underlying could affect the trading price of the Notes.

(v) *Interest rates*

The value of the Notes may, in addition to being affected by the level, price or value (as applicable) of the Underlying(s), be indirectly affected by changes in interest rates. Depending on the Underlying(s) and the formula for calculating the redemption price of the Notes, changes in interest rates may increase or decrease the value of the Notes (but not necessarily in the same or proportionate amount). Changes in interest rates may also affect the economy of a country in which the components of an Underlying are traded and thus indirectly affect the value of the Notes. **Accordingly, investors in the Notes may suffer a loss on their investment or forgo substantial returns as a result of interest rate fluctuations. Therefore, an investment in the Notes may entail greater risks than an investment in a product where the return is only affected by the value of an underlying.**

The market value of any Notes issued at a substantial discount or premium from their principal 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. **Accordingly, investors in any Notes issued at a discount or premium are exposed to interest rate volatility and may suffer a greater loss on their investment than investors in interest-bearing debt securities.**

(vi) *Time remaining to maturity*

The Notes may trade at a value above that which would be expected based on interest rates and the level, price or value (as applicable) of the Underlying(s). Any such difference will reflect a "time premium" resulting from expectations concerning the Underlying(s) during the period prior to the stated maturity of the Notes. As the time remaining to the stated maturity of the Notes decreases, this time premium may decrease, which in turn may adversely affect the value of the Notes. **Accordingly, investors selling any Notes at a date close to maturity may suffer a loss on their investment depending on expectations concerning the Underlying(s) prevailing at the time.**

(vii) *Non-linear relationship of Notes to Underlying*

A change in the level, price or value (as applicable) of the Underlying(s) may not result in a comparable or proportionate change in the value of the Notes due to fluctuating supply and demand for the Notes or the use of leverage factors, caps, floors, thresholds and barriers (or any combination of these features) in provisions governing the calculation of the return on the Notes. If leverage factors, caps, floors, barrier amounts or thresholds are used in the formula for calculating the return on the Notes, **investors may forgo returns or suffer losses that are relatively large or relatively small compared to a movement in the level, price or value (as applicable) of the Underlying(s).**

Investors should not invest in any Notes before fully understanding how the value of the Notes is linked to the level, price or value (as applicable) of the Underlying(s).

(viii) *Currency fluctuations*

Currency fluctuations may affect the level, price or value (as applicable) of the Underlying(s) in complex ways. If the level, price or value (as applicable) of the Underlying(s) (or, in respect of Multi Underlying Linked Notes or Combined Underlying Linked Notes, one or more of the Underlyings) is denominated in a currency that is different from the currency of the Notes, investors in the Notes may be subject to increased foreign exchange risk. If such currency fluctuations cause the level, price or value (as applicable) of the Underlying(s) to decrease, the value of the Notes may fall. **Accordingly, an investor in the Notes may suffer a greater loss on his/her investment than an investor in a product which is linked to an underlying that is denominated in the same currency.**

Foreign exchange rates are unpredictable and may be affected by complex political and economic factors, including relative rates of inflation, interest rate levels, the balance of payments between countries, the extent of any governmental surplus or deficit and the monetary, fiscal and/or trade policies pursued by the governments of the relevant currencies. Previous foreign exchange rates are not necessarily indicative of future foreign exchange rates. **Accordingly, investors may be unable to predict and adequately hedge against the risk posted by currency fluctuations, causing an investment in the Notes to result in an overall loss to the investor.**

(b) ***Hedging risk***

As a result of the non-linear relationship of the Notes to the Underlying(s) (as described above) the Notes may not be suitable for hedging against the market risk associated with investing in any securities or indices.

Prospective investors intending to acquire Notes to hedge against such risk should recognise the complexities of using Notes in this manner.

(c) ***No Ownership Rights***

An investment in the Notes is not the same as an investment in the Underlying(s) (or any component of the Underlying(s)) and does not confer any legal or beneficial interest in any Underlying (or any component of the Underlying) (or, in relation to Credit Linked Notes (as defined below), any Reference Entity(ies)) or any voting rights, rights to receive dividends or other rights that an owner or a holder of any Underlying (or any component of the Underlying) (or, in relation to Credit Linked Notes (as defined below), any Reference Entity(ies)) would have. **Accordingly, an investor in the Notes may not benefit from the same rights as a person investing directly in the Underlying(s) (or, in relation to Credit Linked Notes (as defined below), any Reference Entity(ies)) (i.e. a purchaser of shares or securities forming part of an underlying share, basket of shares or component of an index or any financial institution(s), corporation(s) and/or sovereign entity(ies) or any successor(s) thereto named as a Reference Entity)).**

The Notes are unsubordinated and unsecured obligations of the Issuer and no security has been taken in respect of the Underlying. **Accordingly, investors in the Notes have less protection in the event of the insolvency of the Issuer than investors in a product which is secured on certain assets or other security.**

(d) ***Risks relating to shares in exchange traded funds ("ETFs") - Notes with one or more underlyings which is a single ETF Share or a Basket of ETF Shares***

An investment in Equity Linked Notes that are linked to ETF shares will entail significant risks not associated with an investment in a conventional debt security. Whilst interests in ETFs are traded on an exchange and are therefore valued in a similar manner as a share traded on an exchange, certain provisions related to Equity Linked Notes that are linked to ETF shares are similar to the provisions related to funds.

- (i) *Where the Underlying is an exchange traded fund, there is a risk that such exchange traded fund will not accurately track its underlying share or index*

Where the Notes are linked to an ETF share and the investment objective of such ETF is to track the performance of a share or an index, the investors of such Notes are exposed to the performance of such ETF share rather than the underlying share or index such ETF share tracks. For certain reasons, including to comply with certain tax and regulatory constraints, an ETF may not be able to track or replicate the constituent securities of the underlying share or index, which could give rise to a difference between the performance of the underlying share or index and such ETF share. Accordingly, investors who purchase Notes that are linked to an ETF share may receive a lower return than if such investors had invested in the share or the index underlying such ETF share directly.

- (ii) *Action or non-performance by the management company, ETF administrator, ETF service provider or sponsor of an exchange traded fund may adversely affect the Notes*

The management company, ETF Administrator, ETF Service Provider or sponsor of an ETF will have no involvement in the offer and sale of the Notes and will have no obligation to any purchaser of such Notes. The management company, ETF Administrator, ETF Service Provider or sponsor of an ETF may take any actions in respect of such ETF without regard to the interests of the purchasers of the Notes, and any of these actions could adversely affect the market value of the Notes. In its day-to-day operations and its investment strategy, an ETF will rely on the ETF Adviser, the investment adviser, the management company and/or on third parties providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments used by such ETF to employ its investment strategy. The insolvency or non-performance of services of any such persons or institutions may expose an ETF to financial loss. Failure of procedures or systems, as well as human error or external events associated with an ETF's management and/or administration may cause losses to an ETF and affect the market value of the Notes.

- (iii) *ETFs may not be actively managed*

An ETF may not be actively managed and may be affected by general movements in market segments related to the index or other asset it is tracking. An ETF invests in instruments included in, or that are representative of, the index or other asset it is tracking regardless of their investment merits.

- (iv) *ETFs may engage in securities lending*

Securities lending involves the risk that the ETF may lose money because the borrower of the ETF's loaned securities fails to return the securities in a timely manner or at all.

- (v) *ETFs are subject to market trading risks*

An ETF faces numerous market trading risks, including but not limited to the potential lack of an active market for its shares, losses from trading in secondary markets, periods of high volatility, limited liquidity and disruption in the creation or redemption process of such ETF share. If any of these risks materialises, this may lead to the ETF shares trading at a premium or discount to the net asset value.

#### **Risks related to certain features of the Notes**

- (a) *Unsecured Notes*

Investors investing in unsecured Notes (including unsecured Notes which are specified in the applicable Final Terms as Notes "without Capital at Risk") are advised to carefully evaluate the Issuer's credit risk when considering an investment in such Notes. If the Issuer became unable to pay amounts owed to the investor under the unsecured Notes, such investor does not have recourse to the Underlying(s) or any other security/collateral and, in a worst case scenario, investors **may not receive any payments under the Notes.**

(b) ***Measuring the performance of the Underlying***

(i) *Type of performance valuation specified*

The return of the Notes will depend on the movements in (and the calculation of) the level, price or value (as applicable) of the Underlying (or in the case of Multi Underlying Linked Notes or Combined Underlying Linked Notes, the relevant Underlying(s) or the average performance of such Underlyings (as applicable)) over the term of the Notes. Such return may be affected by how the performance of the Underlying(s) is calculated, namely the times, dates and methods used for determining the level, price or value (as applicable) of the Underlying(s).

The determination of the performance of the Underlying(s) for any relevant purpose may be determined at a specific point in time (for example, where one or more of the relevant Underlying(s) is an index, at the scheduled closing time of such index) or on an ongoing basis (for example, at any time during a specified period or as an average). This could lead to greatly divergent valuations of the performance of the relevant Underlying(s) and accordingly the return on the Notes.

*Averaging*

The Notes may have a return that is linked in whole or in part to the average level, price or value (as applicable) of the Underlying(s) over the entire term of the Notes or over another specified period. Alternatively, the return on the Notes may be dependent on whether the level, price or value (as applicable) of the Underlying (or in the case of Multi Underlying Linked Notes or Combined Underlying Linked Notes, the relevant Underlying(s) or the average performance of such Underlyings (as applicable)) has exceeded or fallen below a specified threshold (i.e. breached a specified barrier) on or prior to a specified date. Accordingly, if the relevant Underlying(s) experience a prolonged period of poor or positive performance (as applicable), the return on the Notes may be affected by such poor or positive performance (as applicable) and investors may be unable to benefit from any single instance of improved or negative performance and may therefore receive **a lower return than investors in a product where the return is calculated only by reference to the performance of the Underlying(s) on a specific date.**

*Determination over a period of time*

If the final level, price or value (as applicable) of the Underlying(s) is calculated over a period of time, rather than on a single date, investors will be exposed to the performance of the Underlying(s) on days other than the maturity date. **Accordingly, the return on the Notes may be lower if the Underlying is (or, in respect of Multi Underlying Linked Notes or Combined Underlying Linked Notes, one or more of the Underlyings are) experiencing a temporary period of poor performance or positive performance (as applicable).**

*Determination on a single date*

If the level, price or value (as applicable) of the Underlying(s) is calculated as of a specific date (rather than as an average of several dates), investors will have greater exposure to the volatility of the Underlying(s) in respect of the calculation of such level or value. **Accordingly, the return on the Notes may be lower if the Underlying (or, in respect of Multi Underlying Linked Notes or Combined Underlying Linked Notes, one or more of the Underlyings) experiences a single atypical instance of poor performance or positive performance (as applicable) on such specific date than it would be if the performance of the Underlying was measured over several days.**

(ii) *Value of baskets*

Where the Underlying (or, in respect of Multi Underlying Linked Notes or Combined Underlying Linked Notes, one or more of the Underlyings) is a basket of shares, an equity index, a basket of equity indices or a basket of fund interests, the level of such Underlying may be affected by the number of companies and/or funds represented in such basket or

index. Generally, the value of a basket of shares, an equity index or a basket of fund interests that includes shares from a number of companies and/or fund interests from a number of funds (as applicable) which gives relatively equal weight to the shares of each of such companies and/or funds will be less affected by changes in the value of any particular shares and/or fund interests included therein than a basket of shares or an index that includes the shares of fewer companies and/or the fund interests of fewer funds (as applicable) or that gives greater weight to the shares of some of the companies and/or fund interests of such funds (as applicable) included therein. In addition, if the shares or fund interests included in a basket or index are of companies in a particular industry sector or funds focussed on investment in a particular industry sector (as applicable), the value of such a basket or an index will be more affected by the economic, financial and other factors affecting that industry sector than if the basket comprised shares of companies and/or funds (as applicable) focussed in various industry sectors that are affected by different economic, financial or other factors or are affected by such factors in different ways. **Accordingly, the composition of a particular basket of shares, index or basket of fund interests may result in investors receiving a lower return on the Notes than would have been payable on a single share, fund interest or a basket or index composed of different shares or fund interests or having different weightings.**

(iii) *Capital Downside*

Where the applicable Final Terms specify "**Capital Downside**" to be applicable, at maturity the performance of the relevant Underlying (or in the case of Multi Underlying Linked Notes or Combined Underlying Linked Notes, the relevant Underlying(s) or the average performance of such Underlyings (as applicable)) will be calculated in accordance with "upside" provisions and with the "downside" provisions, which may provide for different types of performance valuation and produce different results. Investors in Notes to which Capital Downside is applicable should read the risk factor set out in paragraph "*Possibility of Loss of Investment – Underlying Linked Notes with Capital at Risk - Notes to which Capital Downside is applicable*" below to ascertain how this may affect the return on the Notes.

(iv) *"Best of"/"Worst of" features in respect of baskets*

Where the applicable Final Terms specify that the Underlying (or, in respect of Multi Underlying Linked Notes or Combined Underlying Linked Notes, one or more of the Underlyings) is a basket and that the "Best of" feature is applicable in relation to any determination of the performance of the Underlying, for the purposes of such determination, the value of the basket will depend on the level or price (as applicable) of the index, share or fund interest that has shown the best performance (i.e. the greatest increase or smallest decrease in level or price from its initial level or price) in comparison to the other indices, shares or fund interests comprising the basket over a specified period of time. Conversely, where the applicable Final Terms specify that the "Worst of" feature is applicable, in relation to any determination of the performance of the Underlying, for the purposes of such determination, the value of the basket will depend the level or price of the index, share or fund interest that has shown the worst performance (i.e. the smallest increase or greatest decrease in level or price from its initial level or price) in comparison to the other indices, shares or fund interests comprising the basket over a specified period of time. As the best-performing index, share or fund interest, or the worst-performing index, share or fund interest, as applicable, of a basket are not representative of the performance of the basket as a whole, any calculations or determinations of value that involve the "Best of" or "Worst of" feature may produce results that are very different to those that take into account the performance of the basket as a whole.

Where the "Worst of" feature is applicable in respect of the determination of final performance of the Underlying in relation to Equity Linked Notes which are physically settled (as further discussed in paragraph entitled "*Settlement by way of physical delivery of the relevant Underlying (Equity Linked Notes only)*" below), investors will receive a number of the worst performing shares in the basket (plus a cash amount in place of any fractional amount of shares) only, rather than receiving a number of each of the shares

contained in the basket (plus a cash amount in place of any fractional amount of shares), in proportion to the weighting of such share in the basket.

- (v) *"Best Performing"/"Worst Performing"/"Average Performance" feature in respect of Multi Underlying Upside Notes with Capital at Risk and Multi Underlying Upside Notes without Capital at Risk*

Each Underlying specified in respect of Multi Underlying Linked Notes and Combined Underlying Linked Notes will be valued separately in accordance with the provisions specified in the Final Terms, and subject to the risks set out above.

In respect of Multi Underlying Upside Notes with Capital at Risk and Multi Underlying Upside Notes without Capital at Risk, the applicable Final Terms will specify how the individual performance of each Underlying will contribute to the determination of the overall performance of the Underlyings for the purposes of calculating the return on the relevant Notes. The Final Terms will specify one of the following options in relation to Multi Underlying Upside Notes with Capital at Risk and Multi Underlying Upside Notes without Capital at Risk:

- (A) where "Worst Performing Underlying" is specified as "Applicable" in relation to the Notes, return on the Notes will be calculated by reference to the Underlying that has shown the worst performance (i.e. the smallest increase or greatest decrease in level or price from its initial level or price) in comparison to the other Underlyings over a specified period of time;
- (B) where "Best Performing Underlying" is specified as "Applicable" in relation to the Notes, return on the Notes will be calculated by reference to the Underlying that has shown the best performance (i.e. the greatest increase or smallest decrease in level or price from its initial level, price or value) in comparison to the other Underlyings over a specified period of time; and
- (C) where "Average Performance" is specified as "Applicable" in relation to Multi Underlying Upside Notes with Capital at Risk, return on the Notes will be calculated by reference to the average change in performance of each Underlyings as against its initial level, price or value.

(c) ***Risks in relation to Interest***

- (i) *Fixed Rate Notes and Zero Coupon Notes*

An investment in Fixed Rate Notes and Zero Coupon Notes exposes investors to the risk that **subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes and Zero Coupon Notes.**

- (ii) *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes 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 in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes. **Accordingly, an investor in the Notes may receive a lower return than investors in similar notes which do not allow the relevant issuer to convert between the type of interest payable.**

(iii) *Coupon Deferral*

The Final Terms may specify that "Coupon Deferral" is applicable in relation to the Notes. For such Notes if a coupon deferral event occurs (the suspension, deferral, cessation of interest payment, or adjustment in the frequency of interest payments) in relation to a specified coupon reference obligation specified in the applicable Final Terms, the Issuer may defer or reduce the interest payments due under the Notes to the same extent of the deferral or reduction in the interest payments on the specified coupon reference obligation, for so long as the coupon deferral event is continuing.

**In such circumstances Investors in such Notes may not receive the full coupon when due on the Notes, will not receive any compensation for any delayed receipt of the coupon (or any part thereof), and may never receive the coupon where the coupon continues to be deferred up to the maturity of the Notes.**

(iv) *Interest Linked to the Underlying*

*Phoenix Kick Out Notes and N-Barrier (Income) Notes*

In respect of Phoenix Kick Out Notes with Capital at Risk and N-Barrier (Income) Notes with Capital at Risk, interest will become due in respect of a specified period or date only where the level, price or value of the Underlying at the end of such period or on such date is greater than a specified threshold for such period or date. **In these circumstances, although investors will not experience a loss on their investment, the amount of any interest will depend upon the amount of the interest and the amount threshold(s) required to be reached in order for the interest to be payable, and thus investors may receive no upside return or a lower upside return than they could have received had they invested the initial investment in a similar product with a higher interest and/or lower interest amount threshold and/or shorter interest calculation periods or more interest calculation dates.**

*Range Accrual Notes*

In respect of Range Accrual Notes, interest will become due in respect of a specified period only where level, price or value of the Underlying is within a range specified for such period for one or more days during such period. Interest will be calculated based on the number of days in each period that the index level is within the specified range. **In these circumstances, although investors will not experience a loss on their investment, the amount of any interest return will depend upon the specified interest amount for the relevant period and the range within which the Underlying must fall in order for the interest to be payable, and thus investors may receive no upside return or a lower upside return than they could have received had they invested in a similar product with a higher interest and/or wider interest calculation range.**

*Inflation Linked Notes*

Inflation Linked Notes may be scheduled to provide either (a) a fixed rate adjusted to take account of inflation; or (b) inflation linked interest payments at regular intervals throughout the life of the Notes, as specified in the applicable Final Terms. In the case of (a) above (i.e. a fixed rate of interest adjusted to take account of inflation) the rate of interest payable on the Inflation Linked Notes will be linked to the change in the levels of the underlying inflation index between an initial reference month and a specified reference month in respect of the relevant interest payment date, such reference months to be set out in the applicable Final Terms. In the case of (b) above the rate of interest payable on the Inflation Linked Notes will be linked to the change in the levels of the underlying inflation index from one reference month to the next reference month, such reference months to be set out in the applicable Final Terms.

(v) *Capped Return*

Interest on Inflation (Interest only) Linked Notes without Capital at Risk, Combined Underlying Linked Notes and/or Floating Rate Notes may be capped. In these circumstances,

the exposure to the upside performance of the Underlying or the floating rate of interest will be limited. **Accordingly, investors could forgo interest that could have been made had they invested in a product without a similar cap.**

(d) ***Risks in relation to redemption***

(i) *Notes subject to optional early redemption*

An optional early redemption feature in favour of the Issuer of Notes (an "**Issuer Call Option**") is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Noteholders should note that **a call option creates uncertainty for investors, as to whether the Notes will remain outstanding until maturity.**

**Accordingly, the return an investor in the Notes may expect to receive on a transfer of a Note during any such period may be lower than the return expected by an investor in products which cannot be voluntarily redeemed prior to maturity.**

If the applicable Final Terms specifies that an Issuer Call Option or an optional redemption feature in favour of the Noteholders ("**Noteholder Put Option**") is applicable, then, upon exercise of such option, the relevant Notes will be redeemed at their Optional Redemption Amount which may be at par (plus any accrued interest) or at their fair market value or another amount, as specified in the applicable Final Terms.

The Issuer may be expected to exercise its call option and redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. 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 Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

(ii) *Underlying Linked Notes with Capital at Risk*

Notes which are not capital protected may be issued under the Programme (such Notes being expressed to have "capital at risk").

The value of such Notes prior to maturity depends on a number of factors including the performance of the applicable Underlying (or in respect of the Multi Underlying Linked Notes and Combined Underlying Linked Notes, the Underlyings). **A deterioration or improvement in the performance of the relevant Underlying(s) (as applicable) may result in a total or partial loss of the investor's investment in the Notes.**

As such Notes are not capital protected, there is no guarantee that the return on such a Note will be greater than or equal to the amount invested in the Notes initially or that an investor's initial investment will be returned. As a result of the performance of the relevant Underlying or Underlyings (as applicable), **an investor may lose all of their initial investment.**

Unlike an investor investing in a savings account or similar investment, where an investor may typically expect to receive a low return but suffer little or no loss of their initial investment, an investor investing in Notes which are not capital protected may expect to potentially receive a higher return but may also expect to potentially suffer a total or partial loss of their initial investment.

(iii) *Effect of Barrier Condition – Underlying Linked Notes with Capital at Risk*

The return on Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes and Combined Underlying Linked Notes that have capital at risk may be dependent on whether or not a condition is satisfied in relation to the relevant Underlying (the "**Barrier Condition**").



If specified as applicable, the Barrier Condition will be a condition that the level, price or value of the Underlying (or, in respect of Multi Underlying Linked Notes or Combined Underlying Linked Notes, the relevant Underlying(s) or the average performance of the Underlyings (as applicable)) either (i) on a particular valuation date, (ii) during a specified observation period or (iii) on specified observation dates (as specified in the applicable Final Terms) has not fallen below or exceeded (as applicable) a barrier level specified in the applicable Final Terms.

If the relevant Barrier Condition is not satisfied investors may receive a return on the Notes reduced by the downside or upside (as applicable) performance of the relevant Underlying (as further described below in the paragraph entitled "*Possibility of Loss of Investment – Notes with Capital at Risk*"), and as a result investors may lose all of their initial investment.

A Barrier Condition that is determined not to have been satisfied by reference to the level, price or value of the Underlying(s) on a particular valuation date, during an observation period, or on particular observation dates may have been satisfied had the determination been made by reference to the performance on alternative valuation or observation dates or in relation to an alternative observation period. Accordingly, investors may lose some or all of their initial investment as a result of the Barrier Condition being determined for particular dates or periods rather than alternative dates or periods.

(iv) *Possibility of Loss of Investment – Underlying Linked Notes with Capital at Risk*

*All Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked/Combined Underlying Linked Notes with Capital at Risk (except for Lock-in Call Notes with Capital at Risk)*

In relation to all Equity Linked, Index Linked, Fund Linked, Multi Underlying Linked or Combined Underlying Linked Notes which are expressed to have capital at risk (except for Lock-in Call Notes with Capital at Risk), if at maturity the level, price or value of the Underlying (or in respect of Multi Underlying Linked Notes and Combined Underlying Linked Notes, the relevant Underlying or the average performance of the Underlying(s)), as applicable) is above or below (as applicable) a specified threshold and (if specified as applicable) the relevant Barrier Condition is not satisfied, the return on the Notes will be either:

A. where the Final Terms specify that "**Downside Return 1**" is applicable, be reduced in proportion (which proportion may be multiplied by a gearing percentage) with the decline or increase (as applicable) of the Underlying(s) (known as the "**downside**"). **In these circumstances, the return will be less than the initial investment and investors will suffer a reduction of their initial investment in proportion (or a proportion multiplied by a gearing percentage) with the decline or increase (as applicable) of the level, price or value of the Underlying during a specified period or on a specified date. Accordingly investors will be fully exposed to the downside or upside (as applicable) of the relevant Underlying and, as a result, may lose all of their initial investment;** or

B. where the Final Terms specify that "**Downside Return 2**" is applicable, an amount reduced by the downside or upside performance (as applicable) of the Underlying(s) between certain specified levels, prices or values (as applicable) (such levels, prices or values (as applicable) being the upper strike and the lower strike respectively), and may be subject to gearing. **In these circumstances, the return will be less than the initial investment and investors will suffer a reduction of their initial investment in proportion (which proportion may be multiplied by a gearing percentage) with the decline or increase (as applicable) of the level, price or value of the Underlying between the upper strike and the lower strike during a specified period or on a specified date. Accordingly investors will be exposed to a proportion of the downside or upside (as applicable) of the relevant Underlying and, as a result, may lose all of their initial investment.**

*Multi Underlying Linked Notes with Capital at Risk - Dual Underlying Kick Out Notes with Capital at Risk and Dual Underlying Upside Notes with Capital at Risk only*

In addition to the risk described above in relation to all Equity Linked, Index Linked, Fund Linked, Multi Underlying Linked and Combined Underlying Linked Notes, capital may be at risk in relation to Dual Underlying Kick Out Notes with Capital at Risk and Dual Underlying Upside Notes with Capital at Risk, if at maturity the Underlying specified as the "**Return Underlying**" is above (or equal to) a specified return threshold but the Underlying specified as the "**Risk Underlying**" is below a specified return threshold and, if specified as applicable, the Barrier Condition is not satisfied. In these circumstances investors will receive their initial investment reduced by any decline of the Risk Underlying (as described above) plus an additional return based on the increase of the Return Underlying. **In these circumstances, the return may be less than the initial investment, and will be less than the return the investor would have received had they not been exposed to any downside of the Risk Underlying.**

*Combined Underlying Linked Notes with Capital at Risk*

In addition to the risk described above in relation to all Equity Linked, Index Linked, Fund Linked, Multi Underlying Linked and Combined Underlying Linked Notes, capital may be at risk in relation to Combined Underlying Linked Notes, if at maturity the Underlying specified as the "**Return Underlying**" is above (or equal to) a specified return threshold but the Underlying specified as the "**Risk Underlying**" is below a specified return threshold and, if specified as applicable, the Barrier Condition is not satisfied. In these circumstances investors will receive their initial investment reduced by any decline of the Risk Underlying (as described above) plus an additional return based on the increase of the Return Underlying. **In these circumstances, the return may be less than the initial investment, and will be less than the return the investor would have received had they not been exposed to any downside of the Risk Underlying.**

*Notes to which Capital Downside is applicable*

In addition to the risk described above in relation to all Equity Linked, Index Linked, Fund Linked, Multi Underlying Linked and Combined Underlying Linked Notes, capital may be at risk in relation to Kick Out Notes with Capital at Risk, Upside Notes with Capital at Risk, Geared Booster Notes with Capital at Risk, Bear Notes with Capital at Risk, Bear Notes without Capital at Risk or Multi Underlying Upside Notes with Capital at Risk which specify "**Capital Downside**" to be applicable if, at maturity, the performance of the Underlying (or in respect of Multi Underlying Linked Notes, the relevant Underlying or the average performance of the Underlying(s) as calculated in accordance with "upside" provisions is above (or below, as applicable) a specified return threshold, but the performance of the index as calculated in accordance with the "downside" provisions is below (or above, as applicable) a specified return threshold and the Barrier Condition, if specified as applicable, is not satisfied. In these circumstances investors will receive their initial investment reduced by any decline or increase (as applicable) of the Underlying as calculated in accordance with the "downside provisions" plus an additional return based on the increase (or decline, as applicable) of the Underlying calculated in accordance with the "upside" provisions. **In these circumstances, the return may be less than the initial investment, and will be less than the return the investor would have received had the return been calculated solely by reference to the "upside" provisions.**

*Inflation Linked Notes with Capital at Risk*

In relation to Inflation Linked Notes which are expressed to have capital at risk, if at maturity (or on a particular instalment date, as applicable) the level of the inflation index is less than its initial level, the return on the Notes will be reduced in proportion with such decline (the "downside"). **In these circumstances, the return will be less than the initial investment and investors will suffer a reduction of their initial investment in proportion with the decline of the index level during a specified period or on a specified date. Accordingly investors will be fully exposed to the downside of the relevant index and, as a result, may lose all of their initial investment**

(v) *Limits on Positive Return at maturity*

The amount of positive return on all Underlying Linked Notes payable in the event that the relevant Underlying or Underlying(s) has performed positively (i.e. the performance of such Underlying(s) have increased or decreased as required by the terms of the relevant redemption provisions) will depend in part on the type of formula used to calculate the upside return specified in the Final Terms.

The return on the Notes may either be based on one or more of the following:

- (A) an amount equal to the initial investment multiplied by a specified digital return percentage; and/or
- (B) an amount equal to the initial investment plus one or more multiples of a specified digital return percentage; and/or
- (C) an amount equal to the initial investment plus an amount based on the increase or decrease (as applicable) in the performance of the Underlying(s) (known as the "**upside**"); and/or
- (D) in relation to Out Performance Call Notes with Capital at Risk and Out Performance Call Notes without Capital at Risk, as determined by reference to the performance of the Primary Underlying as compared to the performance of the Comparator Underlying;

**Investors may forgo the returns they could have obtained had they invested in a product with a different formula applicable to any upside return. Furthermore, if the return is subject to a cap and/or a leverage factor less than 100 per cent. or a digital return, the investors' exposure to the positive or negative (as applicable) performance of the relevant Underlying(s) may be limited. Any upside return will be limited and may be lower than the upside investors could have been exposed to had they invested in a different type of product.**

(vi) *Limits on Positive Return – Notes with a Kick-Out feature*

In relation to Kick Out Notes with Capital at Risk, Kick Out Notes without Capital at Risk, Phoenix Kick Out Notes with Capital at Risk, Phoenix Kick Out Notes without Capital at Risk or Dual Underlying Kick Out Notes with Capital at Risk, if the level of the relevant index (or in respect of Dual Underlying Linked Kick Out Notes, the Return Underlying) is greater than a specified level on certain specified dates, the Notes will be automatically redeemed prior to maturity and the return on the Notes will be an amount equal to the initial investment multiplied by a specified percentage (always greater than 100 per cent.). **In these circumstances, although investors will not experience a loss on their investment, they may not benefit from the full upside that could be obtained at the time of maturity if they had invested the initial investment in a similar product without an automatic early redemption feature.**

(vii) *Limits on Positive Return - Capped Return – Underlying Linked Notes*

The exposure to the Underlying may be capped. In such circumstances, the exposure to the upside or downside performance (as applicable) of the relevant Underlying (in respect of Multi Underlying Linked Notes and Combined Underlying Linked Notes, the relevant Underlying or the average performance of the Underlyings) or the comparative increase of the Primary Underlying as compared to the Comparator Underlying will be limited. **Accordingly, investors could forgo returns could have been made had they invested in a product without a similar cap.**

(viii) *Limits on Positive Return - Strike Percentage may be more than 100 per cent. – Underlying Linked Notes*

Depending on the formulae for calculating the return on the Notes specified in the Final Terms, the Notes may have a "Strike Percentage" of more than 100 per cent. This means that

investors may not be exposed to the full increase of the relevant Underlying from its initial level. **Accordingly, investors could forgo returns could have been made had they invested in a product without a similar feature.**

(ix) *Leverage / Gearing – Notes which include leverage in the return – Underlying Linked Notes*

Depending on the formulae for calculating the return on the Notes specified in the Final Terms, the Notes may have a leveraged exposure to the Underlying(s) (or the comparative performance of the Primary Underlying and the Comparator Underlying), in that the exposure of each Note to the Underlying(s) (or the comparative performance of the Primary Underlying and the Comparator Underlying) may be greater (or less) than the nominal amount of the Note. **Positive leveraged exposure results in the effect of small price movements being magnified and may lead to proportionally greater losses in the value of and return on the Notes as compared to an unleveraged exposure.**

If market conditions change, the value of the Notes will be more volatile than if there was no leverage.

In cases where the leverage factor employed is less than 100 per cent., investors will have a reduced exposure to the performance of the Underlying and may receive lower returns than if their exposure to the Underlying was at 100 per cent. or more.

(x) *Return Factor – Return of Initial Investment in relation to Upside Notes with Capital at Risk, Geared Booster Notes with Capital at Risk, Lock-In Call Notes with Capital at Risk, Bear Notes with Capital at Risk, Double Bonus Notes with Capital at Risk, Out Performance Notes with Capital at Risk and Upside Notes without Capital at Risk*

Certain types of Equity Linked, Index Linked, Fund Linked and Multi Underlying Linked Notes (namely Upside Notes with Capital at Risk, Geared Booster Notes with Capital at Risk, Lock-In Call Notes with Capital at Risk, Bear Notes with Capital at Risk, Double Bonus Notes with Capital at Risk, Out Performance Notes with Capital at Risk and Upside Notes without Capital at Risk) provide for a fixed "Return Factor" to be included in relation to any repayment of initial capital. Where such percentage is less than 100 per cent., the return of initial capital will be reduced. **In certain circumstances this may lead to investors suffering a reduction of their initial investment, and may lead to circumstances in which investors receive a lower payment if the Underlying performs positively rather than negatively.**

There is no minimum level at which the Return Factor may be set and consequently the Return Factor may be set at zero. Notes in relation to which the Return Factor is set at zero will not return any initial capital. **In these circumstances investors will only receive an upside payment (if any), and may not receive any return on their investment.**

(xi) *FX Factors – All Notes*

*All Interest and Redemption Amounts*

Interest amounts and/or redemption amounts (including any early redemption amounts and/or any Credit Event Redemption Amounts or CDS Event Redemption Amounts (as defined in Paragraph 9 (*Risks in relation to Credit Linked Notes*))) payable in relation to the Notes may be subject to an "FX Factor", being a multiplication factor based on any change in the exchange rate between two specified currencies over the life of the Note. Where such multiplication factor is less than 100 per cent., any such interest or redemption amount may be reduced. **In these circumstances, investors will receive a lower return and this may lead to investors suffering a reduction of their initial investment.**

*Automatic Early Redemption Amounts - Kick Out Notes with Capital at Risk, Phoenix Kick Out Notes with Capital at Risk*

Automatic early redemption amounts payable on the types of Notes listed above may be subject to an "FX Factor", being a multiplication factor based on any change in the exchange rate between two specified currencies over the life of the Note. Where such multiplication

factor is less than 100 per cent., such automatic early redemption amount will be reduced. **In certain circumstances this may lead to investors suffering a reduction of their initial investment.**

*Upside Return – Kick Out Notes with Capital at Risk, Kick Out Notes without Capital at Risk, Phoenix Kick Out Notes with Capital at Risk, Upside Notes without Capital at Risk, Upside Notes with Capital at Risk, Geared Booster Notes with Capital at Risk, Lock-In Call Notes with Capital at Risk, Double Bonus Notes with Capital at Risk, Bear Notes without Capital at Risk, Bear Notes with Capital at Risk, Dual Underlying Upside Notes with Capital at Risk, Out Performance Call Notes with Capital at Risk, Out Performance Call Notes without Capital at Risk, Upside Notes without Capital at Risk and Upside Notes without Capital at Risk*

Any positive return payable on the types of Notes listed above (whether or not such Notes are expressed to have Capital at Risk) may be subject to an "FX Factor", being a multiplication factor based on any change in the exchange rate between two specified currencies over the life of the Note. Where such multiplication factor is less than 100 per cent., any such positive return will be reduced. **In these circumstances investors will receive lower return than if the FX Factor was 100 per cent or more.**

*Return of Initial Investment – Kick Out Notes with Capital at Risk, Phoenix Kick Out Notes with Capital at Risk, Upside Notes with Capital at Risk, Geared Booster Notes with Capital at Risk, Lock-In Call Notes with Capital at Risk, Bear Notes with Capital at Risk, Dual Underlying Upside Notes with Capital at Risk Out Performance Call Notes with Capital at Risk and Upside Notes with Capital at Risk*

Any repayment of initial capital on the types of Notes listed above may be subject to an "FX Factor", being a multiplication factor based on any change in the exchange rate between two specified currencies over the life of the Note. Where such multiplication factor is less than 100 per cent., the return of initial capital will be reduced. **In certain circumstances this may lead to investors suffering a reduction of their initial investment.**

*Downside Return – Kick Out Notes with Capital at Risk, Phoenix Kick Out Notes with Capital at Risk, Upside Notes with Capital at Risk, Geared Booster Notes with Capital at Risk, Bear Notes with Capital at Risk, Double Bonus Notes with Capital at Risk, Out Performance Call Notes with Capital at Risk and Multi Underlying Upside Notes with Capital at Risk*

Any downside return (as further discussed in the paragraph entitled "*Possibility of Loss of Investment – Underlying Linked Notes with Capital at Risk*" above) payable on the types of Notes listed above may be subject to an "FX Factor", being a multiplication factor based on any change in the exchange rate between two specified currencies over the life of the Note. Where such multiplication factor is less than 100 per cent., any downside return will be further reduced. **In these circumstances, investors will suffer a higher reduction of their initial investment.**

(xii) *FX Disruption*

If an FX Factor applies in relation to Notes, investors in such Notes are subject to the risk that a "**Price Source Disruption**" may occur. A Price Source Disruption will occur on any date that the Calculation Agent is obliged to determine an exchange rate in accordance with the provisions specified in the Final Terms and such exchange rate is not available for any reason.

If the Calculation Agent determines that a Price Source Disruption has occurred, the Calculation Agent may postpone the relevant fixing date for up to five FX Business Days, after which the Calculation Agent shall instead determine the relevant exchange rate by reference to the rate of exchange published by available recognised financial information vendors.

If the Calculation Agent postpones any fixing date following the occurrence of a Price Source Disruption, the due date for any payments or delivery in respect of the Notes (including, without limitation, any interest payment date, the maturity date or automatic early redemption date) may also be postponed.

### **Risks related to Equity Linked, Index Linked and Multi Underlying Linked Notes**

(a) ***Disruption***

(i) ***Disrupted Days***

Investors in Equity Linked, Index Linked or Multi Underlying Linked Notes are subject to the risk that a "**Disrupted Day**" may occur in relation to an Underlying. A Disrupted Day may occur in respect of the Notes if, as determined by the Calculation Agent, a stock exchange or related stock exchange fails to open for trading during its regular trading session, an index sponsor fails to publish the level of an index or a Market Disruption Event has occurred, or if an index sponsor fails to publish the level of an index.

A "**ent**" may occur if, as determined by the Calculation Agent, a stock exchange or related stock exchange closes early without notice; limitations are imposed on trading; trading is suspended; or market participants are prevented from obtaining valuations or effecting transactions.

If the Calculation Agent determines that a Disrupted Day has occurred on a valuation date for the Underlying, the Calculation Agent may postpone such valuation date to a later date which is not a Disrupted Day (subject to a maximum postponement period).

(ii) ***Postponement of Payments following a Disrupted Day***

If the Calculation Agent postpones any valuation date following the occurrence of a Disrupted Day, the due date for any payments or delivery in respect of the Notes (including, without limitation, any interest payment date, the maturity date or automatic early redemption date) may also be postponed.

(b) ***Adjustments in respect of Share Underlyings***

If certain events occur in respect of a share underlying (such as a merger, a takeover or tender offer, delisting, nationalisation or transfer to a governmental agency or the insolvency or bankruptcy of the issuer of such share), the Calculation Agent may take certain actions, such as adjusting certain terms and conditions of the Notes or redeeming the Notes at their early redemption amount.

**Upon the occurrence of such an early redemption, investors may suffer a loss of some or all of their investment and will forego any future appreciation in the relevant Underlying(s) that may occur following such redemption or termination.**

(c) ***Adjustments in respect of Index Underlyings***

If certain events occur in relation to an index underlying (such as a replacement of the index by a successor index, a material modification to the index or a cancellation of the index), the Calculation Agent may take certain actions, such as adjusting certain terms and conditions of the Notes or redeeming the Notes at their early redemption amount.

**Upon the occurrence of such an early redemption, investors may suffer a loss of some or all of their investment and will forego any future appreciation in the relevant Underlying(s) that may occur following such redemption or termination.**

(d) ***Additional Disruption Event provisions***

Prospective investors in Equity Linked, Index Linked and Multi Underlying Linked Notes should note that if certain "**Additional Disruption Events**" (such as a change in law, hedging disruption, increased cost of hedging, insolvency filing, ETF modification, strategy breach, regulatory action or

cross contamination), the Calculation Agent may take certain actions, such as adjusting certain terms and conditions of the Notes or redeeming the Notes at their early redemption amount.

**Upon the occurrence of such an early redemption, investors may suffer a loss of some or all of their investment and will forego any future appreciation in the relevant Underlying(s) that may occur following such redemption or termination.**

(e) ***Settlement by way of physical delivery of the relevant Underlying (Equity Linked Notes only)***

(i) *Conditions to settlement*

If the Notes are to be settled by way of physical settlement, the Issuer's obligation to deliver the relevant property is subject to conditions to settlement, including, without limitation, an obligation on the Noteholder to deliver to the Issuer a transfer notice within the prescribed time frame. No delivery will be made in respect of a physically settled Note unless the Issuer has received the required instructions, certifications and information and, where applicable, the relevant Note has been delivered and surrendered in accordance with the terms and conditions of the Notes.

(ii) *Exposure to value of shares and transfer expenses*

Where Notes are physically settled rather than cash settled, Noteholders will be exposed to the issuer of such delivered assets. Noteholders may not be able to sell such delivered assets for a specific price and the delivered assets may have a very low value or may in fact be worthless. Noteholders may also be subject to documentary or stamp taxes and/or other charges in relation to the delivery and/or disposal of such assets. Settlement is subject to satisfaction of all settlement costs by the holder.

(iii) *Settlement disruption risk*

Certain settlement disruption events may occur which could restrict the Issuer's ability to deliver the Underlying, and the date of delivery of payments and/or entitlements could be delayed accordingly. Where the delivery of the relevant entitlement using the method of delivery specified in the terms and conditions of the Notes is impossible or impracticable by reason of a "settlement disruption event" having occurred, such date will be postponed and the Issuer also has the right to either (i) deliver some or all of the entitlement in any commercially reasonable manner, or (ii) pay an amount in lieu of delivering the relevant entitlement. **Such a disruption event and related determinations may have an adverse effect on the value of the relevant Notes.**

**Risks related to Inflation Linked Notes**

(a) ***Cancellation in respect of Inflation Index***

If there is a cancellation of the Inflation Index, the Issuer may redeem the Notes at their early redemption amount.

**Upon the occurrence of such an early redemption, investors may suffer a loss of some or all of their investment and will forego any future appreciation in the relevant Underlying(s) that may occur following such redemption or termination.**

(b) ***Additional Disruption Event provisions***

Prospective investors in the Inflation Linked Notes should note that if certain "**Additional Disruption Events**" (such as a change in law, hedging disruption or increased cost of hedging), the Issuer may redeem the Notes at their early redemption amount.

**Upon the occurrence of such an early redemption, investors may suffer a loss of some or all of their investment and will forego any future appreciation in the relevant Underlying(s) that may occur following such redemption or termination.**

### **Risks related to Combined Underlying Linked Notes**

Combined Underlying Linked Notes have a combination of inflation-based and equity and/or index based Underlyings. Consequently, investors in Combined Underlying Linked Notes should read the sections entitled "*Risk in relation to Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes*" and "*Risks in relation to Inflation Linked Notes*".

### **Risks related to Fund Linked Notes**

Investors in Fund-Linked Notes are subject to the risk that an "**Extraordinary Fund Event**" may occur in relation to the relevant fund, including but not limited to the following:

- (i) the relevant fund is (or is to be) wound-up or similar, or makes a restructuring arrangement with its creditors or certain insolvency proceedings or similar are commenced against the fund;
- (ii) breach by the relevant fund of any applicable leverage restriction or any contractual restriction binding on or affecting the fund or any of its assets;
- (iii) resignation, termination or replacement of the fund adviser;
- (iv) any change or modification of the fund documents that could reasonably be expected to affect the value of the fund interests or the rights or remedies of any holders thereof from those prevailing on the Issue Date;
- (v) any breach of any strategy or investment guidelines stated in the fund documents that is reasonably likely to affect the value of the fund interests or the rights or remedies of any holders thereof;
- (vi) cancellation, suspension or revocation of the registration or approval of the Fund Interests or the fund by any governmental, legal or regulatory entity with authority over the fund interests or the fund;
- (viii) any change in the legal, tax, accounting or regulatory treatments of the fund or the fund adviser that is reasonably likely to have an adverse impact on the value of the fund interests or on any investor therein;
- (ix) the relevant fund becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged breach of applicable law for any activities relating to or resulting from the operation of the fund;
- (x) it becomes impractical or impossible for the Calculation Agent to be able to determine the value of the fund interests in the fund and this is likely to continue for the foreseeable future, or if there is an information failure which would make it difficult to monitor the fund; and/or
- (xiii) the index underlying a fund is cancelled, or there is a material change in the formula or method of calculating the underlying index or other material modification of the relevant index, or the index sponsor fails to calculate and announce the underlying index.

Following the occurrence of such event ("**Extraordinary Fund Event**"), the Calculation Agent may make such adjustments to or substitutions for the affected fund interests as the Calculation Agent may determine or the Calculation Agent may determine that the relevant Notes shall

**Upon the occurrence of such an early redemption, investors may suffer a loss of some or all of their investment and will forego any future appreciation in the relevant Underlying(s) that may occur following such redemption or termination.**

### *Class of Investments*

Prospective purchasers or investors should note that funds may have legal or other discretions in relation to their investments and no assurance can be given that the exercise of such discretions will achieve the investment objectives of such funds. Therefore, there is a risk that return on an investment in funds may not be achieved. This would have an adverse effect on the value of the Notes and any amounts payable thereunder.



### *Investment Risk*

There can be no assurance that any fund will achieve its investment objectives. The investment income of each fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the funds' investment income may be expected to fluctuate in response to changes in such expenses or income and this may have an adverse effect on the value of the Notes and any amounts payable thereunder.

### *High yield*

Some reference funds may invest in high yield securities. High yield securities are typically medium or lower rated securities and are sometimes referred to as "**junk bonds**". Such securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. The risk of loss due to default by issuers of high yield securities is significantly greater because lower rated and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In addition, funds which invest in such securities may find it more difficult to sell high yield securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Furthermore, such funds may experience difficulty in valuing certain securities at certain times. Prices realised upon the sale of such lower rated (or unrated) securities, under these circumstances, may be less than the prices used in calculating the value of such funds. All such risks could adversely affect the value of Notes linked to funds which invest in high yield securities.

### *No input from Fund Service Provider*

No Fund Service Provider will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Fund Linked Notes and the Issuer has not carried out any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of fund interests contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date that would affect the trading price of the fund interests will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of fund interests could affect the trading price of the fund interests and therefore the trading price of the Notes.

### **Risks related to Credit Linked Notes**

In addition to the return on the Notes having the payout features discussed above, the Notes may be linked to the credit of one or more entities referred to as a "**Reference Entity**", being a specified financial institution, corporation and/or any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof (such Notes being "**Credit Linked Notes**").

The applicable Final Terms for the Credit Linked Notes will specify the portion of such Notes which are subject to credit linkage (the "**Credit Linked Portion**").

Credit Linked Notes may be linked to a single Reference Entity specified in the applicable Final Terms ("**Single Name CLNs**"), to two or more Reference Entities specified in the applicable Final Terms ("**Basket CLNs**") or a number of Reference Entities determined by reference to an index ("**Index CLNs**"). The applicable Final Terms for Basket CLNs and Index CLNs will specify the percentage of the Credit Linked Portion (the "**Relevant Portion**") linked to each Reference Entity (such percentage the "**Reference Entity Weighting**").

Alternately, the Credit Linked Notes may be "**Tranched CLNs**". Tranched CLNs may be linked to two or more Reference Entities specified in the applicable Final Terms or a number of Reference Entities determined by reference to an index. However, unlike Basket CLNs or Index CLNs, no part of the investor's initial investment will be at risk unless Reference Entities (each of which will be assigned an initial weighting) representing a specified percentage of the Credit Linked Portion are subject to a Credit Event or CDS Event (as applicable and as discussed below) (such specified proportion of Reference Entities becoming subject to a Credit Event or CDS Event (as applicable) being a "**Tranched CLN Trigger Event**").

In relation to Tranched CLNs:

- (i) if "**Equal Weighting**" is specified to be applicable in relation to the Notes, then on the occurrence of a Tranching CLN Trigger Event, an equally weighted percentage portion of the Credit Linked Portion will be credit linked to each of the Reference Entities in relation to which no Credit Event or CDS (as applicable) has occurred as at the date of such Tranching CLN Trigger Event (such portion being the "**Relevant Portion**"); and
- (ii) if "**Fixed CLN Percentage**" is specified to be applicable in relation to the Notes, if any of the Reference Entities not subject to a Credit Event or CDS Event (as applicable) as at the date of the Tranching CLN Trigger Event becomes subject to a Credit Event or CDS Event (as applicable) following such Tranching CLN Trigger Event, a fixed percentage portion of the Credit Linked Portion (such portion being the "**Relevant Portion**") will be deemed to have been linked to such Reference Entity at the time such Credit Event or CDS Event (as applicable) occurred.

Credit Linkage may take one of two forms – simplified credit linkage ("**Simplified Credit Linkage**") (as further described in paragraph (c)(i) below) or ISDA credit linkage ("**ISDA Credit Linkage**") (as further described in paragraph (c)(ii) below), as specified in the applicable Final Terms.

Credit Linked Notes are complex financial instruments. An investment in such Notes will entail significant risks not associated with conventional fixed or floating rate debt securities which do not contain such Credit Linkage feature. Credit Linked Notes are not capital protected and investors may lose all or a substantial portion of their initial investment.

(a) ***Reference Entities***

Reference Entities will be one or more financial institutions, corporations and/or any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof, about which there is available public information. No investigation has been or will be made regarding any of the Reference Entities. Prospective investors in Credit Linked Notes should consider the risks relating to Reference Entities as if they were investing directly in the debt obligations of the Reference Entities. In addition, investors should understand that the historical performance of any specific debt obligation or the debt obligations of such Reference Entities generally is not predictive of future performance. The Reference Entities have not participated in the preparation of this Base Prospectus or any Final Terms. **The Final Terms will provide details of where information on the Reference Entity can be obtained, however, there is a risk that such information will not contain all material facts or information regarding the Reference Entities.**

(b) ***Increased credit exposure***

The redemption amount payable in respect of each Credit Linked Note is determined by reference to the credit of the Reference Entity or Reference Entities. In addition to being exposed to the risk of insolvency of the Issuer, investors in (i) Credit Linked Notes with simplified credit linkage will also be exposed to the risk (as selected in the applicable Final Terms) that the Reference Entity (a) becomes insolvent, (b) defaults on its payment obligations, (c) is the subject of governmental intervention or a restructuring of its debt obligations, (d) is subject to acceleration of its debt obligations or such debt obligations are capable of being declared due and payable and/or (e) a Repudiation/Moratorium (as defined in the Terms) (each as more fully described in the relevant Terms, a "**Credit Event**"), or (ii) Credit Linked Notes with ISDA credit linkage becomes subject to a CDS event (broadly speaking, becomes insolvent, fails to pay amounts due on obligations or is subject to a restructuring of debt obligations in a manner that is detrimental to creditors) (a "**CDS Event**"). **Therefore, investors in Credit Linked Notes, in addition to exposure to the credit of the Issuer, will also be exposed to the credit of the specified Reference Entity(ies). Accordingly, the redemption amount payable in respect of the Credit Linked Notes may be substantially reduced.**

- (c) ***Credit Linkage may take one of two forms: Simplified Credit Linkage or ISDA Credit Linkage, as specified in the applicable Final Terms.***

(i) *Simplified Credit Linkage*

If the applicable Final Terms specify that Simplified Credit Linkage is applicable in relation to a Series of Notes, and one (or more) of the specified Reference Entities are the subject of a Credit Event, the Calculation Agent may give notice (a "**Credit Event Notice**") of the occurrence of such credit event (a "**Credit Event**").

- (A) if the Notes are Single Name, Basket or Index CLNs, the Redemption Amount of the Relevant Portion of the Note will be determined by multiplying the fair and reasonable value of such Relevant Portion by the "**Recovery Rate**" assigned to the Reference Entity(ies), in accordance with the provisions of Additional Terms for Credit Linked Notes.
- (B) if the Notes are Tranche CLNs, if Credit Event Notices are delivered in relation Reference Entities (each of which will be assigned an initial weighting) representing a specified percentage of the Credit Linked Portion, a "**Tranche CLN Trigger Event**" will occur. Following the occurrence of such Tranche CLN Trigger Event, if a Credit Event Notice is delivered in relation to any Reference Entity in relation to which no Credit Event has previously occurred, then the Redemption Amount of the Relevant Portion of the Note relating to such Reference Entity will be zero.

If one or more Reference Entities is subject to a Credit Event (or, in relation to Tranche CLN, subject to a Credit Event after the occurrence of a Tranche CLN Trigger Event) **an investor in such Notes may receive considerably less than the amount paid by such investor for the Notes, irrespective of the performance of any Underlying. If (i) in relation to a Single Name CLN, the Reference Entity is subject to a Credit Event, (ii) in relation to a Basket or Index CLN, all of the Reference Entities are subject to a Credit Event, or (iii) in relation to a Tranche CLN, a Tranche CLN Trigger Event and subsequently a Credit Event has occurred in relation to (i) where "Equal Weighting" is specified, all the remaining Reference Entities, and (ii) where "Fixed Recovery" is specified, a number of Reference Entities which depends on the percentage of the Notes specified to be lost in relation to each Credit Event in the applicable Final Terms, investors in such Notes may lose all of their investment in the Credit Linked Portion of the Note.**

*Recovery Rate in relation to Single Name, Basket or Index CLNs and Parallel Credit Linkage*

The Recovery Rate is either:

- (A) if "**General Recovery Rate**" is specified in the applicable Final Terms, a rate or percentage determined in accordance with a market standard auction process for the debt obligations of the relevant Reference Entity (or, if no such auction is held, pursuant to market standard fallback valuation provisions); or
- (B) if "**Zero Recovery Rate**" is specified in the applicable Final Terms, zero; or
- (C) if "**Fixed Recovery Rate**" is specified in the applicable Final Terms, a fixed recovery percentage specified in such applicable Final Terms.

**If a "General Recovery Rate" is specified and such Recovery Rate in respect of a Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the Relevant Portion.**

**If a "Zero Recovery Rate" is specified in respect of a Reference Entity, an investor will receive zero in relation to the Relevant Portion.**

**If a "Fixed Recovery Rate" is specified and such Recovery Rate in respect of a Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the Relevant Portion.**

Investors should note that where "General Recovery Rate" is specified, the Recovery Rate in respect of a Reference Entity will be determined by reference to an auction coordinated by ISDA in respect of certain obligations of the Reference Entity(ies) or, in certain circumstances, including if such an auction is not held, a market price as determined by the Calculation Agent.

The level of seniority of the obligations of a Reference Entity used to determine the Recovery Rate will be specified in the applicable Final Terms. Where, following the Issue Date, circumstances arise that in the opinion of the Calculation Agent would make it impossible or impractical to maintain a credit derivative transaction referencing obligations of the level of seniority initially set out in the Final Terms, the Calculation Agent will select a replacement level of seniority which the Calculation Agent acting reasonably and taking into account all relevant factors (including any common or established market practice), deems to be most appropriate to replace the originally specified level of seniority.

Accordingly, the redemption amount payable in respect of Relevant Portion of the Note may be different from the return that investors would have received had they been holding a particular debt instrument issued by the specified Reference Entity.

*Postponement of Payment of Redemption Amount – Single Name, Basket or Index CLNs and Parallel Credit Linkage*

If, prior to the Maturity Date of a Series of Credit Linked Notes with simplified Credit Linkage, a Credit Event has occurred with respect to the relevant Reference Entity(ies), payment of the redemption amount in respect of the Relevant Portion(s) linked to the relevant Reference Entity(ies) may be delayed by up to 60 calendar days plus five business days.

*Cessation of accrual of Interest – all interest bearing CLNs*

Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from (but excluding) the Interest Accrual Cessation Date, which will be specified in the Final Terms either as (i) the Interest Payment Date immediately preceding the Credit Event Notice Date or, in the case of a Credit Event Notice Date occurring during the first Interest Period, the Interest Commencement Date, (ii) the date on which the Credit Event occurred (as specified in the relevant Credit Event Notice) (in each case, in respect of Tranche CLNs, in relation to a Credit Event occurring after the occurrence of a Tranche CLN Trigger Event only), or (iii) the Maturity Date. Cessation of accrual of interest prior to the Maturity Date may impact any Notes that pay an interest amount and an investor in these Notes may receive a lower return.

*ISDA Credit Linkage*

If the applicable Final Terms specify that ISDA Credit Linkage is applicable in relation to a Series of Notes, and one (or more) of the specified Reference Entities becomes subject to a CDS event (broadly speaking, becomes insolvent, fails to pay amounts due on obligations or is subject to a restructuring of debt obligations in a manner that is detrimental to creditors) (a "CDS Event"), then the Calculation Agent may give notice (a "CDS Event Notice") of the occurrence of such CDS Event.

- (A) If the Notes are Single Name, Basket or Index CLNs, the Redemption Amount of the Relevant Portion of the Note will be determined by the Calculation Agent, acting in a commercially reasonable manner as:
  - (1) if "Option A" is specified as applicable in relation to CDS Event Redemption Amount in the applicable Final Terms, by reference to the "Adjusted Fair Market Value" of the Relevant Portion (or 100 per cent. of the Note, as applicable) (being the fair market value of the Notes, or proportion of the relevant Notes (as applicable), less any costs, expenses,

fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes) and the "**Recovery Rate**" (being an amount determined by the Calculation Agent in accordance with the Additional Terms for Credit Linked Notes); or

- (2) if "Option B" is specified as applicable in relation to CDS Event Redemption Amount in the applicable Final Terms, by reference to the outstanding notional amount of the Relevant Portion of the Note and the "**Recovery Rate**" (being an amount determined by the Calculation Agent in accordance with the Additional Terms for Credit Linked Notes) less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes.
- (B) If the Notes are Single Name, Basket or Index CLNs, the Redemption Amount of the Relevant Portion of the Note will be determined by multiplying the fair and reasonable value of such Relevant Portion by the "**Recovery Rate**" assigned to the Reference Entity(ies), in accordance with the provisions of Additional Terms for Credit Linked Notes.
- (C) If the Notes are Tranche CLNs, if CDS Event Notices are delivered in relation Reference Entities (which may not be equally weighted) representing a specified percentage of the Credit Linked Portion, a "**Tranche CLN Trigger Event**" will occur. Following the occurrence of such Tranche CLN Trigger Event, if a Credit Event Notice is delivered in relation to any Reference Entity in relation to which no CDS Event has previously occurred, then the Redemption Amount of the Relevant Portion of the Note relating to such Reference Entity will be zero.

The applicable Final Terms will specify whether the Relevant Portion of the Notes will redeem (and the Redemption Amount will, subject to further adjustment, be payable) on (i) the originally scheduled Maturity Date of the Notes or (ii) the date falling three Business Days after the date on which payments would be settled under a notional credit derivative transaction referencing the Reference Entity (the "**CDS Event Redemption Date**").

If one or more Reference Entities is subject to a CDS Event (or, in relation to a Tranche CLN, subject to a CDS Event after the occurrence of a Tranche CLN Trigger Event) **an investor in such Notes may receive considerably less than the amount paid by such investor for the Notes, irrespective of the performance of any Underlying. If (i) in relation to a Single Name CLN, the Reference Entity is subject to a CDS Event, (ii) in relation to a Basket or Index CLN, all of the Reference Entities are subject to a CDS Event, or (iii) in relation to a Tranche CLN, a Tranche CLN Trigger Event and subsequently a CDS Event has occurred in relation to (i) where "Equal Weighting" is specified, all the remaining Reference Entities, and (ii) where "Fixed Recovery" is specified, a number of Reference Entities which depends on the percentage of the Notes specified to be lost in relation to each CDS Event in the applicable Final Terms,, investors in such Notes may lose some or all of their investment in the Credit Linked Portion of the Note.**

#### *Parallel Credit Linkage*

If the Parallel Credit Linkage Provisions are specified in the applicable Final Terms as being applicable to the Notes, in addition to being linked to the credit of the Reference Entities, 100 per cent. of the Notes will also be linked to the credit of a parallel credit reference entity (the "**Parallel Credit Reference Entity**"). Following the giving of a CDS Event Notice in respect of the Parallel Credit Reference Entity, the Redemption Amount payable in respect of the Notes will be determined by the Calculation Agent, acting in a commercially reasonable manner:

- (A) if "Option A" is specified as applicable in relation to CDS Event Redemption Amount in the applicable Final Terms, by reference to the "**Adjusted Fair Market**

**Value**" of the Relevant Portion (or 100 per cent. of the Note, as applicable) (being the fair market value of the Notes, or proportion of the relevant Notes (as applicable), less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes) and the **"Recovery Rate"** in respect of the Parallel Credit Reference Entity (being an amount determined by the Calculation Agent in accordance with the Additional Terms for Credit Linked Notes); or

- (B) if "Option B" is specified as applicable in relation to CDS Event Redemption Amount in the applicable Final Terms, by reference to the outstanding notional amount of the Relevant Portion of the Note and the **"Recovery Rate"** in respect of the Parallel Credit Reference Entity (being an amount determined by the Calculation Agent in accordance with the Additional Terms for Credit Linked Notes) less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes.

The applicable Final Terms will specify a CDS Event Redemption Date for Parallel Credit Linkage which may differ from the CDS Event Redemption Date specified in respect of the Reference Entities.

If the Parallel Credit Reference Entity is subject to a CDS Event, an investor in such Notes may receive **considerably less than the amount paid by such investor for the Notes, irrespective of the performance of any Underlying and there is a risk that an investor's return on the Note may be zero.**

*Recovery Rate in relation to Single Name, Basket or Index CLNs and Parallel Credit Linkage*

- (A) if **"General Recovery Rate"** is specified in the applicable Final Terms, a rate or percentage determined in accordance with a market standard auction process for the debt obligations of the relevant Reference Entity (or, if no such auction is held, pursuant to market standard fallback valuation provisions); or
- (B) if **"Specific Recovery Rate"** is specified in the applicable Final Terms, a rate or percentage that represents the market value of a specified debt obligation (the **"Reference Obligation"**) (as specified in the Final Terms) of the Reference Entity as determined by the Calculation Agent; or
- (C) if **"Zero Recovery Rate"** is specified in the applicable Final Terms, zero; or
- (D) if **"Fixed Recovery Rate"** is specified in the applicable Final Terms, a fixed recovery percentage specified in such applicable Final Terms.

**If either a "General" or "Specific" Recovery Rate is specified and such Recovery Rate in respect of a Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the Relevant Portion. If either a "General" or "Specific" Recovery Rate is specified and such Recovery Rate in respect of the Parallel Credit Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the entire Note.**

**If a "Zero Recovery Rate" is specified in respect of a Reference Entity, an investor will receive zero in relation to the Relevant Portion. If a "Zero Recovery Rate" is specified in respect of a Parallel Credit Reference Entity, an investor will receive zero in relation to the entire Note.**

**If a "Fixed Recovery Rate" is specified and such Recovery Rate in respect of a Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the Relevant Portion. If a "Fixed Recovery Rate" is specified and such Recovery Rate in respect of a Parallel Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the entire Note.**

Investors should note that where no particular debt instrument is specified in the applicable Final Terms for the purposes of determining the Recovery Rate the redemption amount payable in respect of the Relevant Portion of each Note with a Credit Linkage feature may be different from the return that investors would have received had they been holding a particular debt instrument issued by the specified Reference Entity.

Where no particular debt instrument is specified in the applicable Final Terms, the level of seniority of the obligations of a Reference Entity used to determine the General Recovery Rate will be specified in the applicable Final Terms. Where, following the Issue Date, circumstances arise that in the opinion of the Calculation Agent would make it impossible or impractical to maintain a credit derivative transaction referencing obligations of the level of seniority initially set out in the Final Terms, the Calculation Agent will select a replacement level of seniority which the Calculation Agent, acting reasonably and taking into account all relevant factors (including any common or established market practice), deems to be most appropriate to replace the originally specified level of seniority.

Investors should note that where a particular debt instrument is specified in the applicable Final Terms for the purposes of determining the Recovery Rate the redemption amount payable in respect of the Relevant Portion of each Note with Credit Linkage may be different from the return that investors would have received had they been holding that debt instrument or another debt instrument issued by the specified Reference Entity.

*Recovery Rate Gearing - Single Name, Basket or Index CLNs and Parallel Credit Linkage*

Additionally, if the Final Terms specify that the Recovery Rate is subject to gearing, the Recovery Rate will be reduced by the gearing percentage specified in the Final Terms (subject to a floor of zero). **As a result an investor will get back less than their initial investment in relation to the Relevant Portion (or the Note, as applicable) and there is a risk that an investor's return may be substantially reduced or reduced to zero.**

*Extension of Maturity - Single Name, Basket or Index CLNs and Parallel Credit Linkage*

At any time prior to the Maturity Date of Credit Linked Notes with ISDA Credit Linkage, Noteholders may receive notice (in accordance with Condition 16 (*Notices*)) that the Maturity Date of the Notes is to be extended in line with notice timeframes under market standard documents for credit protection in relation to the relevant Reference Entity relating to any Relevant Portion of a Note, to determine whether or not a credit event had occurred in respect of the relevant Reference Entity prior to maturity. **Accordingly, investors may not receive the redemption payment relating to the Relevant Portion of the Note linked to the Reference Entity, until such time as it is determined whether or not a credit event occurred prior to the maturity date in relation to the debt obligations of the Reference Entity.**

*Postponement of Payment of Redemption Amount - All CLNs*

If, prior to the Maturity Date of a Series of Credit Linked Notes with ISDA Credit Linkage, a CDS Event has occurred with respect to the relevant Reference Entity(ies), payment of the redemption amount in respect of the Relevant Portion(s) linked to the relevant Reference Entity(ies) may be postponed until the relevant redemption amount can be established.

*Reference Obligations may consist of subordinated debt – All CLNs*

Any Reference Obligations specified in the applicable Final Terms for Credit Linked Notes or the obligations deemed to be referenced by the relevant Notional CDS in relation to a Reference Entity may include debt obligations, which are described as subordinated. Such subordinated debt obligations will rank junior to, and the value of such subordinated debt obligations may be less than that of, senior obligations in respect of the same issuer, and the value of such subordinated debt obligations may even be zero in circumstances where a credit event has occurred. The Issuer is under no fiduciary duty to select reference assets of any particular value or that maximise value for Noteholders. The applicable Final Terms will

specify the relevant criteria in respect of any subordinated debt obligation that is a Reference Obligation.

*Cessation of accrual of Interest – All interest bearing CLNs*

Interest (if any) on the Relevant Portion of the Notes (or, in the case of a Note in which the Parallel Credit Linkage Provisions are specified to be applicable, 100 per cent. of Notes) shall cease to accrue from (but excluding) the Interest Accrual Cessation Date which will be specified as either (i) the Interest Payment Date immediately preceding the Event Determination Date or, in the case of an Event Determination Date occurring during the first Interest Period, the Interest Commencement Date, (ii) the date specified in the CDS Event Notice as the date on which the Credit Event triggering the relevant Event Determination Date (each term as defined in the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc.) (in each case, in respect of Tranche CLNs, in relation to Credit Event occurring after the occurrence of a Tranche CLN Trigger Event only) occurred, or (iii) the CDS Event Redemption Date, Cessation of accrual of interest prior to the originally scheduled Maturity Date may impact any Notes that pay an interest amount and an investor in these Notes may receive a lower return.

*Interest Postponement – All interest bearing CLNs*

At any time, Noteholders of Credit Linked Notes with ISDA Credit Linkage may receive notice (in accordance with Condition 16 (*Notices*)) that a payment of interest scheduled to be paid on any date in respect of any Relevant Portion of a Note (or, in the case of a Note in which the Parallel Credit Linkage Provisions are specified to be applicable, 100 per cent. of Notes) is to be suspended, where the Calculation Agent determines that a CDS Event has or may have taken place in relation to the relevant Reference Entity (or, in the case of a Note in which the Parallel Credit Linkage Provisions are specified to be applicable, the Parallel Credit Reference Entity) whereupon such interest payment shall be suspended in accordance with the terms of such notice. **No additional interest is payable and no adjustment is to be made in connection with such delay or postponement.**

(d) *Credit Linked FX Factors*

Redemption Amounts payable on the Notes following the occurrence of a Credit Event or CDS Event may be subject to an "FX Factor", being a multiplication factor based on any change in the exchange rate between two specified currencies over the life of the Note. Where such multiplication factor is less than 100 per cent., any such interest or redemption amount may be reduced. **In these circumstances, investors will receive a lower return and this may lead to investors suffering a reduction of their initial investment.**

Investors in Credit Linked Notes which are subject to an FX Factor should be aware of the risks in relation to FX Disruption set out in paragraph 4(e)(xi) (*FX Disruption*) above.

(e) *A Reference Entity may be replaced by a successor*

In circumstances where there has been a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event (a "**Succession Event**") in respect of such Reference Entity, a successor (or, in relation to Credit Linked Notes with ISDA Credit Linkage, one or more successors) to such Reference Entity (each a "**Successor**") may be determined.

This would potentially include a situation where, pursuant to the Financial Services (Banking Reform) Act 2013, the retail banking activities of a Reference Entity are moved into a legally distinct, operationally separate and economically separate and independent entity (so-called "**ring fencing**") or as a result of the exercise by the relevant authorities of resolution powers under the Banking Act 2009 of the United Kingdom in circumstances where a Reference Entity is in financial difficulties.

(i) *Simplified Credit Linkage*

In relation to Credit Linked Notes with Simplified Credit Linkage, following a Succession Event the Calculation Agent may specify a Successor. In doing so, the Calculation Agent is obliged to act in a commercially reasonable manner, and is entitled to take into account any



hedging position or arrangement that the Issuer or any of its affiliates may have entered into in connection with the Notes, but is not required to take into account the interests of the holders of any Notes. In circumstances where, prior to a Succession Event, the relevant Reference Entity was carrying on business as an authorised deposit-taker, the Calculation Agent is required, to the extent possible, to specify as the Successor a successor entity which is not carrying on business as an authorised deposit-taker, or in the event that this is not possible, the successor entity for which such deposit-taking business is the least significant part of its business.

(ii) *ISDA Credit Linkage*

In relation to Credit Linked Notes with ISDA Credit Linkage, the Calculation Agent may determine that any one or more "Successor" (as such term is defined in the 2014 ISDA Credit Derivatives Definitions) would be determined under the relevant Notional CDS, in which case such entity or entities will be Successors for the purposes of the Credit Linked Notes.

Where more than one Successor is identified in relation to a Reference Entity, the portion of the Note linked to such Reference Entity will be split equally between the Successors, **which may mean investors are exposed to a greater number of Reference Entities than were included in the original portfolio.**

It is possible that (in relation to Credit Linked Notes with either Simplified or ISDA Credit Linkage) the creditworthiness of a Successor will be less than that of the original Reference Entity. **In these circumstances there may be a greater risk of the occurrence of a Credit Event or CDS Event (as applicable) in respect of the Successor than may have existed in respect of the original Reference Entity and, accordingly, investors may be exposed to a greater risk of a reduced return on their investment or of suffering a loss in these circumstances.**

(f) *Correlation risk*

The likelihood of a Credit Event or a CDS Event occurring in respect of any Reference Entity will generally fluctuate with, among other things, the financial condition of such Reference Entity, general economic conditions, the condition of financial markets, political events, developments and trends in a particular industry and prevailing interest rates. With respect to Credit Linked Notes which are linked to more than one Reference Entity, such Reference Entities are likely to be entities operating in the same industry and/or geographical area (for example, banks or financial institutions operating in the UK). Accordingly, a credit deterioration in one Reference Entity may be strongly correlated with the credit deterioration of the other Reference Entities. If one Reference Entity is negatively affected by certain market conditions, such market conditions are likely to also affect the other Reference Entities and/or the Issuer. **This may result in substantial decreases in the return payable on such Credit Linked Note over a short period of time as more than one Reference Entity and possibly also the Issuer is affected by the same market conditions. Furthermore, the occurrence of a Credit Event or a CDS Event in relation to one Reference Entity may exacerbate market conditions and contribute to the credit deterioration of the other relevant Reference Entities and/or the Issuer.**

(g) *Issuer need not suffer or prove financial loss with respect to any Reference Entity*

With respect to Credit Linked Notes, the Issuer may but is not required under the terms of the deed relating to such Credit Linked Notes ("**Trust Deed**") to purchase debt securities of the relevant Reference Entities to post as collateral. Under the terms of the Trust Deed, the Issuer may post cash, government debt obligations and/or debt obligations of the relevant Reference Entities and accordingly the Collateral Pool for such Credit Linked Notes may not in fact include debt instruments of one or more of the relevant Reference Entities. **Following the delivery of a Credit Event Notice or a CDS Event Notice with respect to any Reference Entity, the return payable to an investor in the Credit Linked Notes will be reduced and may be reduced substantially but there is no need for the Issuer to suffer any loss or provide evidence of financial loss in such instances.**

## **Risks related to the structure of a particular issue of Notes**

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

### *Notes subject to optional redemption by the Issuer*

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

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. 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 Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes 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 in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal 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.

## **Risks relating to the Subordinated Notes**

### *The Issuer's obligations under Subordinated Notes are subordinated*

The payment obligations of the Issuer under Subordinated Notes (including Subordinated Capital Notes) will rank behind Senior Notes and in particular the payment obligations of the Issuer under (a) Additional Tier 1 Notes will rank behind Senior Notes and Tier 2 Notes and (b) Tier 2 Notes will rank behind Senior Notes. Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and, subject to the Regulatory Capital Requirements applicable to the relevant Subordinated Capital Notes, rank *pari passu* without any preference among themselves and (save for certain debts accorded preferential rights by law) at least *pari passu* with all other Subordinated Indebtedness (as defined in Condition 3.8).

See Condition 3 of the General Terms and Conditions of the Notes for a full description of subordination and the payment obligations of the Issuer under Subordinated Notes.

With regard to any Subordinated Notes, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, administration, wound-up or placed under curatorship, the Issuer will be required to pay or discharge the claims of the holders of Senior Notes and other unsubordinated creditors (including depositors) in full before it can make any payments in respect of such Subordinated Notes. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under such Subordinated Notes.

### ***Subordinated Capital Notes***

In order for the proceeds of the issuance of Notes to qualify as Regulatory Capital, Subordinated Notes must comply with the applicable Regulatory Capital Requirements and such Additional Conditions (if any) as are prescribed by the Prudential Authority in South Africa in respect of any Tranche of Subordinated Notes.

### ***Early Redemption of Subordinated Capital Notes upon the occurrence of a Tax Event, a Regulatory Event, a Hedging Event or an Illegality Event***

Upon the occurrence and continuation of a Tax Event, a Regulatory Event, a Hedging Event or an Illegality Event (each as defined below), but subject to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*), the Issuer may, at its option, redeem all (but not some only) of the Subordinated Capital Notes at the relevant Early Redemption Amount as specified in the relevant Final Terms and/or determined in the manner specified in the General Terms and Conditions, as applicable. There can be no assurance that holders of Subordinated Capital Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in such Subordinated Capital Notes.

### ***Substitution or variation***

If, (i) as a result of a change in applicable tax laws the Issuer is required to pay additional amounts to compensate holders of Subordinated Capital Notes for a withholding in respect of tax levied by South Africa or is no longer able to claim deductions to the same extent in respect of computing its taxation liabilities or (ii) the Issuer's treatment of the interest payable by it on Subordinated Capital Notes as a tax deductible expense for South African income tax purposes is not accepted by the South African Revenue Service (a "**Tax Event**"); or (iii) as a result of a change in or amendment to the applicable Regulatory Capital Requirements (or any change in the application of, or the official or generally published guidance or interpretation regarding, the same) or a change in the accounting treatment of or application of or official or generally published guidance or interpretation of the accounting principles as they relate to Regulatory Capital, the whole or any part of the aggregate nominal amount of a Tranche of Subordinated Capital Notes is excluded from qualifying as Regulatory Capital of the Issuer (a "**Regulatory Event**"); or (iv) due to any reason it becomes impossible or impracticable for the Issuer or its counterparty of any hedging transaction to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge its obligations with respect a Tranche of Subordinated Capital Notes (a "**Hedging Transaction**") or realise, recover or remit the proceeds of any such Hedging Transaction, or the Issuer or the counterparty under such Hedging Transaction would be subject to an increased cost (as compared to the circumstances existing on the Issue Date in respect of such Subordinated Capital Notes) in entering into or maintaining any Hedging Transaction (a "**Hedging Event**"); or (v) in relation to a Series of Subordinated Capital Notes the performance of the Issuer's obligations become unlawful or impracticable, in whole or in part, or the Issuer would be subject to an increased cost (as compared to the circumstances existing on the Issue Date in respect of such such Subordinated Capital Notes) in entering into or maintaining such Subordinated Capital Notes in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power (an "**Illegality Event**"), as the case may be, then the Issuer may, without the consent of holders, elect to substitute all (but not some only), of the relevant Subordinated Capital Notes, or vary the terms of all (but not some only) of the relevant Subordinated Capital Notes so that they (i) in the case of Tier 2 Notes, continue to qualify as or become Qualifying Tier 2 Securities or (ii) in the case of Additional Tier 1 Notes, continue to qualify or become Qualifying Additional Tier Securities or Qualifying Tier 2 Securities, as applicable, in accordance with the applicable Regulatory Capital Requirements.

Save to the extent necessary to ensure that substituted or varied Subordinated Capital Notes continue to comply with the then current requirements of the Regulatory Capital Requirements in relation to Additional Tier 1 Capital or Tier 2 Capital, any such substituted or varied Subordinated Capital Notes must be issued directly or indirectly by the Issuer and have terms not materially less favourable to the Noteholders than the terms of the Subordinated Capital Notes which they replace.

As set out in Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*), any such substitution or variation will be subject to satisfaction of, *inter alia*, the following conditions:

- (i) the Issuer having notified the Prudential Authority of its intention to substitute or vary that Series of Tier 2 Notes or Additional Tier 1 Notes and having received written approval from the Prudential Authority; and
- (ii) both at the time when the notice of substitution or variation of that Series of Tier 2 Notes or Additional Tier 1 Notes is given and immediately following the substitution or variation of that Series of Tier 2 Notes or Additional Tier 1 Notes, the Issuer is or will be (as the case may be) in compliance with its capital adequacy requirements as provided in the Regulatory Capital Requirements (except to the extent that the Prudential Authority no longer so requires) as confirmed by the Prudential Authority.

#### ***Waiver of set-off***

In the event the Issuer is placed into liquidation or wound-up (or is subject to analogous proceedings), the General Terms and Conditions provide that a holder of Subordinated Notes may not exercise or claim any right of set-off in relation to unpaid principal and/or interest in respect of any Subordinated Notes before, in the case of Tier 2 Notes, the claims of all Depositors and Senior Creditors of the Issuer have been paid or discharged in full and in the case of Additional Tier 1 Notes, the claims of all Depositors, Senior Creditors and holders of Subordinated Debt of the Issuer have been paid or discharged in full, as further described in Condition 3 (*Status of the Senior Notes and Subordination*). However, holders of Subordinated Notes should note that their right to exercise set-off during any liquidation, curatorship or winding-up (or analogous proceedings) of the Issuer, even after the claims of such Depositors, Senior Creditors and (if applicable) holders of Subordinated Debt have been paid or discharged in full, may be limited under South African law.

#### ***No limitation on issuing securities***

There is no restriction on the amount of securities or indebtedness which the Issuer may issue or incur which rank senior to or *pari passu* with the Subordinated Notes (including Subordinated Capital Notes) in the event that the Issuer is wound up or placed into liquidation. The issue of any such securities or indebtedness may reduce the amount recoverable by holders of Subordinated Notes (including Subordinated Capital Notes) on either a winding-up or liquidation or curatorship of the Issuer.

#### ***Limitation on remedies***

If default is made in the payment of any principal or interest due on the Tier 2 Notes and such default continues for a period of seven days or more after the date on which payment of such principal is due or fourteen days or more after the date on which payment of such interest is due (as the case may be), the Trustee at its discretion and without further notice may, and if so requested by holders of at least one-quarter in nominal amount of the Tier 2 Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of holders of the Tier 2 Notes (the "**Tier 2 Noteholders**") shall, institute proceedings for the winding-up of the Issuer, but may not take any other action in respect of that default.

Payments of principal and/or interest on the Tier 2 Notes may not be accelerated except in the case of bankruptcy and/or liquidation of the Issuer.

If any step (including an application, a proposal or a convening of a meeting) is taken by any person with a view to having the Issuer liquidated and an order is thereafter passed for the liquidation of the Issuer, all of the Tier 2 Notes shall be deemed, on the date on which such step is taken, to have been declared forthwith due and payable (whether or not due for payment and without further action or formality), at their principal amount or such other amount as may be specified in the applicable Final Terms, on and with effect from the day preceding the date on which such order for the liquidation of the Issuer is passed.

If default is made in the payment of any principal or interest due on the Additional Tier 1 Notes and such default continues for a period of seven days or more after the date on which payment of such principal is due or fourteen days or more after the date on which payment of such interest is due (as the case may be), the Trustee at its discretion and without further notice may, and if so requested by holders of at least one-

quarter in nominal amount of the Additional Tier 1 Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of holders of the Additional Tier 1 Notes (the "**Additional Tier 1 Noteholders**") shall, institute proceedings for the winding-up of the Issuer, but may not take any other action in respect of that default.

***Loss absorption at the point of non-viability of the Issuer and write-off of Subordinated Capital Notes***

Basel III requires the implementation of certain non-viability requirements as set out in the press release dated 13 January 2011 of the Basel Committee entitled "Minimum requirements to ensure loss absorbency at the point of non-viability" (the "**Basel III Non-Viability Requirements**"). The Basel III Non-Viability Requirements represent part of the broader package of guidance issued by the Basel Committee on 16 December 2010 and 13 January 2011 in relation to Basel III.

Under the Basel III Non-Viability Requirements, the terms and conditions of all instruments issued by an internationally active bank, the proceeds of which rank (or are intended to rank) as Tier 2 Capital or Additional Tier 1 Capital must have a provision that requires such instruments, at the option of the relevant authority, to either be written off and cancelled ("**Write-off**", and "**Written Off**" shall be construed accordingly) or converted into common equity (that is, ordinary shares) ("**Conversion**", and "**Converted**" shall be construed accordingly) upon the occurrence of a trigger event (described below) unless:

- (a) the governing jurisdiction of the bank has in place laws that (i) require such instruments to be written off upon such event, or (ii) otherwise require such instruments to fully absorb losses before tax payers are exposed to loss (a "**Statutory Loss Absorption Regime**");
- (b) a peer group review confirms that the jurisdiction conforms with paragraph (a) above; and
- (c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward that such instruments are subject to loss under paragraph (a) above.

The "trigger event" for Additional Tier 1 Notes which are accounted as equity (if any) and Tier 2 Notes ("**Trigger Event**") will be the occurrence of the "trigger event" specified in writing by the Registrar of Banks; *provided that*, as a minimum, the aforesaid "trigger event" must be the earlier of:

- a decision that a Write-off, without which the Issuer (on a consolidated basis or as otherwise required by the Regulatory Capital Requirements) would become non-viable, is necessary as determined by the Prudential Authority; and
- a decision to make a public sector injection of capital, or equivalent support, without which the Issuer (on a consolidated basis or as otherwise required by the Regulatory Capital Requirements) would have become non-viable as determined by the Prudential Authority.

The "trigger event" for Additional Tier 1 Notes which are accounted as liabilities ("**Trigger Event**") will be the first to occur of the following events:

- the occurrence of the "trigger event" specified in writing by the Prudential Authority (as described above); and
- the "common equity tier 1 capital" ratio of the Issuer ("**CET 1 Ratio**") is equal to or falls below the value of risk-weighted exposures set out in Guidance Note 6 (or such other amount of risk-weighted exposures as may from time to time be prescribed in the Regulatory Capital Requirements).

Regulations 38(12) and 38(11)(b) of the Regulations Relating to Banks refer to the need for the Basel III Non-Viability Requirements to be reflected in the terms and conditions of instruments, the proceeds of which rank (or are intended to rank) as Tier 2 Capital or Additional Tier 1 Capital respectively, unless a duly enforceable Statutory Loss Absorption Regime is in place.

The SARB has provided some clarity on the loss absorbency requirements contemplated in the Regulations Relating to Banks in ,among others, Guidance Note 6 of 2017 (*Loss absorbency requirements for Additional Tier 1 and Tier 2 capital instruments*) ("**Guidance Note 6**") paragraph 1.3 of which provides that the SARB will continue to monitor international developments around loss absorbency requirements, and if necessary, will issue further guidance.

The phased approach the SARB has previously articulated it intends taking in relation to the development of bank resolution plans and a Statutory Loss Absorption Regime has taken a step forward with the approval by the South African Cabinet in June 2020 for tabling of the Financial Sector Laws Amendment Bill in the South African Parliament. The bill proposes the necessary amendments to various acts including the Insolvency Act, the South African Reserve Bank Act, the Banks Act, the Mutual Banks Act, the Competition Act, the Financial Markets Act and the Insurance Act with a view to strengthening the ability of the South African Reserve Bank to manage the orderly resolution or winding down of a failing systemically important financial institution with minimum disruption to the broader economy. The bill will still need to follow the parliamentary process and may be revised before being implemented. It is not possible at this stage to accurately determine when the bill and the Statutory Loss Absorption Regime it contemplates will be implemented. The relevant regulators are continuously engaging with industry to continue working on the resolution framework.

Guidance Note 6 requires banks to indicate, in the contractual terms and conditions of instruments the proceeds of which rank (or are intended to rank) as Tier 2 Capital or Additional Tier 1 Capital, whether such instruments would be either Written Off or Converted at the occurrence of a Trigger Event determined at the Prudential Authority's discretion, as envisaged in Regulations 38(12)(a)(i) and 38(11)(b)(i) of the Regulations Relating to Banks respectively. To the extent that any instruments are issued prior to the commencement of the Statutory Loss Absorption Regime, such instruments will have to contractually provide for Write-off or Conversion at the discretion of the Prudential Authority at the occurrence of a Trigger Event. Accordingly, the Conditions for Tier 2 Notes and Additional Tier 1 Notes provide for the Write-off of such Notes in accordance with the Regulatory Capital Requirements upon the occurrence of a Trigger Event, subject to Condition 3.7 (*Disapplication of Non-Viability Loss Absorption Condition*).

Notwithstanding the above, paragraph 6.3 of Guidance Note 6 provides that banks have the option to elect to have the contractual terms and conditions of any such instruments issued prior to the implementation of the Statutory Loss Absorption Regime dealing with Write-off and/or Conversion replaced with the Statutory Loss Absorption Regime upon its commencement. Accordingly, Condition 3.7 (*Disapplication of Non-Viability Loss Absorption*) provides that the Issuer may elect to apply such Statutory Loss Absorption Regime to Subordinated Capital Notes, subject to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*).

Whether in terms of the contractual Write-off provisions in the Conditions or the Write-off/Conversion provisions in the legislation and/or regulations which implement(s) the Statutory Loss Absorption Regime, the possibility of Write-off means that holders of Subordinated Capital Notes may lose some or all of their investment. The exercise of any such power or any suggestion of such exercise could materially adversely affect the price or value of a Noteholder's investment in Subordinated Capital Notes and/or the ability of the Issuer to satisfy its obligations under such Subordinated Capital Notes.

Whether regulated by the contractual terms and conditions or the Statutory Loss Absorption Regime, clause 2.6 of Guidance Note 7 provides that Write-off or Conversion of instruments ranking (or intended to rank) as Tier 2 Capital or Additional Tier 1 Capital will only occur to the extent deemed by the Prudential Authority as necessary to ensure that the relevant bank is viable, as specified in writing by the Prudential Authority. Accordingly, any Write-off or Conversion of the Subordinated Capital Notes will generally be effected to ensure compliance with these minimum requirements only.

#### **Additional risks relating to Additional Tier 1 Notes**

##### ***Election not to pay interest on Additional Tier 1 Notes***

The Issuer may elect not to pay any interest payment (or any portion thereof) on the Additional Tier 1 Notes, on the relevant interest payment date. The Issuer shall also be obliged to elect not to pay any interest payment, on the relevant interest payment date if the Issuer is in breach of the Regulatory Capital Requirements on the business day prior to the relevant interest payment date or would be in breach of the Regulatory Capital Requirements if the relevant interest payment (or any portion thereof) were paid on the relevant interest payment date.

Any obligation that the Issuer would have had in the absence of an election (or an obligation to elect) not to pay the interest on any such interest payment date shall be extinguished in its entirety. Any failure to pay such interest will not constitute a default by the Issuer or any other breach of obligations under the

Additional Tier 1 Notes. An Additional Tier 1 Noteholder will have no claim in respect of any such non-payment.

Any actual or anticipated election (or obligation to elect) not to pay interest on the Additional Tier 1 Notes will likely have an adverse effect on the market price of the Additional Tier 1 Notes. In addition, as a result of the interest election provisions of the Additional Tier 1 Notes, the market price of the Additional Tier 1 Notes may be more volatile than the market prices of other debt securities on which interest accrues that is not subject to such an election (or obligation to elect) not to pay and may be more sensitive generally to adverse changes in the Issuer's financial condition.

#### ***Payment out of distributable reserves only***

Should the Issuer pay any distribution or coupon in respect of an instrument or shares of which the proceeds rank as Additional Tier 1 Capital, such distribution or coupon shall be paid out of the distributable reserves only, as envisaged by regulation 38(11)(b)(vi)(D) of the Regulations Relating to Banks.

Holders of Additional Tier 1 Notes should note that if the Issuer does not have sufficient distributable reserves then it will not be permitted to make any payments in respect of the Additional Tier 1 Notes.

#### ***Perpetual securities***

The Additional Tier 1 Notes have no fixed maturity date and will only be redeemed, at the aggregate outstanding nominal amount of the Additional Tier 1 Notes plus accrued interest (if any), on a winding-up or liquidation of the Issuer (other than a solvent reconstruction).

The Additional Tier 1 Notes may only be redeemed, substituted, varied or purchased prior to a winding-up or liquidation of the Issuer upon the occurrence of a Tax Event, a Regulatory Event, a Hedging Event or an Illegality Event, or at the option of the Issuer. Holders may therefore be required to bear the risks of an investment in the Additional Tier 1 Notes for an indefinite period of time.

#### ***Holdings will bear the risk of fluctuations in the CET 1 Ratio.***

The market price of the Additional Tier 1 Notes is expected to be affected by fluctuations in the Issuer's CET 1 Ratio. Fluctuations in the CET 1 Ratio may be caused by changes in the amount of the Issuer's Common Equity Tier 1 Capital and/or its risk weighted assets, as well as changes to their respective definitions under the capital adequacy standards and guidelines. Any indication that the CET 1 Ratio is moving towards the level of a Trigger Event may have an adverse effect on the market price of the Additional Tier 1 Notes. The level of the CET 1 Ratio may significantly affect the trading price of the Additional Tier 1 Notes.

#### **Risks related to the market for the Notes**

##### ***Liquidity in the secondary market***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes 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 Notes 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. These types of Notes 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 Notes.

##### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in the Specified Currency. 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. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on

the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Similarly, the Issuer may be exposed to potential losses if the Specified Currency was to depreciate against key currencies in which the Issuer's revenues are based, which may have an adverse effect on its financial condition and results of operations.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Dealings in the Notes and the performance by the Issuer of its obligations under the Notes may be subject to the South African Exchange Control Regulations. In particular, no Note may be (a) subscribed for, or purchased, by a Resident (as defined in "*South African Exchange Control Regulations*"); or (b) sold to a Resident; or (c) beneficially held, or owned, by a Resident, other than in strict compliance with the South African Exchange Control Regulations in effect from time to time. An overview of the South African Exchange Control Regulations is set out in that section of this Base Prospectus headed "*South African Exchange Control Regulations*".

Since 1995, certain exchange controls in South Africa have been relaxed. The extent to which the South African government may further relax such exchange controls cannot be predicted with certainty, although the South African government has committed itself to a gradual approach of relaxation. Further relaxation, or abolition of exchange controls may precipitate a change in the capital flows to and from South Africa. If the net result of this were to cause large capital outflows, this could adversely affect the Issuer's business and it could have an adverse effect on the financial condition of the Issuer as a whole. In the event of the immediate abolition of exchange control there may be a sudden withdrawal of Rand from the South African market by investors. Because South Africa has a fully floating exchange rate and a flexible interest rate policy, this may result in a rapid depreciation of the Rand exchange rate which may serve to stem the flight and may also result in an increase in interest rates due to the depreciation of the Rand.



## GENERAL DESCRIPTION OF THE PROGRAMME

The following general description does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

Words and expressions defined in "*Form of the Notes*", the Conditions, the Terms and the Additional Terms shall have the same meanings in this overview.

Issuer:	Investec Bank Limited
Description:	Note Issuance Programme
Arranger:	Investec Bank Limited
Dealer:	Investec Bank Limited and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of this Base Prospectus.

### **South African Exchange Control Regulations**

No Note may be (a) subscribed for, or purchased, by a Resident (as defined in "*South African Exchange Control Regulations*"); or (b) sold to a Resident; or (c) beneficially held, or owned, by a Resident, other than in strict compliance with the South African Exchange Control Regulations in effect from time to time.

### **Notes having a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended, unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Principal Paying Agent:	The Bank of New York Mellon, London Branch
Trustee:	BNY Mellon Corporate Trustee Services Limited
Registrar:	The Bank of New York Mellon SA/NV, Luxembourg Branch
Luxembourg Paying and Transfer Agent:	The Bank of New York Mellon SA/NV, Luxembourg Branch
Programme Size:	Up to U.S.\$1,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in, subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Redenomination:	The applicable Final Terms may provide for amendments to Notes that are redenominated in euro.
Maturities:	<p>The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant Central Bank or any laws or regulations applicable to the Issuer or the relevant Specified Currency.</p> <p>Subject to the applicable Regulatory Capital Requirements (i) Additional Tier 1 Notes will be issued without a maturity date and; (ii) Tier 2 Notes will have a minimum maturity of five years and one day.</p>
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes (other than Subordinated Capital Notes) will be issued in bearer or registered form as described in " <i>Form of the Notes</i> ". Subordinated Capital Notes may not be issued in bearer form and will only be issued in registered form.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> <li>(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., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or</li> <li>(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.</li> </ul> <p>The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>
Other provisions in relation to Floating Rate Notes:	<p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and</p>

will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest. The redemption amount for Zero Coupon Notes will be at least equal to their nominal amount.

Notes linked to Underlying:

Notes may be offered and sold where the interest and/or the redemption amounts are linked to the performance or movement of one or more underlying assets, being (i) a single share (which may be a share in an exchange traded fund) or a basket of shares (which may be a basket of ETF shares), (ii) a single index or a basket of indices, (iii) a single fund interest or a basket of fund interests, (iv) multiple underlyings, being any combination of single shares, single indices, single fund interests, baskets of indices, baskets of shares and baskets of fund interests, (v) a specified inflation-linked index, (vi) two separate underlyings, a specified inflation-linked index and any one of a single share, a single index, a single fund interest, a basket of indices, a basket of shares or a basket of fund interests and/or (vii) credit of one or more financial institutions, corporations and/or sovereign entities.

FX Factor:

The principal, interest and/or other amounts payable in respect of the Notes may be subject to a FX Factor, which is determined by the movement in the specified foreign exchange rates between the relevant dates.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons, regulatory reasons or following an Event of Default, a Hedging Event or an Illegality Event) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. Subordinated Capital Notes may be redeemed at the option of the Issuer prior to their stated maturity *provided that* such redemption is effected in accordance with the Regulatory Capital Requirements (and, if required thereunder, that the prior written consent of the Prudential Authority has been obtained), and/or in accordance with the conditions (if any) approved by the Prudential Authority in writing.

There is no fixed redemption date for Additional Tier 1 Notes and the Issuer may only redeem them in the limited circumstances prescribed in the General Terms and Conditions.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Optional Redemption:	Subject as described in "Redemption" above, Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) with, in the case of Subordinated Capital Notes, the prior written approval of the Prudential Authority and, in the case of the Issuer exercising its call option pursuant to Condition 9.4 ( <i>Redemption at the option of the Issuer (Issuer Call)</i> ).
Redemption following Hedging Event:	Subject as described in "Redemption" above and, unless specified as Not Applicable in the applicable Final Terms, early redemption is permitted if a Hedging Event (as described in Condition 9.6 ( <i>Redemption following Hedging Event</i> )) has occurred and for so long as it is continuing.
Tax Redemption:	Subject as described in "Redemption" above, early redemption will be permitted for tax reasons as described in Condition 9.2 ( <i>Redemption for tax reasons</i> ).
Redemption for Regulatory Reasons:	Early redemption of the Subordinated Capital Notes in whole (but not in part) is permitted at the option of the Issuer (subject to the prior written approval of the Prudential Authority) if a Regulatory Event occurs and while it is continuing as described in Condition 9.3 ( <i>Redemption for regulatory reasons</i> ).
Redemption following Illegality:	Subject as described in "Redemption" above, early redemption will be permitted if an Illegality Event (as described in Condition 9.7 ( <i>Redemption following Illegality</i> )) occurs.
Trigger Event in respect of Subordinated Capital Notes:	<p>The Subordinated Capital Notes are subject to contractual Write-off in accordance with the Regulatory Capital Requirements upon the occurrence of a Trigger Event, as described in Condition 3.6 (<i>Non-Viability Loss Absorption</i>).</p> <p>The Issuer may at any time elect to apply any Statutory Loss Absorption Regime which is implemented in South Africa to the Subordinated Capital Notes in place of contractual Write-off under Condition 3.6 (<i>Non-Viability Loss Absorption</i>) upon the occurrence of a Trigger Event, as described in Condition 3.7 (<i>Disapplication of the Non-Viability Absorption Condition</i>).</p>
Substitution or Variation of Subordinated Capital Notes:	Where Substitution or Variation is specified as being applicable in the relevant Final Terms in respect of Subordinated Capital Notes, and a Tax Event, a Regulatory Event, a Hedging Event or an Illegality Event has occurred and is continuing, then the Issuer may either substitute all (but not some only) such Notes for, or vary the terms of such Notes so that they remain or, as appropriate, become (i) in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Tier 2 Capital, Qualifying Tier 2 Securities and (ii) in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital, Qualifying Additional Tier 1 Securities or Qualifying Tier 2 Securities, as described in Condition 9.8 ( <i>Substitution or variation</i> ).
Non-payment of Interest:	The Issuer may elect not to pay, and in certain circumstances is not obliged to pay, interest on Additional Tier 1 Notes as

more fully set out in Condition 6 (*Interest Payments on Additional Tier 1 Notes*).

Denomination of Notes:	<p>The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant Central Bank or any laws or regulations applicable to the relevant Specified Currency, see "<i>Certain Restrictions - Notes having a maturity of less than one year</i>" above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area or in the United Kingdom in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency as at the date of issue of the Notes).</p> <p>If Notes will be issued in or into Australia, the denominations may be any amount <i>provided that</i> the minimum aggregate consideration payable by each offeree is at least AUD\$500,000 (or the equivalent in another currency, in either case disregarding moneys lent by the offeror or to its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.</p>
Taxation:	<p>All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, subject to certain exceptions, as provided in Condition 10 (<i>Taxation</i>). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 10 (<i>Taxation</i>), be required to pay additional amounts to cover the amounts so deducted. Please see "<i>Taxation</i>" for further detail.</p>
Negative Pledge:	<p>The terms of the Senior Notes will contain a negative pledge provision as further described in Condition 4 (<i>Negative Pledge (Senior Notes Only)</i>).</p>
Cross Default:	<p>The terms of the Senior Notes will contain a cross default provision as further described in Condition 12.1(c).</p>
Status of the Senior Notes:	<p>The Senior Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4 (<i>Negative Pledge (Senior Notes Only)</i>), unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p>
Status of the Subordinated Notes (that are not Subordinated Capital Notes):	<p>Payments in respect of the Subordinated Notes (that are not Subordinated Capital Notes) will be subordinated as described in Condition 3.2.</p>
Status of the Tier 2 Notes:	<p>The Tier 2 Notes constitute direct, unsecured and, in accordance with Condition 3.4 (<i>Status of the Tier 2 Notes</i>), subordinated obligations of the Issuer and rank <i>pari passu</i></p>

without any preference among themselves and (save for those that have been accorded by law preferential rights) at least *pari passu* with all other claims of creditors of the Issuer which rank or are expressed to rank (and which are entitled to rank) *pari passu* with the Tier 2 Notes.

Status of the Additional Tier 1 Notes: Tier Additional 1 Notes constitute direct, unsecured and, in accordance with Condition 3.5 (*Status of the Additional Tier 1 Notes*), subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for those that have been accorded by law preferential rights) at least *pari passu* with all other claims of creditors of the Issuer which rank or are expressed to rank (and which are entitled to rank) *pari passu* with the Additional Tier 1 Notes.

Subordinated Capital Notes and Regulatory Capital Requirements: In order for the proceeds of the issue of a Tranche of Subordinated Capital Notes to qualify as Regulatory Capital, Subordinated Capital Notes must comply with the applicable Regulatory Capital Requirements and such Additional Conditions (if any) as are prescribed by the Prudential Authority in respect of that Tranche of Subordinated Capital Notes. The Issuer will specify in the relevant Final Terms whether any issue of Subordinated Capital Notes is an issue of Notes the proceeds of which are intended to qualify as Regulatory Capital. The Additional Conditions (if any) prescribed by the Prudential Authority in respect of Subordinated Capital Notes, the proceeds of which are also intended to qualify as Regulatory Capital, will be specified in the applicable Final Terms or a supplement to this Base Prospectus.

Rating: Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA or in the UK but will be endorsed by a CRA which is established in the EEA or in the UK and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA or in the UK but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA or in the UK but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK which is certified under the CRA Regulation. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Approval, listing and admission to trading:	<p>Application will be made to the Euronext Dublin for Notes issued under the Programme to be admitted to trading on the Euronext Dublin's regulated market and to be listed on the Official List of the Euronext Dublin.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Governing Law:	<p>The Notes, and any non-contractual obligations arising out of or in connection with them, will be governed by, and construed in accordance with, English law save that Conditions 3.2 – 3.5 and Clause 7 of the Trust Deed will be governed by, and construed in accordance with, South African law.</p>
Selling Restrictions:	<p>There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, the United Kingdom, Japan, Australia and South Africa and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "<i>Subscription and Sale</i>".</p> <p><b>Additional Tier 1 Notes are not intended to be sold and should not be sold to retail clients in the EEA or in the UK, as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, as amended or replaced from time to time, other than in circumstances that do not and will not give rise to a contravention of those rules by any person.</b></p> <p>The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.</p>
Use of Proceeds:	<p>Unless otherwise specified in the Final Terms, the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes (including the establishment of hedging positions in connection with the relevant Notes).</p>

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Base Prospectus:

- (a) The Issuer's annual report 2020 (available at: <https://www.investec.com/content/dam/investor-relations/financial-information/group-financial-results/2020/Investec-Limited-Annual-Report-March-2020.pdf>), including the information set out at the following pages in particular:

Independent Auditor's Report .....	Pages 144 to 152
Income Statements .....	Page 153
Statement of Comprehensive Income .....	Page 154
Balance Sheets .....	Page 155
Statements of Changes in Equity .....	Pages 156 to 159
Cash Flow Statements .....	Page 160
Accounting Policies .....	Pages 161 to 171
Notes to the Financial Statements .....	Pages 172 to 247
Risk Management .....	Pages 21 to 85
Corporate Governance .....	Pages 90 to 121
Current Regulatory Framework .....	Page 78
Regulatory Consideration.....	Pages 78 to 79

- (b) The Issuer's annual report 2019 (available at <https://www.investec.com/content/dam/investor-relations/financial-information/silo-entities-and-subsiary-accounts/2019/investec-bank-limited-annual-report-2019.pdf>), including the information set out at the following pages in particular:

Independent Auditor's Report .....	Pages 136 to 143
Income Statements .....	Page 144
Statement of Comprehensive Income .....	Page 145
Balance Sheets .....	Page 146 to 147
Statements of Changes in Equity .....	Pages 148 to 151
Cash Flow Statements .....	Page 152
Accounting Policies .....	Pages 153 to 162
Notes to the Financial Statements .....	Pages 163 to 252
Risk Management .....	Pages 20 to 76
Corporate Governance .....	Pages 80 to 111

Following the publication of this Base Prospectus a supplement to the Base Prospectus may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement to the Base Prospectus (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in Luxembourg and are available on the website of the Issuer.. Requests for such documents should be directed to the Issuers at their respective offices set out at the end of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes,



and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of giving information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

Any documents which are themselves incorporated by reference in the information incorporated by reference in this Base Prospectus do not form part of this Base Prospectus. Any such documents are either not relevant for investors or the information they contain is covered elsewhere in this Base Prospectus.

The Issuer's audited financial statements and unaudited interim financial statements can be accessed online on the website of the Issuer at [https://www.investec.com/en\\_gb/welcome-to-investec/about-us/investor-relations/financial-information/subsidiary-results.html](https://www.investec.com/en_gb/welcome-to-investec/about-us/investor-relations/financial-information/subsidiary-results.html).

## FORM OF THE NOTES

### Bearer Notes

Specific exchange control approval from the FSD may be required prior to the issue of any Bearer Notes.

Each Tranche of Notes in bearer form will be initially issued in the form of a temporary global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Final Terms, a permanent Global Note (a "**Permanent Bearer Global Note**") which, in either case, will be delivered on or prior to the issue date of the Tranche to a common depository (the "**Common Depository**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable.

In the case of each Tranche of Bearer Notes that are not in registered form for U.S. federal tax purposes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes, subject to applicable law.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

In relation to any issue of Notes which are expressed to be Global Notes exchangeable for Definitive Notes in accordance with the two preceding paragraphs, such Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein (subject to applicable law) either for (a) interests in a Permanent Bearer Global Note of the same Series or (b) for definitive notes in Bearer form ("**Definitive Bearer Notes**") of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, *provided that* purchasers in the United States and certain U.S. persons will not be able to receive Definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Notes with, where applicable, receipts, interest coupons

and talons attached either (a) upon not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event, subject to applicable law. Where the applicable Final Terms specify that a Permanent Global Note will be exchangeable on 60 days' notice given at any time the Notes must not have a Specified Denomination which includes the concept of higher integral multiples above the minimum denomination. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 12 (*Events of Default*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences as a result of legislative changes in the domicile of the Issuer which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 16 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant Exchange Date, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.

The following legend will appear on all Bearer Notes that are not in registered form for US federal tax purposes and which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

*Subordinated Capital Notes may not be issued in bearer form and will accordingly only be issued in registered form.*

### **Registered Notes**

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Registered Global Note**") or, if so specified in the applicable Final Terms, Definitive Notes in registered form. Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be,

under the circumstances described below, to receive physical delivery of Definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of a Registered Global Note will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 8.4) as the registered holder of the relevant Registered Global Note. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in a Registered Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of a Registered Note in definitive form (the "**Definitive Registered Notes**") will, in the absence of provision to the contrary, be made to the person(s) shown on the Register on the relevant Record Date (as defined in Condition 8.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without receipts, interest coupons or talons attached either (a) upon not less than 45 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) to the Registrar as described therein) or (b) at any time at the request of the Issuer, in each case as specified in the applicable Final Terms and subject to applicable law.

#### **Legend to appear on Subordinated Capital Notes**

In the case of any Tranche of Subordinated Notes which is issued by the Issuer in compliance with the Regulatory Capital Requirements applicable to such Subordinated Capital Notes and which the Issuer has specified in the Final Terms are issued as Subordinated Capital Notes, the Registered Global Note and each Definitive Note will bear such legend as is required under the Regulatory Capital Requirements relating to such Subordinated Capital Notes.

#### **General**

Pursuant to the Agency Agreement (as defined under "*General Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails or is unable so to do within 60 days' and the failure or inability shall be continuing.

## APPLICABLE FINAL TERMS

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II") or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]<sup>2</sup>

**[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 Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "MiFID II")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (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 Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**Final Terms dated [•]**

### INVESTEC BANK LIMITED

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under the U.S.\$1,500,000,000**

**Note Issuance Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth (and defined) in the Base Prospectus dated 17 December 2020 [and the supplement to the Base Prospectus dated [•]] [which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**")]<sup>3</sup>. This document constitutes the Final Terms of the Notes described herein [for the purposes of the Prospectus Regulation] and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all the relevant information. The Notes are unsecured. The Base Prospectus [and the supplement to the Base Prospectus] [is/are] available during normal business hours for viewing at and copies may be obtained from, the specified office of each of the Paying Agents. The Base Prospectus [the supplement to the Base Prospectus] and (in the case of Notes listed and admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**")) the applicable Final Terms will also be published on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)).

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

1. (a) Series Number: [ ]
- (b) Tranche Number: [ ]

<sup>2</sup> Include where Part B item 7(viii) of the Final Terms specifies "Applicable".

<sup>3</sup> Remove references to Prospectus Regulation for an unlisted exempt offer

2. Specified Currency or Currencies: [ ]
3. FX Currency: [ ] / [Not Applicable]
4. Aggregate Nominal Amount:
- (a) Series: [ ]
- (b) Tranche: [ ]
5. (a) Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]]
6. (a) Specified Denominations: [ ]  
[ ]
- [If Notes will be issued in or into Australia, the denominations may be any amount *provided that* the minimum aggregate consideration payable by each offeree is at least AUD500,000 (or the equivalent in another currency, in either case disregarding moneys lent by the offeror or to its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.]
- (b) Calculation Amount: [ ]
7. (a) Issue Date: [ ]
- (b) Interest Commencement Date: [ ]
8. Maturity Date: [ ]/[Subject to the section titled "*Provisions relating to Redemption*" below, this Tranche of Additional Tier 1 Notes shall only be redeemed, at the outstanding Aggregate Nominal Amount of this Tranche plus accrued interest (if any), on a winding-up (other than pursuant to a Solvent Reconstruction) or liquidation of the Issuer, subject to Condition 3.5 (*Status of the Additional Tier 1 Notes*).]<sup>4</sup>
9. Maturity Period: [Not Applicable/[ ]]<sup>5</sup>
10. Interest Basis: [[ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR/SONIA/SOFR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[Reset Notes]

<sup>4</sup> This is only applicable to Additional Tier 1 Notes.

<sup>5</sup> Subject to the applicable Regulatory Capital Requirements, a Tranche of Tier 2 Notes must have a minimum Maturity Period of 5 (five) years and 1 (one) day.

- [Equity Linked Interest (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)) to this Final Terms for further details)]
- [Index Linked Interest (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)) to this Final Terms for further details)]
- [Fund Linked Interest (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)) to this Final Terms for further details)]
- [Inflation Linked Interest (see Annex [1] (*Inflation Linked Note Provisions*)) to this Final Terms for further details)]
- [Combined Underlying Linked Interest (see Annex [3] (*Combined Underlying Linked Note Provisions*)) to this Final Terms for further details)]
11. Redemption Basis: [Redemption at par]  
[Instalment]  
[[ ] per cent. of the Aggregate Nominal Amount]
- [Equity Linked Notes (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)) to this Final Terms for further details)]
- [Index Linked Notes (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)) to this Final Terms for further details)]
- [Fund Linked Notes (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)) to this Final Terms for further details)]
- [Multi Underlying Linked Notes (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)) to this Final Terms for further details)]
- [Inflation Linked Notes (see Annex [1] (*Inflation Linked Note Provisions*)) to this Final Terms for further details)]
- [Combined Underlying Linked Notes (see Annex [3] (*Combined Underlying Linked Note Provisions*)) to this Final Terms for further details)]
12. Change of Interest Basis or Redemption Basis: [Applicable/Not Applicable]
13. Put/Call Options: [Investor Put]  
[Issuer Call]  
[Not Applicable]

14. (a) Status of the Notes: [Senior Notes/Subordinated Notes which are not Subordinated Capital Notes/Tier 2 Notes/Additional Tier 1 Notes]
- [In accordance with the Regulatory Capital Requirements, the [Tier 2 Notes/Additional Tier 1 Notes] will be subject to Write-off if a Trigger Event occurs in relation to the Issuer.]
- (b) [Date [Board] approval for issuance of Notes obtained: [ ] [and [ ], respectively]]
- (c) Approval(s) of Prudential Authority for issuance of Notes: [Applicable/Not Applicable]
15. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [[ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]][Such Rate of Interest as determined in accordance with [Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)][Annex [1] (*Inflation Linked Note Provisions*) to this Final Terms][Annex [3] (*Combined Underlying Linked Note Provisions*) to this Final Terms]
- (b) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]
- (N.B. This will need to be amended in the case of long or short coupons)*
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (d) Broken Amount(s): [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]
- (e) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360 [30/360] [30E/360] [30E/360 (ISDA)] [Act/365L]
- (f) Determination Date(s): [[ ] [in each year]]
- [Not Applicable]
17. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*



- (a) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (c) Additional Business Centre(s): [Not Applicable/[ ]]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [Not Applicable/[ ]]
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [ LIBOR/EURIBOR/SONIA/SOFR ].
  - Interest Determination Date(s): [ ]/[ ] London Banking Days prior to the end of the Interest Period]
  - p: [ ]
  - Relevant Screen Page: [ ]
  - Specified Time: [ ]
- (g) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
  - ISDA Benchmarks Supplement: [Applicable/Not Applicable]
- (h) Margin(s): [+/-] [ ] per cent. per annum
- (i) Minimum Rate of Interest: [ ] per cent. per annum  
[Not Applicable]
- (j) Maximum Rate of Interest: [ ] per cent. per annum  
[Not Applicable]
- (k) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360 [30/360] [30E/360] [30E/360 (ISDA)] [Act/365L]

18. **Zero Coupon Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a)	Accrual Yield:	[ ] per cent. per annum
(b)	Reference Price:	[ ]
19.	<b>Reset Note Provisions</b>	Applicable / Not Applicable
		<i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
(a)	Initial Rate of Interest:	[•] per cent. per annum payable in arrear [on each Interest Payment Date]
(b)	First Margin:	[±][•] per cent. per annum
(c)	Subsequent Margin:	[±][•] per cent. per annum / Not Applicable
(d)	Interest Payment Date(s):	[•] [and [•]] in each year up to and including the Maturity Date [[in each case,] subject to adjustment in accordance with paragraph 18(r)]
(e)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[•] per Calculation Amount / Not Applicable
(f)	Broken Amount(s):	[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•] / Not Applicable
(g)	First Reset Date:	[•] [subject to adjustment in accordance with paragraph 19(r)]
(h)	Second Reset Date:	Not Applicable / [•] [subject to adjustment in accordance with paragraph 19(r)]
(i)	Subsequent Reset Date(s):	Not Applicable / [•] [and [•]] [subject to adjustment in accordance with paragraph 19(r)]
(j)	Relevant Screen Page:	[•]
(k)	Reset Reference Rate:	Reference Bond Rate / Mid-Swap Rate
(l)	Mid-Swap Rate:	Single Mid-Swap Rate / Mean Mid-Swap Rate / Not Applicable
(m)	Mid-Swap Maturity:	[•]
(n)	Reference Banks:	[•]
(o)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360 [30/360] [30E/360] [30E/360 (ISDA)] [Act/365L]
(p)	Reset Determination Dates:	[•] in each year / The provisions in the Conditions apply
(q)	Reset Determination Time:	[•]

- (r) Business Day Convention: Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / Floating Rate Convention / No Adjustment
- (s) Relevant Financial Centre: [•]
- (t) Determination Agent: [•]
- (u) Mid-Swap Floating Leg Benchmark Rate: [LIBOR / EURIBOR/SONIA/SOFR]
- (v) Calculation Agent: [ ]
20. **Interest FX Factor** [Final FX Rate/Initial FX Rate] [Initial FX Rate/Final FX Rate] [Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Initial FX Rate [ ] [An exchange rate determined in accordance with the definition of "Initial FX Rate" in Condition [19] (*FX Factors and Price Source Disruption*)]
- Initial FX Fixing Page: [ ]
  - Initial FX Fixing Date: [Strike Date][ ]
  - Initial FX Fixing Time: [ ]
- (b) Final FX Rate [ ] [An exchange rate determined in accordance with the definition of "Final FX Rate" in Condition [19] (*FX Factors and Price Source Disruption*)]
- Final FX Fixing Page: [ ]
  - Final FX Fixing Date: [ ] [FX Business Days prior to the relevant Interest Payment Date]
  - Final FX Fixing Time: [ ]
- (c) FX Business Day Jurisdictions: [ ] [Principal financial centre of the Specified Currency and the FX Currency]

#### PROVISIONS RELATING TO REDEMPTION

21. Issuer Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- Consent of the Prudential Authority will be necessary where Notes are Subordinated Notes that are also Subordinated Capital Notes.
- (a) Optional Redemption Date(s): [ ]

- (b) Optional Redemption Amount of each Note: [[ ] per Calculation Amount] [(Fair Market Value [as defined in Condition 9.10 (Early Redemption Amounts)])]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [[ ] per Calculation Amount /Not Applicable]
- (ii) Maximum Redemption Amount: [[ ] per Calculation Amount /Not Applicable]
- (d) Notice period (if other than as set out in the Conditions): [ ]
22. Investor Put: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- Consent of the Prudential Authority will be necessary where Notes are Subordinated Notes that are also Subordinated Capital Notes.
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [[ ] per Note of [ ] Specified Denomination] [(Fair Market Value [as defined in Condition 9.10 (Early Redemption Amounts)])]
- (c) Notice period (if other than as set out in the Conditions): [Not Applicable/[ ]]
23. Redemption following Hedging Event (Condition [9.6]) [Applicable / Not Applicable]
24. Final Redemption Amount of each Note: [[ ] per Calculation Amount]/[The Aggregate Nominal Amount (plus accrued interest, if any, to the Maturity Date).]<sup>6</sup>/[See item 8 above.]<sup>7</sup>
- [Equity Linked Notes (see Annex [1] (Equity/Index/Fund/Multi Underlying Linked Note Provisions) to this Final Terms for further details)]
- [Index Linked Notes (see Annex [1] (Equity/Index/Fund/Multi Underlying Linked Note Provisions) to this Final Terms for further details)]
- [Fund Linked Notes (see Annex [1] (Equity/Index/Fund/Multi Underlying Linked Note Provisions) to this Final Terms for further details)]

<sup>6</sup> This is only applicable to Tier 2 Notes.

<sup>7</sup> This is only applicable to Additional Tier 1 Notes.

- [Multi Underlying Linked Notes (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*) to this Final Terms for further details)]
- [Inflation Linked Notes (see Annex [1] (*Inflation Linked Note Provisions*) to this Final Terms for further details)]
- [Combined Underlying Linked Notes (see Annex [3] (*Combined Underlying Linked Note Provisions*) to this Final Terms for further details)]
25. Final Redemption FX Factor: [Final FX Rate/Initial FX Rate] [Initial FX Rate/Final FX Rate] [Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Initial FX Rate [ ] [An exchange rate determined in accordance with the definition of "Initial FX Rate" in Condition [19] (*FX Factors and Price Source Disruption*)]
- Initial FX Fixing Page: [ ]
  - Initial FX Fixing Date: [Strike Date][ ]
  - Initial FX Fixing Time: [ ]
- (b) Final FX Rate [ ] [An exchange rate determined in accordance with the definition of "Final FX Rate" in Condition [19] (*FX Factors and Price Source Disruption*)]
- Final FX Fixing Page: [ ]
  - Final FX Fixing Date: [ ] [FX Business Days prior to] [the Maturity Date [or if such date is not a FX Business Day, the next following FX Business Day]
  - Final FX Fixing Time: [ ]
- (c) FX Business Day Jurisdictions: [ ] [Principal financial centre of each of the Specified Currency and the FX Currency]
26. Early Redemption Amount: [Not Applicable] [[ ] per Calculation Amount] [Fair Market Value]
27. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [[ ] per Calculation Amount][Fair Market Value]
28. Early Redemption Amount of each Note payable on redemption of Subordinated Capital Notes for regulatory reasons: [Not Applicable/[ ]]

29. Early Redemption FX Factor: [Final FX Rate/Initial FX Rate] [Initial FX Rate/Final FX Rate] [Not Applicable]
- (a) Initial FX Rate [ ] [An exchange rate determined in accordance with the definition of "Initial FX Rate" in Condition [19] (*FX Factors and Price Source Disruption*)]
- Initial FX Fixing Page: [ ]
  - Initial FX Fixing Date: [Strike Date][ ]
  - Initial FX Fixing Time: [ ]
- (b) Final FX Rate [ ] [An exchange rate determined in accordance with the definition of "Final FX Rate" in Condition [19] (*FX Factors and Price Source Disruption*)]
- Final FX Fixing Page: [ ]
  - Final FX Fixing Date: [ ] [FX Business Days prior to the Early Redemption Date]
  - Final FX Fixing Time: [ ]
- (c) FX Business Day Jurisdictions: [•][Principal financial centre of the Specified Currency and the FX Currency]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

30. Form of Notes: [Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event. Specific exchange control approvals from the Financial Surveillance Department of the South African Reserve Bank may be required for the issue of Bearer Notes.]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer].
- [Registered Notes: Registered Global Note ([ ] nominal amount)]
31. Additional Financial Centre(s): [Not Applicable/ [ ]]
32. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No]
33. Details relating to Instalment Notes:

- (a) Instalment Amount(s): [Not Applicable/ [ ]]
- (b) Instalment Date(s): [Not Applicable/ [ ]]
34. Redenomination applicable: Redenomination [not] applicable
35. Substitution or Variation for Subordinated Capital Notes: [Applicable/Not Applicable]

#### DISTRIBUTION

36. If syndicated, names and addresses of Managers: [Not Applicable/give names and addresses]
37. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and addresses]
38. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]

#### CREDIT LINKAGE

39. Credit Linkage [Applicable][Not Applicable]
- (a) Credit Linked Portion: [[100][•] per cent. of the Notes][Not Applicable]
- (b) Credit Linked Note type: [Single Name CLN][Basket CLN][Index CLN][Tranched CLN]
- (c) [Reference Entity(ies)][Index]: [The Reference Entity(ies) set out in the table contained in Annex [2][4] to these Final Terms.]
- [Equal Weighting] [and] [Equal Initial Weighting] [and] [Fixed CLN Percentage] [apply(ies)].

Name of Reference Entity	Reference Entity Weighting (%)	Initial Weighting	Reference Entity Removal Date
[•]	[•][Equal Weighting applies]	[•][Equal Initial Weighting applies][Not Applicable]	[Not Applicable] [•]

- [Annex Date: [Specify Series and Version]]
- [Fixed CLN Percentage: [[•] per cent.]]
- (d) Recovery Rate: [[General Recovery Rate][Specific Recovery Rate][Zero Recovery Rate][Fixed Recovery Rate] shall apply.]
- (i) [Fixed Recovery Rate: [[•] per cent.]]
- (e) Tranched CLN Trigger Percentage: [[•] per cent.][Not Applicable]

- (f) Interest Accrual Cessation Date: [The Interest Payment Date immediately preceding the [Credit Event Notice Date][Event Determination Date] or, in the case of a [Credit Event Notice Date][Event Determination Date] occurring during the first Interest Period, the Interest Commencement Date][The date on which the Credit Event occurs (as specified in the Credit Event Notice)][The date specified in the CDS Event Notice as the date on which the Credit Event triggering the relevant Event Determination Date (each term as defined in the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc.) occurred.][The Maturity Date][The CDS Event Redemption Date]
- (g) Noteholder Amendment Request: [Applicable][Not Applicable]
- (h) Credit Linked FX Factor: [Final FX Rate/Initial FX Rate] [Initial FX Rate/Final FX Rate] [Not Applicable]
- (i) Initial FX Rate [•][An exchange rate determined in accordance with the definition of "Initial FX Rate" Condition [19] (*FX Factors and Price Source Disruption*)].
- (A) Initial FX Fixing Page: [•]
- (B) Initial FX Fixing Date: [Strike Date][•]
- (C) Initial FX Fixing Time: [•]
- (ii) Final FX Rate [•][An exchange rate determined in accordance with the definition of "Final FX Rate" in Condition 17 (*FX Factors and Price Source Disruption*)].
- (A) Final FX Fixing Page: [•]
- (B) Final FX Fixing Date: [In relation to a [Credit Event][CDS Event] Redemption Amount] the [relevant Credit Event Notice Date][relevant Event Determination Date][date on which the relevant Credit Event occurs (as specified in the Credit Event Notice)][date specified in the relevant CDS Event Notice as the date on which the Credit Event triggering the relevant Event Determination Date (each term as defined in the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc.) occurred.][or if such date is not a FX Business Day, the next following FX Business Day.][•]
- I Final FX Fixing Time: [•]
- (iii) FX Business Day Jurisdictions: [•][Principal financial centre of the Specified Currency and the FX Currency]
- (i) Simplified Credit Linkage: [Applicable][Not Applicable]



- (i) Seniority Level: [Senior Level][Senior non-Preferred Level][Senior Preferred Level]
- (j) ISDA Credit Linkage: [Applicable][Not Applicable]
- (i) Reference Entity Reference Obligation: [Applicable][Not Applicable]
- |  | Name of Reference Entity | Reference Obligation |
|--|--------------------------|----------------------|
|  | [•]                      | [•]                  |
- (ii) Seniority Level: [Senior Level][Subordinated Level][Senior Preferred Level][Senior non-Preferred Level]
- (iii) Quotation Amount: [•]
- (iv) Recovery Rate Gearing: [[•] per cent.][Not Applicable]
- (v) Reference Entity Removal Provisions: [Adjustment][Non-Adjustment][Not Applicable]
- (vi) CDS Event Redemption Amount: [Option A][Option B]
- (vii) CDS Event Redemption Date: [The Maturity Date][Three Business Days following the Settlement Date under the relevant Notional CDS]
- (k) Parallel Credit Linkage Provisions: [Applicable][Not Applicable]
- (i) Reference Entity: [•][Not Applicable]
- (ii) Parallel Reference Obligation(s): [•][Not Applicable]
- (iii) Recovery Rate: [General Recovery Rate][Specific Recovery Rate][Zero Recovery Rate] shall apply.
- (iv) Seniority Level: [Senior Level][Subordinated Level][Senior Preferred Level][Senior non-Preferred Level]
- (v) Parallel Credit Linkage Quotation Amount: [•]
- (vi) Recovery Rate Gearing: [[•] per cent.][Not Applicable]
- (vii) CDS Event Redemption Amount: [Option A][Option B]
- (viii) CDS Event Redemption Date: [The Maturity Date][Three Business Days following the Settlement Date under the relevant Notional CDS]
- (l) Credit Event: [[Insolvency] [Governmental Intervention] [Restructuring] [Obligation Acceleration] [Obligation Default] [Repudiation/Moratorium] [and] [Failure to Pay]]

(i)	Obligation Acceleration Amount	<input type="checkbox"/> [Not Applicable]
(ii)	Obligation Default Amount	<input type="checkbox"/> [Not Applicable]
(iii)	Repudiation/Moratorium Amount	<input type="checkbox"/> [Not Applicable]
(iv)	Failure to Pay Amount	<input type="checkbox"/> [Not Applicable]
(v)	Credit Deterioration Requirement	<input type="checkbox"/> Applicable / <input type="checkbox"/> Not Applicable
(vi)	Grace Period Extension	<input type="checkbox"/> Applicable / <input type="checkbox"/> Not Applicable
(vii)	Maximum Length of Grace Period	<input type="checkbox"/> [Not Applicable]
(viii)	Potential Failure to Pay Amount	<input type="checkbox"/> [Not Applicable]
(ix)	Credit Deterioration Requirement	<input type="checkbox"/> Applicable / <input type="checkbox"/> Not Applicable
(x)	Scheduled Redemption Date	<input type="checkbox"/> [Not Applicable]
(xi)	Deposit Requirement	<input type="checkbox"/> /As set out in the Conditions
(xii)	Obligation(s):	
	Obligation Category:	<input type="checkbox"/> Payment] <input type="checkbox"/> Borrowed Money] <input type="checkbox"/> Bond] <input type="checkbox"/> Loan] <input type="checkbox"/> Bond or Loan]
		<i>(select one only)</i>
	Obligation Characteristics:	<input type="checkbox"/> Not Subordinated] <input type="checkbox"/> Specified Currency: [ <input type="checkbox"/> specify currency]/Standard Specified Currency] <input type="checkbox"/> Not Sovereign Lender] <input type="checkbox"/> Not Domestic Currency: Domestic Currency means [ <input type="checkbox"/> specify currency]] <input type="checkbox"/> Not Domestic Law] <input type="checkbox"/> Listed] <input type="checkbox"/> Not Domestic Issuance]
		<i>(select all of which apply)</i>
(xiii)	Excluded Obligation(s):	<input type="checkbox"/> specify][Not applicable]
(xxi)	Financial Reference Entity Terms:	<input type="checkbox"/> Applicable] <input type="checkbox"/> Not Applicable] ["Governmental Intervention" is applicable]
(xxii)	Subordinated European Insurance Terms:	<input type="checkbox"/> Applicable][Not Applicable]
(x)	All Guarantees:	<input type="checkbox"/> Applicable][Not Applicable]

### THIRD PARTY INFORMATION

Relevant third party information has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading/ [Not Applicable].

Signed on behalf of the Issuer:

By: .....

*Duly authorised*

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext Dublin/Not Applicable]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [the regulated market of the Euronext Dublin with effect from [ ]].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [Not Applicable/ [ ]]

### 2. RATINGS

- Ratings: [The Notes to be issued will not be rated.]
- [[The Programme has been/The Notes to be issued [have been]/[are expected to be]] rated:]
- [S&P: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]
- [Other: [ ]]

[[ ] is established in the European Union [or in the United Kingdom] and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**"). The list of registered and certified credit rating agencies may be accessed at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.]

[[ ] is not established in the European Union [or in the United Kingdom] and has not applied for registration under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**").]

[[ ] is not established in the European Union [or in the United Kingdom] and has not applied for registration under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") but is endorsed by [ ] which is established in the European Union [or in the United Kingdom] and registered under the CRA Regulation.]

[[ ] is not established in the European Union [or in the United Kingdom] and has not applied for registration under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**"), but it is certified in accordance with the CRA Regulation. The list of registered and certified credit rating agencies may be accessed at

<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.]

[Include disclosure as to ratings definitions, which can take the following form: "In accordance with [rating agency]'s ratings definitions available as at the date of these Final Terms on [insert hyperlink], a long-term rating of "[•]" indicates [insert meaning of the rating as described by the relevant rating agency]."]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business]/ [Not Applicable]/[ ]

4. **YIELD** (*Fixed Rate Reset Notes only*)

Indication of yield: [Not Applicable]/[ ]

5. **HISTORIC INTEREST RATES AND/OR UNDERLYING** (*Floating Rate Notes and Notes relating to an Underlying only*)

Details of historic and future performance and its volatility [*insert reference to each reference rate or relevant underlying*] can be obtained from [Reuters/other and specify website].[Indicate whether or not it can be obtained free of charge]]

6. **BENCHMARK**

<b>Benchmark</b>	<b>Administrator</b>	<b>Does the Administrator appear on the Register</b>
		<p>[Appears][Does not appear]</p> <p>[As far as the Issuer is aware [the Administrator [does][does not] fall within the scope of the Benchmark Regulation (Regulation (EU) 2016/1011) (as amended, the "BMR") by virtue of Article 2 of that regulation][the transitional provisions in Article 51 of the Benchmark Regulation (Regulation (EU) 2016/1011) (as amended, the "BMR") apply, such that the Administrator is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence)] [•]</p>

7. **OPERATIONAL INFORMATION**

(i) ISIN Code: [ ]

- (ii) Common Code: [ ]
- [(iii) FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively source from the responsible National Numbering Agency that assigned the ISIN /Not Applicable / Not Available / [ ]]]
- [(iv) CFI Code: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively source from the responsible National Numbering Agency that assigned the ISIN /Not Applicable / Not Available / [ ]]]
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [Not Applicable]/[ ]
- (viii) Prohibition of Sales to EEA and UK Retail Investors: [Applicable]/[Not Applicable]  
*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes may constitute "packaged" products, "Applicable" should be specified.)*

8. **REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS**

- Reasons for the offer: [[ ] / See ["Use of Proceeds"] in the Base Prospectus]
- Estimated net proceeds: [ ]

**[ANNEX 1  
EQUITY/INDEX/FUND/MULTI UNDERLYING LINKED NOTE PROVISIONS]**

- |    |   |  |
|----|---|--|
| 1. | <b>Type of Note:</b>  | [Index Linked Note][Equity Linked Note][Fund Linked Note][Multi Underlying Linked Note][Combined Underlying Linked Note]   |
| 2. | <b>Type of Underlying:</b>                                  | [Single Index] [Basket of Indices] [Single [ETF] Share] [Basket of [ETF] Shares] [Single Fund Interest] [Basket of Fund Interests] [Multi Underlyings, being [a Single Index/a Basket of Indices/a Single [ETF] Share/a Basket of [ETF] Shares] and [a Single Index/a Basket of Indices/a Single [ETF] Share/a Basket of [ETF] Shares]][being the [FTSE® 100 Index] [FTSE® All-World Index] [the S&P 500® Index] [the EuroSTOXX® Index] [the MSCI® Index] [the MSCI® Emerging Markets Index] [the HSCEI Index] [the DAX Index] [the S&P ASX 200 (AS51) Index] [the CAC 40 Index] [the Nikkei] [the JSE Top40 Index] [the Finvex Sustainable Efficient Europe 30 Price Index] [the Finvex Sustainable Efficient World 30 Price Index] [the BNP Paribas SLI Enhanced Absolute Return Index] [the Tokyo Stock Exchange Price Index] [the SMI Index] [the Russell 2000® Index] [the EVEN 30™ Index] [the EURO 70™ Low Volatility Index]] |
| 3. | <b>[<sup>8</sup>Status under Section 871(m) of the Code</b> | [Not Section 871(m) Note][Section 871(m) Note]   |
|    |   | <i>[Note: For Equity linked notes BNYM will need confirmation if these are 871(m) Notes or not. The below defined terms are required:</i>  |
|    |   | <i>871(m) Note means a Note which are treated as “Specified Equity Linked Instruments” or “Specified Notional Principal Contracts” under Section 871(m) of the Code.</i>   |
|    |   | <i>Code means the United States Internal Revenue Code of 1986.]</i>  |
| 4. | <b>Physical Settlement</b>                                  | [Applicable][Not Applicable]   |
|    | (a) Equity Linked Physical Settlement:                      | [Applicable][Not Applicable]   |
|    | (b) Downside Only Physical Settlement:                      | [Applicable][Not Applicable]   |
| 5. | <b>Redemption and Interest Payment Provisions:</b>          |  |
|    | (a) Return Factor:  | [•][Not Applicable]  |

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<sup>8</sup> For Equity Linked Notes only

- (b) FX Factors: [Not Applicable][Applicable in accordance with the below.]
- Kick Out FX Factor** [Final FX Rate/Initial FX Rate] [Initial FX Rate/Final FX Rate] [Not Applicable]
- (i) Initial FX Rate [•][An exchange rate determined in accordance with the definition of "Initial FX Rate" Condition 17 (*FX Factors and Price Source Disruption*)].
- (A) Initial FX Fixing Page: [•]
- (B) Initial FX Fixing Date: [Strike Date][•]
- (C) Initial FX Fixing Time: [•]
- (ii) Final FX Rate [•][An exchange rate determined in accordance with the definition of "Final FX Rate" in Condition 17 (*FX Factors and Price Source Disruption*)].
- (A) Final FX Fixing Page: [•]
- (B) Final FX Fixing Date: [•] [FX Business Days prior to] [the relevant Automatic Early Redemption Valuation Date (as applicable)][or if such date is not a FX Business Day, the next following FX Business Day].
- (C) Final FX Fixing Time: [•]
- FX Factor [1][2][3]** [Final FX Rate/Initial FX Rate] [Initial FX Rate/Final FX Rate] [Not Applicable]
- (iii) Initial FX Rate [•][An exchange rate determined in accordance with the definition of "Initial FX Rate" Condition 17 (*FX Factors and Price Source Disruption*)].
- (A) Initial FX Fixing Page: [•]
- (B) Initial FX Fixing Date: [Strike Date][•]



- (C) Initial FX Fixing Time: [•]
- (iv) Final FX Rate [•][An exchange rate determined in accordance with the definition of "Final FX Rate" in Condition 17 (*FX Factors and Price Source Disruption*)].
- (A) Final FX Fixing Page: [•]
- (B) Final FX Fixing Date: [•] [FX Business Days prior to the][Maturity Date][the Final Redemption Valuation Date] [or if such date is not a FX Business Day, the next following FX Business Day]
- (C) Final FX Fixing Time: [•]
- (v) FX Business Day Jurisdictions: [•][Principal financial centre of the Specified Currency and the FX Currency]
- (c) *Kick Out Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- (i) Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
- (ii) Strike Percentage: [[•] per cent.]] [Strike Percentage to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[The Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (iii) Capital Downside: [Applicable][Not Applicable]
- (iv) Digital Return [[•] per cent.][Not Applicable] [Digital Return to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[The Digital Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms

		Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )
(v)	Upside Return:	[Applicable][Not Applicable]
(vi)	Cap:	[[•] per cent.][Not Applicable]
(vii)	Gearing 1:	[[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).  [indicatively [•]]  [indicative minimum amount: [•]]  [indicative maximum amount: [•]]  [Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )
(viii)	Downside Return 1:	[Applicable][Not Applicable]
(ix)	Downside Return 2:	[Applicable][Not Applicable]
(x)	Gearing 2:	[[•] per cent.][Not Applicable] [Gearing 2 to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).  [indicatively [•]]  [indicative minimum amount: [•]]  [indicative maximum amount: [•]]  [Gearing 2 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )
(xi)	Lower Strike:	[[•] per cent.][Not Applicable]
(xii)	Upper Strike:	[[•] per cent.][Not Applicable]
(d)	<i>Kick Out Notes without Capital at Risk Redemption Provisions</i>	[Applicable][Not Applicable]
(i)	Return Threshold:	[[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]
(ii)	Strike Percentage:	[[•] per cent.] [Strike Percentage to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).  [indicatively [•]]  [indicative minimum amount: [•]]  [indicative maximum amount: [•]]

[The Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(iii) Digital Return: [[•] per cent.][Not Applicable] [Digital Return to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]]

[The Digital Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(iv) Upside Return: [Applicable][Not Applicable]

(v) Cap: [[•] per cent.][Not Applicable]

(vi) Gearing 1: [[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]]

[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(e) *Phoenix Kick Out Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]

(i) Interest Amount: [In relation to each Calculation Amount and each Interest Payment Date, an amount equal to [•] per cent. of such Calculation Amount][•]

[[In relation to each Calculation Amount and each Interest Payment Date, a specified percentage of Calculation Amount to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]]

[The Interest Amount will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

- (ii) Constant Monitoring: [Applicable][Not Applicable]
- (iii) Interest Amount Condition: [Bermudan/American/European] [[Worst][Best] of Provisions apply in relation to the determination of whether the Interest Amount Condition is satisfied]

Interest Payment Date	Interest [Valuation Dates] [Observation Dates]	Interest Amount Threshold (as a percentage of the [Initial Index Level][Initial Share Price][Initial Fund Value])	Interest Observation Start Date	Interest Observation End Date
[•]	[•][Interest Observation Period applies]	[•]	[•][Not applicable]	[•][Not applicable]
[[•]	[•][Interest Observation Period applies]	[•]	[•][Not applicable]	[•][Not applicable]

- (iv) Interest Amount Averaging: [Applicable/Not applicable]

Interest Payment Date	Interest Amount Averaging Dates	Interest Amount Averaging Start Date	Interest Amount Averaging End Date
[•]	[•][Interest Amount Averaging Period applies]	[•][Not applicable]	[•][Not applicable]

- (v) Return Threshold: [[•] per cent. of the [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]
- (vi) Digital Return: [[•] per cent.] [Digital Return to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
  
[The Digital Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (vii) Memory Feature Provisions: [Applicable][Not Applicable]

(viii) Gearing 1: [[•] per cent. / Not applicable] [Gearing 1 to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]

[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(f) *Phoenix Kick Out Notes without Capital at Risk Redemption Provisions* [Applicable][Not Applicable]

(i) Interest Amount: [In relation to each Calculation Amount and each Interest Payment Date, an amount equal to [•] per cent. of such Calculation Amount][•]

[[In relation to each Calculation Amount and each Interest Payment Date, a specified percentage of Calculation Amount to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]

[The Interest Amount will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(ii) Constant Monitoring: [Applicable][Not Applicable]

(iii) Interest Amount Condition: [Bermudan/American/European] [[Worst][Best] of Provisions apply in relation to the determination of whether the Interest Amount Condition is satisfied]

Interest Payment Date	Interest [Valuation Dates] [Observation Dates]	Interest Amount Threshold (as a percentage of the [Initial Index Level][Initial Share Price])	Interest Observation Start Date	Interest Observation End Date
[•]	[•][Interest Observation Period applies]	[•]	[•][Not applicable]	[•][Not applicable]

[Applicable/Not applicable]

(iv) Interest Amount  
Averaging:

Interest Payment Date	Interest Amount Averaging Dates	Interest Amount Averaging Start Date	Interest Amount Averaging End Date
[•]	[•][Interest Amount Averaging Period applies]	[•][Not applicable]	[•][Not applicable]

(v) Return Threshold: [[•] per cent. of the [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]

(vi) Digital Return: [[•] per cent.] [Digital Return to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]

[The Digital Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(vii) Memory Feature Provisions: [Applicable][Not Applicable]

(g) *Upside Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]

(i) Return Threshold: [[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]

(ii) Strike Percentage: [[•] per cent.] [Strike Percentage to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]

[The Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(iii) Capital Downside: [Applicable][Not Applicable]

(iv) Digital Return: [[•] per cent.][Not Applicable] [Digital Return to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]]

[The Digital Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

- (v) Upside Return: [Applicable][Not Applicable]
- (vi) Minimum Return: [[•] per cent.][Not Applicable] [Minimum Return to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]]

[The Minimum Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

- (vii) Cap: [[•] per cent.][Not Applicable]
- (viii) Gearing 1: [[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]]

[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

- (ix) Downside Return 1: [Applicable][Not Applicable]
- (x) Downside Return 2: [Applicable][Not Applicable]
- (xi) Gearing 2: [[•] per cent.][Not Applicable] [Gearing 2 to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]]

[Gearing 2 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms

		Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )
	(xii) Lower Strike:	[[•] per cent.][Not Applicable]
	(xiii) Upper Strike:	[[•] per cent.][Not Applicable]
(h)	<i>Upside Notes without Capital at Risk Redemption Provisions</i>	[Applicable][Not Applicable]
	(i) Return Threshold:	[[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]
	(ii) Strike Percentage:	[[•] per cent.] [Strike Percentage to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).  [indicatively [•]]  [indicative minimum amount: [•]]  [indicative maximum amount: [•]]  [The Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
	(iii) Digital Return:	[[•] per cent.][Not Applicable] [Digital Return to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).  [indicatively [•]]  [indicative minimum amount: [•]]  [indicative maximum amount: [•]]  [The Digital Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
	(iv) Upside Return:	[Applicable][Not Applicable]
	(v) Minimum Return:	[[•] per cent.][Not Applicable] [Minimum Return to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).  [indicatively [•]]  [indicative minimum amount: [•]]  [indicative maximum amount: [•]]  [Minimum Price will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
	(vi) Cap:	[[•] per cent.][Not Applicable]



- (vii) Gearing 1: [[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (i) *Gearing 1* [Applicable][Not Applicable]
- (i) *Geared Booster Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- (i) Return Threshold: [[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]
- (ii) Strike Percentage: [[•] per cent.]] [Strike Percentage to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[The Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (iii) Capital Downside: [Applicable][Not Applicable]
- (iv) Upside Booster Threshold: [[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value] [Upside Booster Threshold to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[Upside Booster Threshold will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (v) Upside Booster Strike Percentage: [[•] per cent.]] [Upside Booster Strike Percentage to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]

- [indicative maximum amount: [•]]
- [Upside Booster Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (vi) Gearing 1: [[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 (*Indicative Terms*).
- [indicatively [•]]
- [indicative minimum amount: [•]]
- [indicative maximum amount: [•]]
- [Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (vii) Gearing 2: [[•] per cent.][Not Applicable] [Gearing 2 to be determined in accordance with Condition 18 (*Indicative Terms*).
- [indicatively [•]]
- [indicative minimum amount: [•]]
- [indicative maximum amount: [•]]
- [Gearing 2 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (viii) Cap: [[•] per cent.][Not Applicable]
- (ix) Downside Return 1: [Applicable][Not Applicable]
- (x) Downside Return 2: [Applicable][Not Applicable]
- (xi) Gearing 3: [[•] per cent.][Not Applicable] [Gearing 3 to be determined in accordance with Condition 18 (*Indicative Terms*).
- [indicatively [•]]
- [indicative minimum amount: [•]]
- [indicative maximum amount: [•]]
- [Gearing 3 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (xii) Lower Strike: [[•] per cent.][Not Applicable]

- (xiii) Upper Strike: [[•] per cent.][Not Applicable]
- (j) *Lock-In Call Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- (i) Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
- (ii) Strike Percentage: [[•] per cent.][ [•] per cent.]] [Strike Percentage to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[The Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (iii) Lock-In Percentage: [[•] per cent.]
- (iv) Lock-In Performance: [[Worst][Best] of Provisions apply in relation to the determination Lock-In Performance]
- (A) Lock-In Observation Period: [From and including [•] (the "**Lock-In Observation Start Date**") to and including [•] (the "**Lock-In Observation End Date**")][Not Applicable]
- (B) Lock-In Observation Date[s]: [•][Not Applicable]
- (v) Gearing 1: [[•] per cent.][Not Applicable] [[•] per cent.]] [Gearing 1 to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(k) *N Barrier (Income) Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]

(i) Interest Amount: [In relation to each Calculation Amount and each Interest Payment Date, an amount equal to [•] per cent. of such Calculation Amount][•]

[[In relation to each Calculation Amount and each Interest Payment Date, a specified percentage of Calculation Amount to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]

[The Interest Amount will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(ii) Constant Monitoring: [Applicable][Not Applicable]

(iii) Interest Amount Condition: [Bermudan/American/European] [[Worst][Best] of Provisions apply in relation to the determination of whether the Interest Amount Condition is satisfied]

Interest Payment Date	Interest [Observation] [Valuation] Date[s]	Interest Amount Threshold  (as a percentage of the [Initial Index Level][Initial Share Price] [Initial Value])	Interest Observation Start Date	Interest Observation End Date
[•]	[•][Interest Observation Period applies]	[•]	[•][Not applicable]	[•][Not applicable]
[[•]	[•][Interest Observation Period applies]	[•]	[•][Not applicable]	[•][Not applicable]

(iv) Interest Averaging: [Applicable][Not applicable]

Interest Payment Date	Interest Averaging Dates
[•]	[•]

Interest Payment Date	Interest Averaging Period
[•]	[Each Scheduled Valuation Day in the period from [and including][but excluding] [•] (the "Interest Averaging Start Date") and to [and including][but excluding] [•] (the "Interest Averaging End Date")] [[•] (the "Interest Averaging End Date") and the [•] Scheduled Valuation Days prior to the Initial Averaging End Date]

- (v) Return Threshold: [[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]
- (vi) Digital Return: [[•] per cent.][Not Applicable][Digital Return to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[The Digital Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (vii) Downside Return 1: [Applicable][Not Applicable]
- (viii) Downside Return 2: [Applicable][Not Applicable]
- (ix) Gearing 1 [[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (x) Lower Strike: [[•] per cent.][Not Applicable]
- (xi) Upper Strike: [[•] per cent.][Not Applicable]

- (l) *Range Accrual (Income) Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable] [[Worst][Best] of Provisions apply in relation to the determination of the Accrual Factor]

(i) Range Accrual:	<b>Interest Payment Date</b>	<b>Range Upper Level</b>	<b>Range Lower Level</b>
	[•]	[•]	[•]

(ii) Relevant Rate: [The Rate of Interest specified in the Fixed Rate provisions above][The Reference Rate specified in the Floating Rate provisions above *plus* any specified Margin] [•]

(iii) Return Threshold: [[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]

(iv) Digital Return: [•] per cent.

(v) Downside Return 1: [Applicable][Not Applicable]

(vi) Downside Return 2: [Applicable][Not Applicable]

(vii) Gearing 1: [[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]

[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(viii) Lower Strike: [[•] per cent.][Not Applicable]

(ix) Upper Strike: [[•] per cent.][Not Applicable]

- (m) *Range Accrual Notes (Income) without Capital at Risk:* [Applicable/Not applicable] [[Worst][Best] of Provisions apply in relation to the determination of the Accrual Factor]

(i) Range Accrual:	<b>Interest Payment Date</b>	<b>Range Upper Level</b>	<b>Range Lower Level</b>
	[•]	[•]	[•]

(ii) Relevant Rate: [The Rate of Interest specified in the Fixed Rate provisions above][The Reference Rate specified in the Floating Rate provisions above *plus* any specified Margin] [•]

(iii) Return Threshold: [[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]

- (iv) Digital Return: [•] per cent.
- (n) *Reverse Convertible Notes with Capital at Risk* [Applicable][Not Applicable]
- (i) Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]
- (ii) Downside Return 1: [Applicable][Not Applicable]
- (iii) Downside Return 2: [Applicable][Not Applicable]
- (iv) Gearing 1: [[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (v) Lower Strike: [[•] per cent.][Not Applicable]
- (vi) Upper Strike: [[•] per cent.][Not Applicable]
- (o) *Double Bonus Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- (i) Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]
- (ii) Upper Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]
- (iii) Digital Return [•] per cent.
- (iv) Strike Percentage: [[•] per cent.] [Strike Percentage to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[The Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (v) Gearing 1: [[•] per cent.][Not Applicable] [Gearing to be determined in accordance with Condition 18 (*Indicative Terms*).

		[indicatively [•]]
		[indicative minimum amount: [•]]
		[indicative maximum amount: [•]]]
		[Gearing will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
(vi)	Downside Return 1:	[Applicable][Not Applicable]
(vii)	Downside Return 2:	[Applicable][Not Applicable]
(viii)	Gearing 2:	[[•] per cent.][Not Applicable] [Gearing 2 to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).
		[indicatively [•]]
		[indicative minimum amount: [•]]
		[indicative maximum amount: [•]]]
		[Gearing 2 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
(ix)	Lower Strike:	[[•] per cent.][Not Applicable]
(x)	Upper Strike:	[[•] per cent.][Not Applicable]
(p)	<i>Bear Notes with Capital at Risk Redemption Provisions</i>	[Applicable][Not Applicable]
(i)	Return Threshold:	[[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]
(ii)	Strike Percentage:	[[•] per cent.]] [Strike Percentage to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).
		[indicatively [•]]
		[indicative minimum amount: [•]]
		[indicative maximum amount: [•]]]
		[The Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
(iii)	Capital Downside:	[Applicable][Not Applicable]
(vii)	Cap:	[[•] per cent.][Not Applicable]
(viii)	Gearing 1:	[[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).



		[indicatively [•]]
		[indicative minimum amount: [•]]
		[indicative maximum amount: [•]]]
		[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
(ix)	Downside Return 1:	[Applicable][Not Applicable]
(x)	Downside Return 2:	[Applicable][Not Applicable]
(xi)	Gearing 2:	[[•] per cent.][Not Applicable] [Gearing 2 to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).
		[indicatively [•]]
		[indicative minimum amount: [•]]
		[indicative maximum amount: [•]]]
		[Gearing 2 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
(xii)	Lower Strike:	[[•] per cent.][Not Applicable]
(xiii)	Upper Strike:	[[•] per cent.][Not Applicable]
(q)	<i>Bear Notes without Capital at Risk Redemption Provisions</i>	[Applicable][Not Applicable]
(i)	Return Threshold:	[[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
(ii)	Strike Percentage:	[[•] per cent.]] [Strike Percentage to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).
		[indicatively [•]]
		[indicative minimum amount: [•]]
		[indicative maximum amount: [•]]]
		[The Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
(vii)	Cap:	[[•] per cent.][Not Applicable]
(viii)	Gearing:	[[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).
		[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]]

[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(f) *Dual Underlying Kick Out Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]

(i) Return Threshold: [[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]

(ii) Risk Threshold [[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]

(iii) Digital Return: [[•] per cent.][Not Applicable] [Digital Return to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]]

[Digital Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(iv) Upside Return: [Applicable][Not Applicable]

(v) Cap: [[•] per cent.][Not Applicable]

(vi) Gearing 1: [[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 (*Indicative Terms*).

[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]]

[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

(vii) Downside Return 1: [Applicable][Not Applicable]

(viii) Downside Return 2: [Applicable][Not Applicable]

(ix) Gearing 2: [[•] per cent.][Not Applicable] [Gearing 2 to be determined in accordance with Condition 18 (*Indicative Terms*).

		[indicatively [•]]
		[indicative minimum amount: [•]]
		[indicative maximum amount: [•]]
		[Gearing 2 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
	(x) Lower Strike:	[[•] per cent.][Not Applicable]
	(xi) Upper Strike:	[[•] per cent.][Not Applicable]
(s)	<i>Dual Underlying Upside Notes with Capital at Risk Redemption Provisions</i>	[Applicable][Not Applicable]
	(i) Return Threshold:	[[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]
	(ii) Risk Threshold:	[[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]
	(iii) Minimum Return:	[[•] per cent.][Not Applicable] [Minimum Return to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).
		[indicatively [•]]
		[indicative minimum amount: [•]]
		[indicative maximum amount: [•]]
		[Minimum Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
	(iv) Cap:	[[•] per cent.][Not Applicable]
	(v) Gearing 1:	[[•] per cent.][Not Applicable] [Gearing 2 to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).
		[indicatively [•]]
		[indicative minimum amount: [•]]
		[indicative maximum amount: [•]]
		[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
	(vi) Downside Return 1:	[Applicable][Not Applicable]
	(vii) Downside Return 2:	[Applicable][Not Applicable]

- (viii) Gearing 2: [[•] per cent.][Not Applicable] [Gearing 2 to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[Gearing 2 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (ix) Lower Strike: [[•] per cent.][Not Applicable]
- (x) Upper Strike [[•] per cent.][Not Applicable]
- (t) *Out Performance Call Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- (i) Cap: [[•] per cent.][Not Applicable]
- (ii) Gearing 1: [[•] per cent.][Not Applicable] [Gearing 2 to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (iii) Downside Return 1: [Applicable][Not Applicable]
- (iv) Downside Return 2: [Applicable][Not Applicable]
- (v) Gearing 2: [[•] per cent.][Not Applicable] [Gearing 2 to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[Gearing 2 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (vi) Lower Strike: [[•] per cent.][Not Applicable]
- (vii) Upper Strike [[•] per cent.][Not Applicable]

- (u) *Out Performance Call Notes without Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- (i) Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
- (ii) Cap: [[•] per cent.][Not Applicable]
- (iii) Gearing: [[•] per cent.][Not Applicable] [Gearing to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[Gearing will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (g) *Multi Underlying Upside Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- (i) Determination Provisions: [Worst Performing Underlying][Best Performing Underlying][Average Performance]
- (ii) Return Threshold: [[•] per cent. of Initial Price]
- (iii) Strike Percentage: [[•] per cent.]] [Strike Percentage to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[The Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (iv) Capital Downside: [Applicable][Not Applicable]
- (v) Digital Return: [[•] per cent.][Not Applicable] [Digital Return to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[The Digital Return will be notified and published on the Issuer's website at [•] on or about the Indicative

		Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )
(vi)	Upside Return:	[Applicable][Not Applicable]
(vii)	Minimum Return:	[[•] per cent.][Not Applicable] [Minimum Return to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).  [indicatively [•]]  [indicative minimum amount: [•]]  [indicative maximum amount: [•]]  [The Minimum Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
(viii)	Cap:	[[•] per cent.][Not Applicable]
(ix)	Gearing 1:	[[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).  [indicatively [•]]  [indicative minimum amount: [•]]  [indicative maximum amount: [•]]  [Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
(x)	Downside Return 1:	[Applicable][Not Applicable]
(xi)	Downside Return 2:	[Applicable][Not Applicable]
(xii)	Gearing 2:	[[•] per cent.][Not Applicable] [Gearing 2 to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).  [indicatively [•]]  [indicative minimum amount: [•]]  [indicative maximum amount: [•]]  [Gearing 2 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 ( <i>Indicative Terms</i> )]
(xiii)	Lower Strike:	[[•] per cent.][Not Applicable]
(xiv)	Upper Strike:	[[•] per cent.][Not Applicable]

- (h) *Multi Underlying Upside Notes without Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- (i) Determination Provisions: [Worst Performing Underlying][Best Performing Underlying][Average Performance]
- (ii) Return Threshold: [[•] per cent. of Initial Price]
- (iii) Strike Percentage: [[•] per cent.]] [Strike Percentage to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[The Strike Percentage will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (iv) Digital Return: [[•] per cent.][Not Applicable] [Digital Return to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[The Digital Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (vi) Upside Return: [Applicable][Not Applicable]
- (vii) Minimum Return: [[•] per cent.][Not Applicable] [Minimum Return to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]  
[indicative minimum amount: [•]]  
[indicative maximum amount: [•]]  
[The Minimum Return will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]
- (viii) Cap: [[•] per cent.][Not Applicable]
- (ix) Gearing 1: [[•] per cent.][Not Applicable] [Gearing 1 to be determined in accordance with Condition 18 (*Indicative Terms*).  
[indicatively [•]]

[indicative minimum amount: [•]]

[indicative maximum amount: [•]]

[Gearing 1 will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

6. **Additional Provisions:**

(a) Underlying:

(i) [Single Index [•]  
[[the "[Return]  
[Risk][Primary]  
[Comparator]  
Underlying"]]]

(A) Index Sponsor: [•]

(B) Exchange: [•][Multi-Exchange Index applies]

(ii) [Basket of Indices  
[[the "[Return]  
[Risk][Primary]  
[Comparator]  
Underlying"]]]

Index	Index Sponsor	Exchange	Weighting
[•]	[•]	[•][Multi-Exchange Index]	[•][equally weighted Basket] [Not Applicable]

(iii) [Single [ETF] [•]  
Share [[the  
"[Return]  
[Risk][Primary]  
[Comparator]  
Underlying"]]]

(A) [Share Currency:]

(B) [Share [•]  
Issuer][Exchange  
Traded Fund:]

(C) Exchange: [•]

(iv) [Basket of [ETF]  
Shares [[the  
"[Return]  
[Risk][Primary]  
[Comparator]  
Underlying"]]]

Name and short description of Share (including ISIN Number)	[Share Issuer][Exchange Traded Fund]	Share Currency	Exchange	[Weighting][Number of Shares]
[•]	[•]	[•]	[•]	[•][equally weighted Basket]



				[Not Applicable]
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(v) [Single Fund: Fund Name:] [•]  
 [(the "[Return] [Risk][Primary] [Comparator] Underlying")]

(A) Name and short description of the Fund Interest (including where NAV will be published) [•]

(A) Type of Fund [Mutual Fund][Hedge Fund][Private Equity Fund]

(vi) [Basket of Fund Interests] [(the "[Return] [Risk][Primary] [Comparator] Underlying")]

Fund Name	Name and short description of Fund Interests (including where NAV will be published)	Type of Fund	Weighting
[•]	[•]	[Mutual Fund][Hedge Fund][Private Equity Fund]	[•]

(b) Averaging Dates Market Disruption: [[Omission] [Postponement] [Modified Postponement] [Preceding] applies in respect of [Barrier Condition/Automatic Early Redemption/Final/Initial/Interest Averaging]/[Not Applicable]

(c) Additional Disruption Events: [Change of Law] [Hedging Disruption] [Increased Cost of Hedging][Insolvency Filing][ETF Modification][Strategy Breach][Regulatory Action][Cross-contamination] [As specified in Annex [3] (*Combined Underlying Linked Provisions*)]

(d) Business Day: [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET2 Business Day].] [As specified in Annex [3] (*Combined Underlying Linked Provisions*)]

(e) Valuation Time: [•]

(f) Strike Date: [•]

- (g) [Initial Level][Initial Price][Initial Value][Initial Value]: Index Share Fund [the Level on the Strike Date][the Price on the Strike Date] [the Value on the Strike Date] [the Fund Value on the Strike Date] [Initial Averaging applies][Best Strike applies][•]
- (i) [Constant Monitoring:] [Applicable][Not Applicable]
- (ii) [Strike Start Date:] [•]
- (iii) [Strike Date:] End [•]
- (h) Initial Averaging: [Applicable][Not applicable]
- (i) [Initial Averaging Dates:] [•][Initial Averaging Period applies]
- (A) [Initial Averaging Period:] [Not Applicable] [Each Scheduled Valuation Day in the period from [and including][but excluding] [•] (the "**Initial Averaging Start Date**") and to [and including][but excluding] [•] (the "**Initial Averaging End Date**")] [[•] (the "**Initial Averaging End Date**") and the [•] Scheduled Valuation Days prior to the Initial Averaging End Date.]
- (i) Automatic Early Redemption: [Applicable][Not Applicable][Constant Monitoring applies][Worst][Best] of Provisions apply in relation to the determination of whether an Automatic Early Redemption Event has occurred.]

Automatic Early Redemption Valuation Date	Automatic Early Redemption Date	Automatic Early Redemption Amount	Automatic Early Redemption Threshold
[•]	[•]	[•] per cent. of Issue Price [Automatic Early Redemption Amount to be determined in accordance with Condition 18 ( <i>Indicative Terms</i> ).  [indicatively [•]]  [indicative minimum	[•] per cent. of Initial [Share Price][Value] [Index Level]

		amount: [•]]	
		[indicative maximum amount: [•]]]	

[Automatic Early Redemption Amount will be notified and published on the Issuer's website at [•] on or about the Indicative Terms Notification Date as described in Condition 18 (*Indicative Terms*)]

- (j) Automatic Early Redemption Averaging: [Applicable][Not Applicable]. [Automatic Early Redemption Averaging Period applies.]

<b>[Automatic Early Redemption Date]</b>	<b>Automatic Early Redemption Averaging Dates</b>
[•]	[•], [•] and [•]

<b>[Automatic Early Redemption Date]</b>	<b>Automatic Early Redemption Averaging Period</b>
[•]	[Each Scheduled Valuation Day in the period from and including [•] (the "Automatic Early Redemption Averaging Start Date") and to and including [•] (the "Automatic Early Redemption Averaging End Date")] [[•] (the "Automatic Early Redemption Averaging End Date") and the [•] Scheduled Valuation Days prior to the Automatic Early Redemption Averaging End Date.]

- (k) Barrier Condition: [American][European][Bermudan][Not Applicable] [Worst][Best] of Provisions apply in relation to any determination of whether the Barrier Condition is satisfied.]

- (i) [Barrier Threshold:] [•] per cent. of [Initial Index Level][Initial Share Price] [Initial Value][Initial Fund Value] [Barrier Threshold to be determined in accordance with Condition 18 (*Indicative Terms*).

- (ii) [Barrier Valuation Date:] [•][Not Applicable]

- (iii) [Barrier Observation Period:] [The period from and including [•] (the "**Barrier Observation Start Date**") to and including [•] (the "**Barrier Observation End Date**")][Not Applicable]
- (iv) [Barrier Observation Dates:] [[•][•] and [•]][Not Applicable]
- (v) [Constant Monitoring:] [Applicable][Not Applicable]
- (l) Barrier Averaging: [Applicable][Not Applicable]
  - (i) [Barrier Averaging Dates:] [[•][•] and [•]] [Barrier Averaging Period applies]
    - (A) [Barrier Averaging Period:] [Each Scheduled Valuation Day in the period from and including [•] (the "**Barrier Averaging Start Date**") and to and including [•] (the "**Barrier Averaging End Date**")][[•] (the "**Barrier Averaging End Date**") and the [•] Scheduled Valuation Days prior to the Barrier Averaging End Date.]
- (m) [Final Index Level][Final Share Price][Final Value][Final Fund Value]: [the Level on the Final Redemption Valuation Date][the Price on the Final Redemption Valuation Date][the Value on the Final Redemption Valuation Date][the Fund Value on the Final Redemption Valuation Date][Final Averaging applies][Best Final applies] [Worst][Best] of Provisions apply in relation to the determination of [Final Index Level][Final Share Price][Final Value][Final Fund Value]
  - (i) Final Redemption Valuation Date: [•][Final Redemption Valuation Date]
  - (ii) [Best Final Start Date:] [•][Not Applicable]
  - (iii) [Best Final End Date:] [•][Not Applicable]
  - (iv) [Constant Monitoring:] [Applicable][Not Applicable]
- (n) Final Averaging: [Applicable][Not Applicable]
  - (i) [Final Averaging Dates:] [[•] [Final Averaging Period applies]
  - (ii) [Final Averaging Period:] [Not Applicable] [Each Scheduled Valuation Day in the period from and including [•] (the "**Final Averaging Start Date**") and to and including [•] (the "**Final Averaging End Date**")][[•] (the "**Final Averaging End Date**") and the [•] Scheduled Valuation Days prior to the Final Averaging End Date.]

- (o) Downside [Final Index Level][Final Share Price][Final Value][Final Fund Value]: [the Level on the Final Redemption Valuation Date][the Price on the Final Redemption Valuation Date][the Value on the Final Redemption Valuation Date] ][the Fund Value on the Final Redemption Valuation Date][ [Downside Final Averaging applies][Downside Best Final applies] [Worst][Best] of Provisions apply in relation to the determination of Downside[Final Index Level][Final Share Price][Final Value][Final Fund Value]][Not Applicable]
- (i) [Downside Final Redemption Valuation Date]: [•]
- (ii) [Downside Best Final Start Date:] [•][Not Applicable]
- (iii) [Downside Best Final End Date:] [•][Not Applicable]
- (iv) [Constant Monitoring:] [Applicable][Not Applicable]
- (p) Downside Final Averaging: [Applicable][Not Applicable]
- (i) [Downside Final Averaging Dates:] [[•] [Downside Final Averaging Period applies]
- (ii) [Downside Final Averaging Period:] [Not Applicable] [Each Scheduled Valuation Day in the period from and including [•] (the "**Downside Final Averaging Start Date**") and to and including [•] (the "**Downside Final Averaging End Date**")][ [•] (the "**Downside Final Averaging End Date**") and the [•] Scheduled Valuation Days prior to the Downside Final Averaging End Date.]
- (q) Fund Documents: [•][Not Applicable]
- (r) Fund Business Day: [•][Not Applicable]
- (s) Fund Service Provider: [As per Conditions][•][Not Applicable]
- (t) NAV Trigger Percentage: [As per Conditions][The NAV Trigger Percentage shall be, with respect to [a Mutual Fund, [•] per cent.] [a Hedge Fund, [•] per cent.,] [a Private Equity Fund, [•] per cent.]] [•][Not Applicable]
- (u) Number of NAV Publication Days: [As per Conditions][•][Not Applicable]
- (v) Minimum AUM Level: [As per Conditions][The Minimum AUM Level shall be, with respect to [a Mutual Fund, [•]] [a Hedge Fund, [•]] [a Private Equity Fund, [•]], or the equivalent in any other currency][•][Not Applicable]
- (w) Delayed redemption on Occurrence of an Extraordinary Fund Event: [Applicable][Not Applicable]

(x) Delayed Payment Cut-Off [As per Conditions][•]  
Date:

[ANNEX [1][2]  
**INFLATION LINKED PROVISIONS]**

1. **Type of Note:** [Inflation Linked Note][Combined Underlying Linked Note]
2. **Inflation Index:** [•]
3. **Redemption and Interest Provisions**

(a) *Inflation Linked Notes without Capital at Risk* [Applicable][Not applicable]

- (i) Underlying Linked Interest: [Applicable][Not Applicable]
- (ii) Fixed Rate of Interest: [•] / [Not Applicable]
- (iii) Initial Inflation Level: [[•] / Reference Month: [•]]
- (iv) Interest Payment Dates: [[•] in each year up to and including the Maturity Date / [•]][Not Applicable]
- (v) Reference Month in relation to Interest Payment Dates: [•] / [Not applicable]

Interest Date	Payment	Reference Month
[•]		[•]
[•]		[•]
[•]		[•]
[•]		[•]

- (vi) Reference Month in relation to the Maturity Date: [•]
- (vii) Minimum Return [•][Not Applicable]

(b) *Inflation (Interest Only) Linked Notes without Capital at Risk* [Applicable][Not applicable]

- (i) Initial Inflation Level: [[•] / Reference Month: [•]]
- (ii) Interest Payment Dates: [[•] in each year up to and including the Maturity Date / [•]]
- (iii) Reference Month in relation to Interest Payment Dates: [•] / [Not applicable]

Interest Date	Payment	Reference Month
[•]		[•]
[•]		[•]
[•]		[•]
[•]		[•]

(iv) Margin: [•] / [Not applicable]

(v) Maximum Rate of Interest: [•] / [Not applicable]

(vi) Minimum Rate of Interest: [•] / [Not applicable]

(c) *Inflation Linked Notes with Capital at Risk* [Applicable][Not applicable]

(i) Underlying Linked Interest: [Applicable][Not Applicable]

(ii) Fixed Rate of Interest: [•] / [Not applicable]

(iii) Initial Inflation Level: [[•] / Reference Month: [•]]

(iv) Interest Payment Dates: [[•] in each year up to and including the Maturity Date / [•]][Not Applicable]

(v) Reference Month in relation to Interest Payment Dates: [•] / [Not applicable]

Interest Date	Payment	Reference Month
[•]		[•]
[•]		[•]
[•]		[•]
[•]		[•]

(vi) Reference Month: in relation to the Maturity Date: [•]

(vii) Inflation Linked Instalment Provisions: [Applicable][Not applicable]

(viii) Reference Month in relation to Instalment Dates: [•]



<b>Instalment Date</b>	<b>Reference Month</b>
[•]	[•]
[•]	[•]
[•]	[•]
[•]	[•]

4. **Additional Provisions**

- (a) Fallback Bond: [•] / [Not applicable]
- (b) Related Bond: [•] / [Fallback Bond]
- (c) Related Bond Redemption Event: [Applicable/Not applicable]

**[ANNEX 3  
 COMBINED UNDERLYING LINKED PROVISIONS]**

1. **Type of Note:** Combined Underlying Linked Note
2. **Return Underlying** [The Inflation Index specified in Annex [2] (*Inflation Linked Note Provisions*)]
3. **Risk Underlying** [The [Index][ETF Share] [Single Fund Interest] [Basket of Fund Interests][Basket of Indices][Basket of Shares] specified in Annex [1] (*Equity/Index/Multi Underlying Linked Note Provisions*)]
4. **Redemption and Interest Provisions**
  - (a) *Underlying Linked Interest* [Applicable][Not applicable]
    - (i) Initial Inflation Level: [[•] / Reference Month: [•]]
    - (ii) Interest Payment Dates: [[•] in each year up to and including the Maturity Date / [•]][Not Applicable]
    - (iii) Reference Month in relation to Interest Payment Dates: [•] / [Not applicable]

Interest Payment Date	Reference Month
[•]	[•]
[•]	[•]
[•]	[•]
[•]	[•]
  - (iv) Adjusted Fixed/Floating
    - (A) [Floating Rate of Interest] [Determined in accordance with Condition 4 (*Interest*)][Not Applicable]
    - (B) [Fixed Rate of Interest] [•] / [Not applicable]][Not Applicable]
    - (C) [Gearing 1: [•] / [Not applicable]]
  - (v) Spread Interest: [Applicable][Not Applicable]
    - (A) [Spread: [•] / [Not applicable]]
    - (B) [Maximum Rate of Interest] [•] / [Not applicable]]

- (C) [Minimum Rate of Interest: [•] / [Not applicable]]
- (D) [Gearing 1: [•] / [Not applicable]]
- (vi) Reference Month: [•]  
in relation to the Maturity Date:
- (b) *Combined Underlying Linked Upside Notes with Capital at Risk* [Applicable][Not applicable]
- (i) Return Threshold: [[•] per cent. of [Initial Index Level][Initial Share Price]][Initial Value][Initial Fund Value]
- (ii) Risk Threshold [[•] per cent. of [Initial Index Level][Initial Share Price]][Initial Value][Initial Fund Value]
- (iii) Strike Percentage: [[•] per cent.]
- (iv) Cap: [[•] per cent.][Not Applicable]
- (v) Gearing 2: [[•] per cent.][Not Applicable]
- (vi) Downside Return 1: [Applicable][Not Applicable]
- (vii) Downside Return 2: [Applicable][Not Applicable]
- (viii) Gearing 3: [[•] per cent.][Not Applicable]
- (ix) Lower Strike: [[•] per cent.][Not Applicable]
- (x) Upper Strike: [[•] per cent.][Not Applicable]
- (c) *Combined Underlying (Inflation Interest and Equity/Index/Fund Downside) Linked Notes with Capital at Risk* [Applicable][Not applicable]
- (i) Risk Threshold: [[•] per cent. of [Initial Index Level][Initial Share Price]][Initial Value][Initial Fund Value]
- (ii) Downside Return 1: [Applicable][Not Applicable]
- (iii) Downside Return 2: [Applicable][Not Applicable]
- (iv) Gearing 2: [[•] per cent.][Not Applicable]
- (v) Lower Strike: [[•] per cent.][Not Applicable]
- (vi) Upper Strike: [[•] per cent.][Not Applicable]
5. **Additional Provisions**
- (a) Additional Disruption Events: [Change of Law] [Hedging Disruption] [Increased Cost of Hedging][Insolvency Filing][ETF Modification][Strategy Breach][Regulatory Action][Cross-contamination]
- (b) Business Day: [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign

Part A – Information Relating to all Notes  
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exchange and foreign currency deposits) in [•] [and (ii)  
which is a TARGET2 Business Day].]

**[ANNEX 2][4]  
REFERENCE ENTITIES]**

*[Insert table of Reference Entities determined by reference to a CDS Index (including, where applicable, each Reference Entity's name, ISIN, address, country of incorporation, industry or industries of the Reference Entity and the name of market on which its securities are listed)]*

<b>Reference Entity</b>	<b>ISIN</b>	<b>Address</b>	<b>Country of Incorporation</b>	<b>Industry</b>	<b>Market Listing<sup>9</sup></b>	<b>of</b>
[•]	[•]	[•]	[•]	[•]	[•]	
[•]	[•]	[•]	[•]	[•]	[•]	

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<sup>9</sup> Specify regulated market, equivalent third country market or SME Growth Market

## GENERAL TERMS AND CONDITIONS OF THE NOTES

*The following (save for paragraphs in italics) are the General Terms and Conditions of the Notes (the "Conditions") which, together with the Terms and the Additional Terms (as defined below) will be incorporated by reference into each Global Note (as defined below) and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions, Terms and Additional Terms. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Investec Bank Limited (the "**Issuer**") constituted by an amended and restated trust deed (as modified and/or supplemented and/or restated from time to time) dated 17 December 2020 (the "**Trust Deed**"), made between the Issuer and BNY Mellon Corporate Trustee Services Limited (the "**Trustee**", which expression shall include any successor as Trustee).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any Definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form; and
- (d) any Definitive Notes in registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (as amended and/or supplemented and/or restated from time to time) dated 17 December 2020 (the "**Agency Agreement**"), made between the Issuer, the Trustee, The Bank of New York Mellon as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent) and the other paying agent named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the "**Registrar**", which expression shall include any successor registrar) and the other transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes ("**Definitive Bearer Notes**") have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for a Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on such Note which complete these General Terms and Conditions. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the "**Noteholders**", which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the "**Receiptholders**") and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement (i) are available for collection or inspection during normal business hours at the principal London office for the time being of the Trustee being at 40<sup>th</sup> Floor, One Canada Square, London E14 5AL and at the specified office of each of the Principal Paying Agent, the Registrar and any other Paying Agents and Transfer Agents (such Principal Paying Agent, the Registrar, any other Paying Agents and Transfer Agents being together referred to as the "**Agents**") or (ii) may be provided by email to a Noteholder following prior written request to the Trustee or the relevant Agent therefor and provision of proof of holding and identity (in form satisfactory to the Trustee or the relevant Agent, as the case may be). Copies of the applicable Final Terms are available for viewing at and copies may be obtained from Investec Bank Limited, 100 Grayston Drive, Sandown, Sandton 2196, PO Box 785700 Sandton 2146, South Africa or at The Bank of New York Mellon, One Canada Square, London E14 5AL or at The Bank of New York Mellon SA/NV, Luxembourg Branch, Vertigo Building, Polaris – 2-4 rue Eugène Ruppert, L-2453, Grand Duchy of Luxembourg, save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"), the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed and the applicable Final Terms which are applicable to them, and are deemed to have notice of all the provisions of the Agency Agreement. The statements in these General Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

In addition to these General Terms and Conditions, certain terms and redemption provisions relating (as applicable) to Equity Linked Notes (as set out in Part A), Index Linked Notes (as set out in Part A), Fund Linked Notes (as set out in Part A), Multi Underlying Linked Notes (as set out in Part A), Inflation Linked Notes (as set out in Part B) or Combined Underlying Linked Notes (as set out in Part C ) (together, the "**Terms**") will apply to the Notes if so specified in the relevant Final Terms.

Further, in addition to the Conditions and any Terms applicable to the Notes, certain further additional terms relating to Credit Linked Notes (as set out in Part D) (the "**Additional Terms**") will apply to the Notes if so specified in the relevant Final Terms. Such Notes are referred to as "**Credit Linked Notes**".

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these General Terms and Conditions unless the context otherwise requires or unless otherwise stated and *provided that*, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

Subject to the provisions of the Terms, in the event of any inconsistency between (i) any of the applicable Terms and the Conditions, the applicable Terms will prevail for the purposes of the relevant Note, (ii) any of the applicable Terms and the Final Terms, the applicable Final Terms shall prevail.

#### 1. **FORM, DENOMINATION AND TITLE**

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of Definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s) *provided that* in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or in the United Kingdom or offered to the public in a Member State of the European Economic Area or in the United Kingdom in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent any other currency as at the date of issue of the relevant Notes). Notes of one Specified Denomination may

not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

*Subordinated Capital Notes (as defined in Condition 3.8) may not be issued in bearer form and will only be issued in registered form.*

The relevant Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms. The Terms and/or the Additional Terms may also apply to the relevant Note, as specified in the applicable Final Terms.

The relevant Note may be an Instalment Note, depending upon the Redemption Basis shown in the applicable Final Terms.

The relevant Note may also be a Senior Note, or a Subordinated Note as indicated in the applicable Final Terms. Subordinated Notes may be Subordinated Capital Notes or Subordinated Notes which are not Subordinated Capital Notes, as indicated in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these General Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Agents and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.



## 2. **TRANSFERS OF REGISTERED NOTES**

### 2.1 **Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Notes in definitive form ("**Definitive Registered Notes**") or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, in accordance with the terms and conditions specified in the Agency Agreement and subject to applicable law.

### 2.2 **Transfers of Registered Notes in definitive form**

Subject as provided in Condition 2.5 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### 2.3 **Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 9, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

### 2.4 **Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

### 2.5 **Exchanges and transfers of Registered Notes generally**

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

### 3. STATUS OF THE SENIOR NOTES AND SUBORDINATION

#### 3.1 Status of the Senior Notes

If the Notes are specified as Senior Notes in the applicable Final Terms, the Senior Notes and the related Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

#### 3.2 Status of the Subordinated Notes that are not Subordinated Capital Notes

- (a) *Application:* This Condition 3.2 applies only to Subordinated Notes that are not Subordinated Capital Notes.
- (b) *Status of Subordinated Notes that are not Subordinated Capital Notes:* If the Notes are specified as Subordinated Notes in the applicable Final Terms, the Subordinated Notes and the related Receipts and Coupons (if any) are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* amongst themselves and (save for certain debts accorded preferential rights by law) and at least *pari passu* with all other Subordinated Indebtedness.
- (c) *Subordination:* Subordinated Notes (and the related Receipts and Coupons, if any) will not be subordinated to any categories of share capital of the Issuer. Subject to Applicable Laws, in the event of the dissolution, winding-up or liquidation of the Issuer:
  - (i) the claims of each holder of Subordinated Notes (and the related Receipts and Coupons, if any) entitled to be paid amounts due under the Subordinated Notes (and the related Receipts and Coupons, if any) shall be subordinated to, and rank in priority of payment below, all Concurrent Claims;
  - (ii) no holder of Subordinated Notes (and the related Receipts and Coupons, if any) entitled to be paid amounts due under the Subordinated Notes (and the related Receipts and Coupons, if any) shall be entitled to prove or tender to prove a claim in respect of the Subordinated Notes (and the related Receipts and Coupons, if any) until all Concurrent Claims have been paid or provided for in full; and
  - (iii) no amount due under the Subordinated Notes (and the related Receipts and Coupons, if any) shall be eligible for set-off or shall be payable to any holder of Subordinated Notes (and the related Receipts and Coupons, if any) entitled to be paid such amount until all Concurrent Claims have been paid or provided for in full.

#### 3.3 Regulatory Capital Requirements and Additional Conditions: Subordinated Capital Notes

In order for the proceeds of the issuance of Subordinated Notes to qualify as Regulatory Capital, Subordinated Notes must comply with the applicable Regulatory Capital Requirements and Additional Conditions (if any) prescribed by the Prudential Authority in respect of a particular Tranche of Subordinated Notes. The Issuer will specify in the applicable Final Terms whether any issue of Notes is an issue of Tier 2 Notes the proceeds of which are intended to qualify as Tier 2 Capital or an issue of Additional Tier 1 Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital.

The payment obligations of the Issuer in respect of Subordinated Notes the proceeds of which are intended to qualify as Regulatory Capital shall rank in accordance with the provisions of the Regulations Relating to Banks as set out in Conditions 3.4 (*Status of the Tier 2 Notes*) and 3.5 (*Status of the Additional Tier 1 Notes*), as applicable, and in the applicable Final Terms relating to such Notes.

### 3.4 Status of the Tier 2 Notes

- (a) *Application:* This Condition 3.4 applies only to Tier 2 Notes.
- (b) *Status of Tier 2 Notes:* The Tier 2 Notes and the related Receipts and Coupons (if any) constitute direct, unsecured and, in accordance with Condition 3.4(c) (*Subordination*), subordinated obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and (save for those that have been accorded by law preferential rights) at least *pari passu* with all other claims of creditors of the Issuer which rank or are expressed to rank (and which are entitled to rank) *pari passu* with the Tier 2 Notes.
- (c) *Subordination:* The claims of Tier 2 Noteholders entitled to be paid amounts due in respect of the Tier 2 Notes and the related Receipts and Coupons (if any) are subordinated to the claims of Depositors and Senior Creditors and, accordingly, if the Issuer is wound up or placed under liquidation, whether voluntarily or involuntarily:
  - (i) no Tier 2 Noteholder shall be entitled to prove or tender to prove a claim in respect of the Tier 2 Notes and the related Receipts and Coupons (if any);
  - (ii) no amount due under the Tier 2 Notes and the related Receipts and Coupons (if any) shall be eligible for set-off, counterclaim, abatement or other similar remedy which a Tier 2 Noteholder might otherwise have under the laws of any jurisdiction in respect of the Tier 2 Notes and the related Receipts and Coupons (if any) nor shall any amount due under the Tier 2 Notes or the related Receipts and Coupons (if any) be payable to any Tier 2 Noteholder; and
  - (iii) subject to Applicable Law, a Tier 2 Noteholder may not exercise or claim any right of set-off in respect of any amount arising out of or in connection with the Tier 2 Notes and the related Receipts and Coupons (if any) owed to it by the Issuer and each Tier 2 Noteholder shall, by virtue of its subscription, purchase or holding of any Tier 2 Notes, be deemed to have waived all such rights of setoff and, to the extent that any set-off takes place, whether by operation of law or otherwise, between: (aa) any amount arising out of or in connection with the Tier 2 Notes and the related Receipts and Coupons (if any) owed by the Issuer to a Tier 2 Noteholder; and (bb) any amount owed to the Issuer by such Tier 2 Noteholder, such Tier 2 Noteholder will immediately transfer such amount which is set-off to the Issuer or, in the event of its winding-up or liquidation (as the case may be), the liquidator, or other relevant insolvency official of the Issuer, to be held on trust for the Depositors and Senior Creditors,

until the claims of Depositors and Senior Creditors which are admissible in any such winding-up or liquidation have been paid or discharged in full.

### 3.5 Status of the Additional Tier 1 Notes

- (a) *Application:* This Condition 3.5 applies only to Additional Tier 1 Notes.
- (b) *Status of Additional Tier 1 Notes:* The Additional Tier 1 Notes and the related Receipts and Coupons (if any) constitute direct, unsecured and, in accordance with Condition 3.5(c) (*Subordination*), subordinated obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and (save for those that have been accorded by law preferential rights) at least *pari passu* with all other claims of creditors of the Issuer which rank or are expressed to rank (and which are entitled to rank) *pari passu* with the Additional Tier 1 Notes.
- (c) *Payment out of distributable reserves only:* Should the Issuer pay any distribution or coupon in respect of an instrument or shares of which the proceeds rank as Additional Tier 1 Capital, such distribution or coupon shall be paid out of the distributable reserves only, as envisaged by regulation 38(11)(b)(vi)(D) of the Regulations Relating to Banks.

- (d) *Subordination*: The claims of Additional Tier 1 Noteholders entitled to be paid amounts due in respect of the Additional Tier 1 Notes and the related Receipts and Coupons (if any) are subordinated to the claims of Depositors, Senior Creditors and the holders of Subordinated Debt and, accordingly, if the Issuer is wound up or placed under liquidation, whether voluntarily or involuntarily:
- (i) no Additional Tier 1 Noteholder shall be entitled to prove or tender to prove a claim in respect of the Additional Tier 1 Notes and the related Receipts and Coupons (if any);
  - (ii) no amount due under the Additional Tier 1 Notes and the related Receipts and Coupons (if any) shall be eligible for set-off, counterclaim, abatement or other similar remedy which an Additional Tier 1 Noteholder might otherwise have under the laws of any jurisdiction in respect of the Additional Tier 1 Notes and the related Receipts and Coupons (if any) nor shall any amount due under the Additional Tier 1 Notes or the related Receipts and Coupons (if any) be payable to any Additional Tier 1 Noteholder; and
  - (iii) subject to Applicable Law, an Additional Tier 1 Noteholder may not exercise or claim any right of set-off in respect of any amount arising out of or in connection with the Additional Tier 1 Notes and the related Receipts and Coupons (if any) owed to it by the Issuer and each Additional Tier 1 Noteholder shall, by virtue of its subscription, purchase or holding of any Additional Tier 1 Notes, be deemed to have waived all such rights of set-off and, to the extent that any set-off takes place, whether by operation of law or otherwise, between: (aa) any amount arising out of or in connection with the Additional Tier 1 Notes and the related Receipts and Coupons (if any) owed by the Issuer to an Additional Tier 1 Noteholder; and (bb) any amount owed to the Issuer by such Additional Tier 1 Noteholder, such Additional Tier 1 Noteholder will immediately transfer such amount which is set-off to the Issuer or, in the event of its winding-up or liquidation (as the case may be), the liquidator or other relevant insolvency official of the Issuer, to be held on trust for Depositors, Senior Creditors and the holders of Subordinated Debt,

until the claims of Depositors, Senior Creditors and the holders of Subordinated Debt which are admissible in any such winding-up or liquidation have been paid or discharged in full.

### 3.6 **Non-Viability Loss Absorption**

- (a) *Application*: This Condition 3.6 applies only to Subordinated Capital Notes and is referred to in these General Terms and Conditions as the "**Non-Viability Loss Absorption Condition**".
- (b) *Trigger Event*: Upon the occurrence of a Trigger Event, the Issuer will notify holders of Subordinated Capital Notes (a "**Trigger Event Notice**") in accordance with Condition 16 (*Notices*) that a Trigger Event has occurred and subsequently Write-off the relevant Tier 2 Notes or Additional Tier 1 Notes (as applicable), in whole or in part, in accordance with the Regulatory Capital Requirements.
- (c) *No compensation*: For the avoidance of doubt, the Issuer shall not be obliged to pay compensation in any form to the holders of Subordinated Capital Notes in respect of a Write-off of such Notes in accordance with the General Terms and Conditions.
- (d) *No default*: For the avoidance of doubt, any Write-off of Subordinated Capital Notes upon the occurrence of a Trigger Event will not constitute an Event of Default or any other breach of the Issuer's obligations under the General Terms and Conditions.

### 3.7 **Disapplication of the Non-Viability Loss Absorption Condition**

- (a) *Application*: This Condition 3.7 applies only to Subordinated Capital Notes.

(b) *Statutory Loss Absorption Regime*: If a Statutory Loss Absorption Regime is implemented in South Africa and such Statutory Loss Absorption Regime:

- (i) is not applied mandatorily to the Subordinated Capital Notes; and
- (ii) provides that the Issuer may, or otherwise allows the Issuer to, or does not restrict the ability of the Issuer to, elect to apply such Statutory Loss Absorption Regime to the Subordinated Capital Notes;

then the Issuer may at any time, subject to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and by giving notice (the "**Amendment Notice**") to the holders of Subordinated Capital Notes (which Amendment Notice shall be irrevocable) in accordance with Condition 16 (*Notices*), elect to apply that Statutory Loss Absorption Regime to the Subordinated Capital Notes from the date specified in the Amendment Notice (the "**Amendment Date**"), being a date no earlier than the date on which the Statutory Loss Absorption Regime takes effect, and upon such Statutory Loss Absorption Regime applying to the Subordinated Capital Notes on and from the Amendment Date the Non-Viability Loss Absorption Condition shall cease to apply to the Subordinated Capital Notes (such Issuer option to apply the Statutory Loss Absorption Regime to the Subordinated Capital Notes, being the "**Amendment Option**") *provided that*:

- (i) if the Issuer does not exercise the Amendment Option, and, this non-exercise (x) results in the Subordinated Capital Notes being fully or partially excluded from the Tier 2 Capital or Additional Tier 1 Capital (as applicable) of the Issuer on a solo and/or consolidated basis and (y) is the sole reason for such exclusion, then such exclusion shall not constitute a Regulatory Event (although this limited exclusion is without prejudice to any other rights the Issuer may have if a different event occurs or has occurred which is deemed to be a Regulatory Event); and
- (ii) notwithstanding (b)(i) above, any mandatory application of the Statutory Loss Absorption Regime to the Subordinated Capital Notes under applicable law which results in the Subordinated Capital Notes being fully or partially excluded from the Tier 2 Capital or Additional Tier 1 Capital (as applicable) of the Issuer on a solo and/or consolidated basis shall constitute a Regulatory Event under these General Terms and Conditions unless such mandatory application of the Statutory Loss Absorption Regime would not have resulted in the Tier 2 Notes or the Additional Tier 1 Notes (as applicable) being so excluded from the Tier 2 Capital or the Additional Tier 1 Capital, respectively, of the Issuer had the Issuer exercised its Amendment Option.

(c) *Automatic disapplication of Non-Viability Loss Absorption Condition*: If the Statutory Loss Absorption Regime is applied mandatorily to the Subordinated Capital Notes under applicable law, the Non-Viability Loss Absorption Condition will (only to the extent required by the Statutory Loss Absorption Regime) cease to apply and the Notes will be subject to such minimum requirements of the Statutory Loss Absorption Regime required to ensure that the Notes continue to qualify as Tier 2 Capital or Additional Tier 1 Capital (as applicable) with effect from the date on which the Statutory Loss Absorption Regime takes effect.

(d) *Notification etc.*: For the avoidance of doubt, if a Trigger Event occurs on or after such date on which the Non-Viability Loss Absorption Condition ceases to apply, (a) the Issuer will notify holders of the Subordinated Capital Notes in accordance with Condition 16 (*Notices*) that a Trigger Event has occurred and (b) the Prudential Authority or the Issuer, following instructions from the Prudential Authority, may take such action in respect of the Subordinated Capital Notes as is required or permitted by such Statutory Loss Absorption Regime.

### 3.8 Definitions

For the purposes of these General Terms and Conditions:

**"Additional Conditions"** means, in relation to any issue of Notes, the proceeds of which are intended by the Issuer to qualify as Regulatory Capital, such conditions, in addition to the conditions specified in the applicable Regulatory Capital Requirements, as may be prescribed by the Prudential Authority for the proceeds of the issue of such Notes to qualify as Regulatory Capital.

**"Additional Tier 1 Capital"** means "additional tier 1 capital" as defined in the Banks Act;

**"Additional Tier 1 Capital Regulations"** means Regulation 38(11)(b) of the Regulations Relating to Banks and/or such other provisions of the Regulatory Capital Requirements with which the instruments and/or shares contemplated in that Regulation 38(11)(b) (including the Additional Tier 1 Notes) must comply in order for the proceeds of the issue of such instruments and/or shares to rank as Additional Tier 1 Capital;

**"Additional Tier 1 Noteholder"** means a holder of an Additional Tier 1 Note;

**"Additional Tier 1 Notes"** means Notes specified as such in the relevant Final Terms and complying with the Additional Tier 1 Capital Regulations;

**"Applicable Laws"** means, in relation to a person, all and any South African (A) statutes and subordinate legislation, (B) regulations, ordinances and directives, (C) by-laws, (D) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, and (E) other similar provisions, from time to time, applicable to that person and/or compliance with which is mandatory for that person;

**"Banks Act"** means the South African Banks Act, 1990 (as amended from time to time);

**"CET 1 Ratio"** means, in relation to the Issuer at any time, the Common Equity Tier 1 Capital ratio of the Issuer at that time, as determined in accordance with the applicable Regulatory Capital Requirements;

**"Common Equity Tier 1 Capital"** means "common equity tier 1 capital" as defined in the Banks Act;

**"Concurrent Claims"** means all unsecured, non-preferent, unsubordinated claims of creditors of the Issuer including, without limiting the generality of the foregoing, the claims of the holders of Senior Notes, proved in the dissolution, winding-up or liquidation of the Issuer;

**"Deposit"** means a "deposit" as defined in the Banks Act;

**"Depositor"** means any person having a claim against the Issuer in respect of a Deposit;

**"Guidance Note 6"** means Guidance Note 6 of 2017 (Loss absorbency requirements for Additional Tier 1 and Tier 2 capital instruments) issued by the South African Reserve Bank on 14 August 2017 in terms of section 6(5) of the Banks Act, or such other replacement or successor guidance note, directive or circular;

**"Prudential Authority"** means the Prudential Authority as appointed under section 32 of the South African Financial Sector Regulation Act, 2017;

**"Regulations Relating to Banks"** means the Regulations promulgated under section 90 of the Banks Act (published on 12 December 2012 as No. R. 12 1029 in Government Gazette No. 35950), as amended, supplemented or replaced from time to time;

**"Regulatory Capital"** means, as applicable, Tier 2 Capital or Additional Tier 1 Capital;

**"Regulatory Capital Requirements"** means, at any time, any capital regulations, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in South Africa in relation to banks registered under the Banks Act and licensed to conduct the business of a bank in South Africa (including, but not limited to, the Regulations Relating to Banks and the Additional Conditions (if any)) (or if the Issuer becomes domiciled in a jurisdiction other than South Africa, any legislation, regulations, requirements, guidelines and policies relating to

capital adequacy then in effect in such other jurisdiction in relation to banks registered in, and licensed to conduct the business of a bank in, such other jurisdiction);

"**SA Companies Act**" means the South African Companies Act, 2008 (as amended from time to time);

"**Senior Creditors**" means:

- (a) all creditors of the Issuer (including the holders of Senior Notes) whose claims against the Issuer are in respect of unsubordinated obligations of the Issuer; and
- (b) all creditors of the Issuer whose claims are, or are expressed to be (or are deemed under the Regulatory Capital Requirements to be), subordinated to the claims of other creditors of the Issuer other than the claims of (i) all creditors of the Issuer whose claims rank or are expressed to rank (or are deemed under the Regulatory Capital Requirements to rank) *pari passu* with, or junior to, the claims of holders of Subordinated Notes that are not Subordinated Capital Notes (ii) all creditors of the Issuer whose claims rank or are expressed to rank (or are deemed under the Regulatory Capital Requirements to rank) *pari passu* with, or junior to, the claims of the Tier 2 Noteholders, or (iii) all creditors of the Issuer whose claims rank or are expressed to rank (or are deemed under the Regulatory Capital Requirements to rank) *pari passu* with, or junior to, the claims of the Additional Tier 1 Noteholders;

"**Senior Notes**" means Notes issued with the status and characteristics set out in Condition 3.1 (*Status of the Senior Notes*) as specified in the applicable Final Terms;

"**South Africa**" means the Republic of South Africa;

"**Statutory Loss Absorption Regime**" means any legal, statutory or regulatory regime or requirement implemented in South Africa which provides the Prudential Authority or another dedicated authority with (i) special resolution powers in respect of systemically-important and other financial institutions and/or (ii) the power to implement principal loss absorption measures in respect of capital instruments (such as Additional Tier 1 Capital and Tier 2 Capital) in accordance with Basel III (being the set of minimum global standards for banks issued by the Basel Committee on Banking Supervision in December 2010 and revised in July 2011, or its successor or replacement standard) and which legal, statutory or regulatory regime or requirement so implemented:

- (a) requires the capital instrument to be written off upon the occurrence of a trigger event specified by the Prudential Authority or other dedicated authority in writing; or
- (b) requires the capital instrument to be converted to the most subordinated form of equity of the Issuer; or
- (c) otherwise requires the instrument to absorb loss before tax payers or ordinary depositors are exposed to loss;

"**Subordinated Capital Notes**" means Subordinated Notes the proceeds of which are intended to qualify as Regulatory Capital in accordance with the relevant Regulatory Capital Requirements;

"**Subordinated Debt**" means in relation to Additional Tier 1 Notes, any subordinated debt issued by the Issuer which ranks or is expressed to rank (or is deemed under the Regulatory Capital Requirements to rank) senior to the Additional Tier 1 Notes and/or instruments the proceeds of which qualify (or are deemed under the Regulatory Capital Requirements to qualify) as Additional Tier 1 Capital;

"**Subordinated Indebtedness**" means any indebtedness of the Issuer in respect of moneys borrowed, including guarantees given by the Issuer in respect of such indebtedness (including indebtedness of the Issuer in respect of the Subordinated Notes), under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future

agreement of the Issuer to be, subordinated to Concurrent Claims in the event of the dissolution, winding-up or liquidation of the Issuer;

**"Subordinated Notes"** means Notes (including Subordinated Capital Notes), specified as such in the applicable Final Terms, issued, in the case of Subordinated Notes that are not Subordinated Capital Notes, with the status and characteristics set out in Condition 3.2 (*Status of the Subordinated Notes that are not Subordinated Capital Notes*), in the case of Subordinated Capital Notes the proceeds of which are intended to constitute Tier 2 Capital, with the status and characteristics set out in Condition 3.4 (*Status of the Tier 2 Notes*) and in the case of Subordinated Capital Notes the proceeds of which are intended to constitute Additional Tier 1 Capital, with the status and characteristics set out in Condition 3.5 (*Status of the Additional Tier 1 Notes*);

**"Tier 2 Capital"** means "tier 2 capital" as defined in the Banks Act;

**"Tier 2 Capital Regulations"** means Regulation 38(12) of the Regulations Relating to Banks and/or such other provisions of the Regulatory Capital Requirements with which the instruments and/or shares contemplated in that Regulation (including the Tier 2 Notes) must comply in order for the proceeds of the issue of such instruments and/or shares to rank as Tier 2 Capital;

**"Tier 2 Noteholder"** means a holder of a Tier 2 Note;

**"Tier 2 Notes"** means Notes specified as such in the relevant Final Terms and complying with the Tier 2 Capital Regulations;

A **"Trigger Event"**:

- (d) in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Tier 2 Capital and Subordinated Capital Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital which are accounted for as equity, shall occur when a "trigger event", as specified in a notice in writing by the Prudential Authority to the Issuer in accordance with the Regulatory Capital Requirements, has occurred; *provided that*, as a minimum, the aforesaid "trigger event" shall be the earlier of:
  - (i) a decision that a Write-off, without which the Issuer (on a consolidated basis or as otherwise required by the Regulatory Capital Requirements) would become non-viable, is necessary as determined by the Prudential Authority; and
  - (ii) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer (on a consolidated basis or as otherwise required by the Regulatory Capital Requirements) would have become non-viable as determined by the Prudential Authority; and
- (e) in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital which are accounted for as liabilities, will be the first to occur of the following events:
  - (i) the occurrence of the "trigger event" specified in writing by the Prudential Authority; *provided that*, as a minimum, the aforesaid "trigger event" shall be the earlier of:
    - (A) a decision that a Write-off, without which the Issuer (on a consolidated basis or as otherwise required by the Regulatory Capital Requirements) would become non-viable, is necessary as determined by the Prudential Authority; and
    - (B) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer (on a consolidated basis or as otherwise required by the Regulatory Capital Requirements) would have become non-viable as determined by the Prudential Authority; and



- (ii) the CET 1 Ratio of the Issuer is equal to or falls below the value of risk-weighted exposures set out in Guidance Note 6 (or such other amount of risk-weighted exposures as may from time to time be prescribed in the Regulatory Capital Requirements); and

**"Write-off"** means:

- (a) in respect of Tier 2 Notes:
  - (i) the Tier 2 Notes shall be cancelled (in the case of a write off in whole) or written down in part on a *pro rata* basis (in the case of write off in part), in accordance with the Regulatory Capital Requirements and as determined by the Prudential Authority; and
  - (ii) all rights of any Tier 2 Noteholders for payment of any amounts under or in respect of the Tier 2 Notes, or the written off portion thereof, as the case may be, (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) shall, as the case may be, be cancelled or written off *pro rata* among the Tier 2 Noteholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Trigger Event Notice and even if the Trigger Event has ceased; and
- (b) in respect of Additional Tier 1 Notes:
  - (i) the Additional Tier 1 Notes shall be cancelled (in the case of a write off in whole) or written down in part on a *pro rata* basis (in the case of write off in part), in accordance with the Regulatory Capital Requirements and as determined by the Prudential Authority; and
  - (ii) all rights of any Additional Tier 1 Noteholders for payment of any amounts under or in respect of the Additional Tier 1 Notes, or the written off portion thereof, as the case may be, (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) shall, as the case may be, be cancelled or written off *pro rata* among the Additional Tier 1 Noteholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Trigger Event Notice and even if the Trigger Event has ceased.

#### 4. **NEGATIVE PLEDGE (SENIOR NOTES ONLY)**

This Condition 4 only applies to the Senior Notes. So long as any of the Senior Notes remain outstanding the Issuer will ensure that no Relevant Indebtedness of the Issuer or any of its Subsidiaries (as defined below) will be secured by any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any of its Subsidiaries unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the Senior Notes, the Coupons and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or
- (b) such other Security Interest or guarantee or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution of the Noteholders.

In these General Terms and Conditions:

**"Central Bank"** means the South African Reserve Bank or any other central bank, federal reserve or equivalent body in any jurisdiction, or any other entity established and operated by any of the aforementioned parties;

**"Covered Bonds"** means bonds, notes or other securities (however defined) designated by the Issuer as covered bonds and secured on a segregated pool of assets;

**"Relevant Indebtedness"** means (a) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities (other than Covered Bonds) which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over the counter or other securities market and having a maturity in excess of one year and denominated, payable or optionally payable in a currency other than the South African Rand, and (b) any guarantee or indemnity in respect of any such indebtedness;

**"Security Interest"** means any mortgage, charge, lien, pledge or other security interest, but excluding any such security interest:

(A) arising (i) by operation of law or (ii) under the standard or usual business conditions of any person or entity with which the Issuer or the relevant Subsidiary maintains a business relationship in the ordinary course of business; or

(B) granted by the Issuer or any Subsidiary in respect of or in connection with Relevant Indebtedness issued in order to secure the obligations of the Issuer or any Subsidiary to any Central Bank in respect of any liquidity facility or any other funding arrangement provided by such Central Bank; and

**"Subsidiary"** means, in relation to the Issuer, any company of which the Issuer is a member and (a) in which the Issuer holds a majority of the voting rights or (b) the Issuer has the right to appoint or remove directors holding a majority of the voting rights at meetings of the board or (c) the Issuer controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer.

## 5. **REDENOMINATION**

### 5.1 **Redenomination**

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, but after prior consultation with the Trustee and in accordance with the South African Exchange Control Regulations, on giving at least 30 days' prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 16, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of €0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, *provided that*, if the Issuer determines, with the agreement of the Principal Paying Agent and the Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of

which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01;

- (c) if Definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer (i) in the case of Relevant Notes in the denomination of €100,000 and/or such higher amounts as the Principal Paying Agent may determine and notify to the Noteholders and any remaining amounts less than €100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 8; and (ii) in the case of Notes which are not Relevant Notes, in the denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than €1,000 or such smaller denominations as the Principal Paying Agent and the Trustee may approve) €0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (*provided that* such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
  - (i) in the case of Notes represented by a Global Note, by applying the Rate of Interest to the full nominal amount outstanding of the Notes, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention; and
  - (ii) in the case of Definitive Notes by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then multiplying such rounded figure by the number of times the relevant Definitive Note can be divided by the Calculation Amount; and
- (g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

## 5.2 Definitions

In these General Terms and Conditions, the following expressions have the following meanings:

**"Established Rate"** means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

**"euro"** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

**"Redenomination Date"** means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 5.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union;

**"Relevant Notes"** means all Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least €100,000 and which are admitted to trading on a regulated market in the European Economic Area; and

**"Treaty"** means the Treaty on the Functioning of the European Union, as amended.

## 6. INTEREST PAYMENTS ON ADDITIONAL TIER 1 NOTES

This Condition 6 (*Interest Payments on Additional Tier 1 Notes*) applies only to Additional Tier 1 Notes.

- 6.1 If the Issuer elects at any time not to pay, or is obligated to elect not to pay, as the case may be, an amount of interest (the **"Interest Amount"**) on the relevant Interest Payment Date (as defined below) in accordance with this Condition 6 (*Interest Payments on Additional Tier 1 Notes*), the Issuer shall have full access to the relevant Interest Amount (or the relevant portion thereof) to meet any relevant obligation as it falls due.
- 6.2 Subject to Condition 6.4 (which imposes an obligation on the Issuer to elect not to pay the relevant Interest Amount on the relevant Interest Payment Date under the circumstances described in that Condition), the Issuer shall at all times have full discretion as to whether or not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date, and the Issuer may at any time elect not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date. If the Issuer at any time elects not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date, it shall give notice of such election to the Additional Tier 1 Noteholders in accordance with Condition 16 (*Notices*) and to the Principal Paying Agent on or prior to the relevant Interest Payment Date.
- 6.3 Interest payments on the Additional Tier 1 Notes will not be cumulative.
- 6.4 The Issuer shall elect not to pay the relevant Interest Amount on the relevant Interest Payment Date if it is in breach of the Regulatory Capital Requirements on the Business Day prior to such Interest Payment Date or would be in breach of the Regulatory Capital Requirements if the relevant Interest Amount (or any portion thereof) were paid on such Interest Payment Date. If the Issuer is obligated to elect not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date pursuant to this Condition 6.4, it shall give notice of such fact to the Noteholders in accordance with Condition 16 (*Notices*) and to the Principal Paying Agent on or prior to the relevant Interest Payment Date, and to the Prudential Authority.
- 6.5 If the Issuer elects (or is obligated to elect) not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date in accordance with this Condition 6 (*Interest Payments on Additional Tier 1 Notes*), then (i) the obligation that the Issuer would have had in the absence of such election to pay the relevant Interest Amount to the Additional Tier 1 Noteholders on the relevant Interest Payment Date shall be extinguished in its entirety, (ii) any failure to pay such Interest Amount shall not constitute a default by the Issuer or any other breach of obligations under the Additional Tier 1 Notes or for any other purposes, and (iii) an Additional Tier 1 Noteholder will have no claim in respect of any such non-payment.

7. **INTEREST**

7.1 **Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. For so long as any of the Fixed Rate Notes is represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the Fixed Rate Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Fixed Rate Note, interest will be calculated on its outstanding nominal amount.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

In these General Terms and Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, or if, in the case of Notes in definitive form, no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the Fixed Rate Notes; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 7.1:

- (a) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (I)

the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and

- (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and
- (b) if "**Actual/Actual – ISDA**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (f) if "**30/360**" is specified in the applicable Final Terms, the number of days in the relevant period of time (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<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.

- (g) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (h) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 * (Y_2 - Y_1)] + [30 * (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30; and

- (i) if "**Act/365L**" is specified in the Final Terms, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if the later Period End Date of the Interest Period falls in a leap year, divided by 366).

In these Conditions:

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first

Determination Date prior to, and ending on the first Determination Date falling after, such date); and

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

## 7.2 Interest on Floating Rate Notes and Reset Notes

### (a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls on the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each "**Interest Period**" (which expression shall, in these General Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). For so long as any of the Floating Rate Notes are represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the relevant Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Floating Rate Note, interest will be calculated on its outstanding nominal amount.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 7.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date; or



- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these General Terms and Conditions, "**Business Day**" means (other than in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Final Terms) a day which is both:

- 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 London and each Additional Business Centre specified in the applicable Final Terms; and
- II. either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET System**") is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**", including, if specified in the applicable Final Terms, the ISDA Benchmarks Supplement) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Eurozone interbank offered rate ("**EURIBOR**"), the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will (other than in respect of Notes for which SONIA and/or SOFR is specified as the Reference Rate in the applicable Final Terms), subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if no offered quotation appears or fewer than three offered quotations appear, in each case as at the Specified Time, the Principal Paying Agent shall request each of the Reference Banks (as defined in the Agency Agreement) to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR)

or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), plus or minus (as appropriate) the Margin (if any)

(iii) Interest – Floating Rate Notes referencing SONIA

(A) This Condition 7.2(b)(iii) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the applicable Final Terms as being applicable and the "Reference Rate" is specified in the applicable Final Terms as being "SONIA".

(B) Where "SONIA" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the applicable Final Terms) the Margin, all as determined by the Calculation Agent.

(C) For the purposes of this Condition 7.2(b)(iii):

"**Compounded Daily SONIA**", with respect to an Interest Period, will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

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

"**d**" means, for any Observation Period, the number of calendar days in such Observation Period;

"**d<sub>o</sub>**" means, for any Observation Period, the number of London Banking Days in such Observation Period;

"**i**" means, for any Observation Period, a series of whole numbers from one to **d<sub>o</sub>**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Observation Period to, and including, the last London Banking Day in such Observation Period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling **p** London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling **p** London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

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

"**n<sub>i</sub>**" for any London Banking Day "**i**", in the relevant Observation Period the number of calendar days from, and including, such London Banking Day "**i**" up to, but excluding, the following London Banking Day;

"**p**" for any Interest Period, means the number of London Banking Days (which shall not be fewer than five London Banking Days) specified in the applicable Final Terms;

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date falling "**p**" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is **p**

London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

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

"**SONIA<sub>i</sub>**" means, in respect of any London Banking Day "i" falling in the relevant Observation Period, the SONIA Reference Rate.

(D) If, in respect of any London Banking Day in the relevant Observation Period, the Calculation Bank determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be:

(1) (x) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

(2) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

(E) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7.2(b)(iii), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(F) If the Notes become due and payable in accordance with Condition 12 (*Events of Default*), the final Interest Determination Date shall, notwithstanding the definition specified above, be deemed to be the date on which the Notes became due and payable and the Interest Rate on the Notes shall, for so long as the Notes remain outstanding, be the rate determined on such date.

(iv) Interest – Floating Rate Notes referencing SOFR

- (A) This Condition 7.2(b)(iv) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the applicable Final Terms as being applicable and the "Reference Rate" is specified in the applicable Final Terms as being "SOFR".
- (B) Where "SOFR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent. In no event will the Rate of Interest for any Interest Period be less than the Minimum Rate of Interest.
- (C) For the purposes of this Condition 7.2(b)(iv):

**"Benchmark"** means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 7.2(b)(iv).

*Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days in the Observation Period will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.*

*If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 7.2(b)(iv)(D) below will apply.*

**"Interest Period"** means each period from, and including, an Interest Payment Date (or, in the case of the first Interest Period, the Interest Commencement Date) to, but excluding, the next Interest Payment Date (or, in the case of the final Interest Period, the Maturity Date or, if the Issuer elects to redeem the Notes on any earlier redemption date, the relevant redemption date);

**"Interest Payment Determination Dates"** means the date falling "p" U.S. Government Securities Business Days before each Interest Payment Date where "p" has the value ascribed to it in the relevant Final Terms and which shall not be fewer than five U.S. Government Securities Business Days;

**"U.S. Government Securities Business Day"** means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

**"Business Day"** means any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

**"Observation Period"** in respect of each Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period;

"SOFR" with respect to any U.S. Government Securities Business Day, means:

- (1) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or
- (2) if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source; and

"**Compounded SOFR**" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"**d<sub>0</sub>**", for any Observation Period, is the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"**SOFR<sub>i</sub>**", for any U.S. Government Securities Business Day "**i**" in the relevant Observation Period, is equal to SOFR in respect of that day "**i**";

"**n<sub>i</sub>**", for any U.S. Government Securities Business Day "**i**" in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "**i**" to, but excluding, the following U.S. Government Securities Business Day ("**i+1**"); and

"**d**" is the number of calendar days in the relevant Observation Period.

- (D) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes

from time to time, without any requirement for the consent or approval of the Trustee or Noteholders. At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 7.2(b)(iv)(F) below, the Trustee and the Agents shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged use its reasonable endeavours to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed or the Agency Agreement), provided that neither the Trustee nor any Agent shall be obliged so to concur if in the opinion of the Trustee or an Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these General Terms and Conditions, the Trust Deed or the Agency Agreement (as applicable) in any way and neither the Trustee nor any Agent shall be liable to any party for any consequences thereof.

(E)

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (1) will be conclusive and binding absent manifest error;
- (2) will be made in the sole discretion of the Issuer; and
- (3) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

**"Benchmark"** means, initially, Compounded SOFR, as such term is defined above; *provided that* if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

**"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (1) the sum of: (x) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (y) the Benchmark Replacement Adjustment;
- (2) the sum of: (x) the ISDA Fallback Rate and (y) the Benchmark Replacement Adjustment; or
- (3) the sum of: (x) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (y) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the issuer or its designee as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (x) the date of the public statement or publication of information referenced therein and (y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such



component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"ISDA Definitions"** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"** with respect to any determination of the Benchmark means (x) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (y) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

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

- (F) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 7.2(b)(iv) will be notified promptly by the Issuer to the the Trustee, the Calculation Agent, the Paying Agents

and, in accordance with Condition 16 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer:

- (1) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 7.2(b)(iv); and
- (2) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

The Trustee shall be entitled to rely on such certificate (without further enquiry or liability to any person) as sufficient evidence thereof. For the avoidance of doubt, the Trustee shall not be liable to the Noteholders or any other person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

(c) Fallback

*provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, and subject to Condition 7.5 (*Benchmark Replacement*) below, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(d) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) Reset Note Provisions

- (i) This Condition 7.2(e) is applicable to the Notes only if the Notes are specified in the relevant Final Terms as being Reset Notes.
- (ii) Such Notes shall bear interest on their outstanding principal amount:
  - (A) from (and including) the Interest Commencement Date specified in the relevant Final Terms until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
  - (B) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the

relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and

- (C) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on the Interest Payment Date(s) so specified in the relevant Final Terms (subject to adjustment as described in Condition 7.1) and on the Maturity Date. The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 7.1.

- (iii) If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 12 (noon) in the Relevant Financial Centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

In these General Terms and Conditions:

**"First Margin"** means the margin specified as such in the relevant Final Terms;

**"First Reset Date"** means the date specified in the relevant Final Terms;

**"First Reset Period"** means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date or date of any final redemption;

**"First Reset Rate of Interest"** means, in respect of the First Reset Period and subject to Condition 7.2(e)(iii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the First Margin;

**"ISDA Benchmarks Supplement"** means the Benchmarks Supplements (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the applicable Final Terms)) published by the International Swaps and Derivatives Association, Inc.

**"Mid-Swap Maturity"** has the meaning given in the relevant Final Terms;

**"Mid-Market Swap Rate"** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency);

**"Mid-Market Swap Rate Quotation"** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**"Mid-Swap Floating Leg Benchmark Rate"** means the rate as specified in the relevant Final Terms;

**"Mid-Swap Rate"** means, in relation to a Reset Determination Date and subject to Condition 7.2(e)(iii), either:

- (i) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page; or
- (ii) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

**"Rate of Interest"** means the rate of interest specified in the relevant Final Terms;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute;

**"Reference Bond Price"** means, with respect to any Reset Determination Date (i) the arithmetic average (as determined by the Calculation Agent) of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond

Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of all such quotations;

**"Reference Bond Rate"** means with respect to any Reset Period, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reset Determination Date, as determined by the Calculation Agent, *provided that* if only one Reference Government Bond Dealer Quotation is received or if no Reference Government Bond Dealer Quotations are received in respect of the determination of the Reference Bond Price, the Rate of Interest shall not be determined by reference to the Reference Bond Rate and the Rate of Interest shall instead be, in the case of the First Reset Rate of Interest, the Initial Rate of Interest and, in the case of any Subsequent Reset Rate of Interest, the Rate of Interest as at the last preceding Reset Date;

**"Reference Government Bond Dealer"** means each of five banks selected by the Issuer (following, where practicable, consultation with the Calculation Agent) or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

**"Reference Government Bond Dealer Quotations"** means, with respect to any Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at the Reset Determination Time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

**"Reference Rate"** has the meaning given to such term in the relevant Final Terms;

**"Reset Determination Date"** means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period, or in each case as specified in the relevant Final Terms;

**"Reset Determination Time"** means in relation to a Reset Determination Date, 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date or such other time as may be specified in the relevant Final Terms;

**"Reset Note"** means a Note on which interest is calculated at reset rates payable in arrear on a fixed date or dates in each year and/or at intervals of one, two, three, six or 12 months or at such other date or intervals as may be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

**"Reset Period"** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**"Reset Reference Bond"** means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be deemed to be Germany) agreed between the Issuer and the Determination Agent as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer, after consultation with the Calculation Agent) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt

securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

**"Reset Reference Rate"** means either (i) the Mid-Swap Rate, or (ii) the Reference Bond Rate, as specified in the relevant Final Terms;

**"Second Reset Date"** means the date specified in the relevant Final Terms;

**"Subsequent Margin"** means the margin specified as such in the relevant Final Terms;

**"Subsequent Reset Date"** means the date or dates specified in the relevant Final Terms;

**"Subsequent Reset Period"** means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date; and

**"Subsequent Reset Rate of Interest"** means, in respect of any Subsequent Reset Period and subject to Condition 7.2(e)(iii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Margin.

(f) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent will at or as soon as practicable after each time at which the Rate of Interest or Interest Amount is to be determined, determine the Rate of Interest in respect of Floating Rate Notes, or Interest Amount in respect of Reset Notes for the relevant Interest Period or Reset Period (as applicable).

The Principal Paying Agent will calculate the Interest Amount payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the relevant Notes; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest in accordance with this Condition 7.2:

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

- (C) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if "**30/360**" is so specified, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:
- (F)

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (G) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest 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<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (H) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest 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<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30; and

- (I) if "Act/365L" is specified in the Final Terms, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if the later Period End Date of the Interest Period falls in a leap year, divided by 366),

**provided, however, that** in each such case the number of days in the Interest Period is calculated from and including the first day of the Interest Period to but excluding the last day of the Interest Period;

- (g) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period or Reset Period (as applicable) and the relevant Interest Payment Date to be notified promptly to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes or Reset Notes (as applicable) are for the time being listed (and in any event no later than the first day of the relevant Interest Period) and notice thereof to be published in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period in respect of any Floating Rate Notes. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 16. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.



- (h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7.2, whether by the Principal Paying Agent or, if applicable, the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or negligence) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### 7.3 Underlying Linked Interest

If the applicable Final Terms specify that part or all of the interest in relation to the Notes will be calculated on an "Inflation Linked Interest", "Equity Linked Interest", "Fund Linked Interest" or "Index Linked Interest" basis, then the Calculation Agent shall calculate the amount of inflation-linked, equity-linked, fund-linked or index-linked interest payable on the relevant Notes in accordance with the additional terms that apply to such Notes as set out in the relevant section of Part A (*Equity Linked Notes*) or Part B (*Inflation Linked Notes*), as applicable.

### 7.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

### 7.5 Benchmark Replacement

This Condition 7.5 shall not apply to Notes for which the Reference Rate is specified in the applicable Final Terms as being "SOFR", in respect of which the provisions of Condition 7B (Interest - Floating Rate Notes referencing SOFR) and benchmark discontinuation provisions of Condition 7B(d) will apply.

Notwithstanding the foregoing provisions of this Condition 7, if the Issuer determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), then the following provisions shall apply:

- (a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the "**Alternative Benchmark Rate**") and, in either case, an alternative screen page or source (the "**Alternative Relevant Screen Page**") and an Adjustment Spread (if applicable) no later than three (3) Business Days prior to the relevant Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 7.5));
- (i) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or

Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;

- (ii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with sub-paragraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; provided, however, that if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) in accordance with this sub-paragraph (iii), the Mid-Swap Floating Leg Benchmark Rate or Reference Rate applicable to such Reset Period or Interest Period (as applicable) shall be equal to the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) for a term equivalent to the Relevant Interest Period or Reset Period published on the Relevant Screen Page as at the last preceding Reset Date or Interest Determination Date (as applicable) (though substituting, where a different First Margin, Subsequent Margin or Relevant Margin (as applicable) is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period, the First Margin, Subsequent Margin or Relevant Margin (as applicable) relating to the relevant Reset Period or Interest Period, in place of the margin relating to that last preceding Reset Period or Interest Period);
- (iii) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 7.5);
- (iv) If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (v) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Day Count Fraction, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date and/or the definition of Mid-Swap Floating Leg Benchmark Rate or Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread ("**Benchmark Amendments**"), which changes shall apply to the Notes for all future Reset Periods or Interest

Periods (as applicable) (subject to the subsequent operation of this Condition 7.5); and

- (vi) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Calculation Agent, the Principal Paying Agent, the Trustee and the Noteholders.
- (vii) No later than notifying the the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer:
  - (A) confirming (x) that a Benchmark Event has occurred, (y) the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, and, (z) where applicable, the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7.5; and
  - (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread,

the Trustee shall be entitled to rely on such certificate (without further enquiry or liability to any person) as sufficient evidence thereof. For the avoidance of doubt, the Trustee shall not be liable to the Noteholders or any other person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

- (viii) At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 7.5(vii) above, the Trustee and Agents shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged use its reasonable endeavours to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed or the Agency Agreement), provided that neither the Trustee nor any Agent shall be obliged so to concur if in the opinion of the Trustee or an Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these General Terms and Conditions, the Trust Deed or the Agency Agreement (as applicable) in any way and neither the Trustee nor any Agent shall be liable to any party for any consequences thereof.

For the purposes of these Conditions, "**Benchmark Event**" means:

- (A) the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that it has ceased publishing, or will cease publishing by a specified future date (the "**Specified Future Date**"), such Mid-Swap Floating Leg Benchmark Rate or Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Mid-Swap Floating Leg Benchmark Rate or Reference Rate); or
- (C) a public statement by the administrator or the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or

Reference Rate (as applicable) that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or

- (D) a public statement by the administrator or the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that means that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (E) a public statement by the administrator or the supervisor of the administrator of the relevant Reference Rate or Mid-Swap Floating Leg Benchmark Rate that, in the view of such supervisor or administrator, such Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable) is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market; or
- (F) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D) or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

In these General Terms and Conditions:

"**Adjustment Spread**" means either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) with the Successor Rate or Alternative Benchmark Rate (as applicable);

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense;

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable): (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

**"Successor Rate"** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer's agreement) determines is a successor to or replacement of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) which is formally recommended by any Relevant Nominating Body.

#### 7.6 **FX Factors**

Where FX Factor is specified to apply in respect of Interest Amounts, any Interest Amount payable pursuant to this Condition 7 (*Interest*), shall be multiplied by the Interest FX Factor (as applicable).

**"Interest FX Factor"** means the Interest FX Factor specified in the Final Terms (if any).

### 8. **PAYMENTS**

#### 8.1 **Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) 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 Melbourne and Wellington, respectively); and
- (b) 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.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10) any law implementing an intergovernmental approach thereto.

#### 8.2 **Presentation of Definitive Bearer Notes, Receipts and Coupons**

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 8.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 8.1 above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 8.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 10) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon *provided that* such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

### 8.3 **Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Principal Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

### 8.4 **Payments in respect of Registered Notes**

Payments of principal and interest in respect of Subordinated Notes the proceeds of which are intended to qualify as Regulatory Capital, will be subject to Condition 3 (*Status of the Senior Notes and Subordination*) and Condition 6 (*Interest Payments on Additional Tier 1 Notes*). Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender

(or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) 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 Melbourne and Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or an instalment of principal (other than the final instalment) in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

In the case of any payment in respect of a Registered Note which is in global form, the "**Record Date**" shall be the Clearing System Business Day before the due date for such payment, where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note is being held is open for business.

#### 8.5 **General provisions applicable to payments**

The bearer or registered holder (as the case may be) of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the bearer or registered holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or

Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the bearer or registered holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

#### 8.6 **Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 11) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) the relevant place of presentation;
  - (ii) London;
  - (iii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET System is open.

In the case of any payment in respect of a Global Note, the place of presentation and London shall be disregarded for the purposes of the above definition of "**Payment Day**".

#### 8.7 **Interpretation of principal and interest**

Any reference in these General Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 10;
- (b) the Final Redemption Amount of the Notes;



- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 9.5); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these General Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10 (*Taxation*) or any other such amount payable pursuant to the Terms.

## 9. REDEMPTION AND PURCHASE

### 9.1 Scheduled redemption

- (a) Subject to the applicable Regulatory Capital Requirements and Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) in respect of the Tier 2 Notes and subject to any applicable Terms or Additional Terms, unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date, subject as provided in Condition 8 (*Payments*).
- (b) Additional Tier 1 Notes have no Maturity Date and (without prejudice to the provisions of Condition 12.4 (*Events of Default - Additional Tier 1 Notes*)):
  - (i) shall only be redeemed, at their outstanding nominal amount together with accrued interest (if any), on a winding-up (other than pursuant to a Solvent Reconstruction) or liquidation of the Issuer subject to Condition 3.5 (*Status of the Additional Tier 1 Notes*);
  - (ii) may only be redeemed, substituted, varied or purchased, prior to a winding-up or liquidation of the Issuer, in accordance with and subject to the provisions of this Condition 9 (*Redemption and Purchase*) (and specifically Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*)) and Condition 3.5 (*Status of the Additional Tier 1 Notes*), as applicable.

### 9.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer (subject, in the case of Subordinated Capital Notes, to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*)) in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16 (*Notices*), the Noteholders (which notice shall be irrevocable), if a Tax Event occurs and is continuing, *provided, however*, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and that

the payment of such additional amounts cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which case it shall be binding on the Noteholders, the Receipholders and the Couponholders.

Notes redeemed pursuant to this Condition 9.2 will be redeemed at their Early Redemption Amount referred to in Condition 9.10 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### 9.3 **Redemption for regulatory reasons**

Subject to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*), if a Regulatory Event has occurred and is continuing, Subordinated Capital Notes may be redeemed, at the option of the Issuer (in whole but not in part), at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) by the Issuer giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16 (*Notices*), the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount together with interest accrued (if any) to the date fixed for redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 9.3, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred. Upon the expiry of any such notice as is referred to in this Condition 9.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 9.3.

### 9.4 **Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified in the applicable Final Terms, the Issuer may (subject, in the case of Subordinated Capital Notes, to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*)), having (unless otherwise specified in the applicable Final Terms) given not less than 15 nor more than 30 days' notice to the Trustee, the Principal Paying Agent (and, in the case of a redemption of Registered Notes, the Registrar), the competent authority or stock exchange on which the Notes are listed, if any (if required by such competent authority or stock exchange) and, in accordance with Condition 16, the Noteholders (which notices shall be irrevocable redeem all or some only (as specified in the applicable Final Terms) of the Notes then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) as specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Upon expiry of such notice the Issuer (subject, in the case of Subordinated Capital Notes, to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*)) shall be bound to redeem the Notes accordingly. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or a Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 16 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 9.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 16 at least five days prior to the Selection Date.

## 9.5 **Redemption at the option of the holders of Senior Notes (Investor Put)**

If this Note is a Senior Note and Investor Put is specified in the applicable Final Terms, then, if and to the extent specified in the applicable Final Terms upon the holder of this Note giving to the Issuer in accordance with Condition 16 not less than 15 nor more than 30 days' notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms in whole (but not in part), such Note on the relevant Optional Redemption Date and at the Optional Redemption Amount as specified in, or determined in the manner specified in, the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to have occurred. Where relevant, such conditions and/or circumstances will be set out in the applicable Final Terms.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note, on any Business Day (as defined in Condition 7.2) falling within the notice period at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for notation accordingly.

Any Put Notice or any other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Senior Note pursuant to this Condition 9.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default shall have occurred and the Trustee has declared the Senior Notes to be due and payable pursuant to Condition 12 in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 9.5.

## 9.6 **Redemption following Hedging Event**

Unless this Condition 9.6 (*Redemption following Hedging Event*) is specified as Not Applicable in the applicable Final Terms, if in relation to a Series of Notes the Issuer or the Calculation Agent determines that a Hedging Event (as defined below) has occurred, and for as long as a Hedging Event is continuing, the Issuer, having given not less than 15 nor more than 30 days' to the Trustee, the Principal Paying Agent and, in accordance with Condition 16 (*Notices*), the Noteholders (which notice shall be irrevocable), may (subject, in the case of Subordinated Capital Notes, to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*)), on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount (as determined in accordance with Condition 9.10 (*Early Redemption Amounts*) below) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

**"Hedging Event"** means the occurrence of either of the following events or circumstances arising due to any reason (including but not limited to the adoption of, application of or change of any applicable law or regulation after the Issue Date of a Series of Notes):

- (i) it becomes impossible or impracticable for the Issuer or its counterparty of any hedging transaction to:
  - (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge its obligations with respect to the relevant Notes (a **"Hedging Transaction"**); or
  - (B) realise, recover or remit the proceeds of any such Hedging Transaction; or
- (ii) the Issuer or the counterparty under such Hedging Transaction would be subject to an increased cost (as compared to the circumstances existing on the Issue Date in respect of such Series of Notes) in entering into or maintaining any Hedging Transaction (including, but not limited to, any internal cost arising as a result of compliance with any applicable law or regulation),

in each case as determined by the Issuer or the Calculation Agent in its sole and absolute discretion.

Prior to the publication of any notice of redemption pursuant to this Condition 9.6, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, however nothing shall oblige the Issuer to disclose any commercially sensitive information to the Trustee.

#### 9.7 **Redemption following Illegality**

If, in relation to a Series of Notes, the Issuer in its sole and absolute discretion or the Calculation Agent determines that an Illegality Event (as defined below) has occurred, the Issuer, having given not less than 15 nor more than 30 days' to the Trustee, the Principal Paying Agent and, in accordance with Condition 16 (*Notices*), the Noteholders (which notice shall be irrevocable), may (subject, in the case of Subordinated Capital Notes, to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*)), on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount (as determined in accordance with Condition 9.10 (*Early Redemption Amounts*) below) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

**"Illegality Event"** means that:

- (i) the performance of the Issuer's obligations shall have become unlawful or impracticable, in whole or in part, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power; or
- (ii) the Issuer would be subject to an increased cost (as compared to the circumstances existing on the Issue Date in respect of such Series of Notes) in entering into or maintaining a Series of Notes in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power.

Prior to the publication of any notice of redemption pursuant to this Condition 9.6, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

9.8 **Substitution or variation**

- (a) Where Substitution or Variation for Subordinated Capital Notes is specified in the applicable Final Terms as being applicable, and a Tax Event as contemplated in Condition 9.2 (*Redemption for tax reasons*), a Regulatory Event as contemplated in Condition 9.3 (*Redemption for regulatory reasons*), a Hedging Event as contemplated in Condition 9.6 (*Redemption following Hedging Event*) or an Illegality Event as contemplated in Condition 9.7 (*Redemption following Illegality*) has occurred and is continuing, then the Issuer may, instead of giving notice to redeem, subject to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16 (*Notices*), the Trustee and the Principal Paying Agent (which notices shall be irrevocable), but without any requirement for the consent or approval of the Noteholders, at any time:
- (i) in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Tier 2 Capital, substitute all (but not only some) of the Tier 2 Notes in a Series for, or vary the terms of such Tier 2 Notes in that Series such that they remain, or as appropriate, become, Qualifying Tier 2 Securities; and
  - (ii) in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital, substitute all (but not only some) of the Additional Tier 1 Notes in a Series for, or vary the terms of such Additional Tier 1 Notes in that Series such that they remain, or as appropriate, become, Qualifying Additional Tier 1 Securities or Qualifying Tier 2 Securities.
- (b) Upon the expiry of the notice contemplated in Condition 9.8(a), the Issuer shall either vary the terms of or substitute the relevant Subordinated Capital Notes in accordance with this Condition 9.8 (*Substitution or variation*). The Issuer shall, in connection with any substitution or variation of a Series of Subordinated Capital Notes in accordance with this Condition 9.8 (*Substitution or variation*), comply with the rules of any stock exchange on which that Series of Subordinated Capital Notes is listed.
- (c) The Trustee shall, without any requirement for the consent or approval of the Noteholders, use its reasonable endeavours (at the expense of the Issuer) to execute any documents necessary to effect the substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as the case may be, become, Qualifying Tier 2 Securities or Additional Tier 1 Securities (as applicable), provided that the Trustee shall not be obliged to execute any such documents if, in the Trustee's opinion, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these General Terms and Conditions and/or any documents to which it is a party in any way against which it is not indemnified and/or secured and/or prefunded to its satisfaction. If the Trustee does not execute any necessary documents as provided above, the Issuer may redeem the Notes as provided elsewhere in this Condition 9.

9.9 **Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes**

- (a) Notwithstanding any other provisions of this Condition 9 (*Redemption and Purchase*) and subject as provided below, for so long as the applicable Regulatory Capital Requirements so require (i) Tier 2 Notes (which at the time of redemption, purchase, cancellation, modification, substitution or variation constitute Tier 2 Capital) may only be redeemed, purchased or cancelled (in each case, in whole or in part) prior to the Maturity Date, or modified, substituted or varied pursuant to Condition 9.8 (*Substitution or variation*) and (ii) Additional Tier 1 Notes (which at the time of redemption purchase, cancellation, modification, substitution or variation constitute Additional Tier 1 Capital) may only be redeemed, purchased, cancelled (in each case, in whole or in part), modified, substituted or varied pursuant to Condition 9.8 (*Substitution or variation*), at the option of the Issuer, and only if:

- (i) the Issuer has notified the Prudential Authority of, and the Prudential Authority has consented in writing to, such redemption, purchase, cancellation, modification, substitution or variation, as the case may be, subject to such conditions (if any) as the Prudential Authority may deem appropriate (in any case, only if and to the extent that such notification or consent is required in terms of the Regulatory Capital Requirements) (subject to any prescribed notice periods with which the Issuer may need to comply, if any, in the Regulatory Capital Requirements);
  - (ii) the redemption, purchase, cancellation, modification, substitution or variation, as the case may be, of the Subordinated Capital Notes is not prohibited by the Regulatory Capital Requirements (including any prohibitions on redemption prior to the lapsing of a minimum initial period of issue in the Regulatory Capital Requirements);
  - (iii) in the case of redemption, purchase or cancellation, as the case may be, unless the Prudential Authority is satisfied that the Issuer is duly capitalised above the minimum capital requirements after the redemption, purchase or cancellation, the Issuer concurrently replaces the Subordinated Capital Notes being redeemed, purchased or cancelled with capital of similar or better quality and the replacement of capital is done at conditions that are sustainable for the income capacity of the Issuer; and
  - (iv) both at the time when the notice of redemption, modification, substitution or variation is given and immediately following such redemption, modification, substitution or variation, as the case may be, the Issuer is or will be, as the case may be, in compliance with its capital adequacy requirements as provided in the Regulatory Capital Requirements (except to the extent that the Prudential Authority no longer so requires), as confirmed by the Prudential Authority.
- (b) Subject to the applicable Regulatory Capital Requirements, Tier 2 Notes may be redeemed at maturity, *provided that*, for so long as is required by the Regulatory Capital Requirements, Tier 2 Notes shall have a minimum Maturity Period of 5 (five) years and 1 (one) day and accordingly, the Maturity Date specified pursuant to Condition 9.1 (*Scheduled redemption*) shall comply with this requirement.

#### 9.10 Early Redemption Amounts

For the purpose of Conditions 9.2 to 9.7 above and Condition 12 (*Events of Default*), each Note will be redeemed (subject, in the case of Subordinated Capital Notes, to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*)) at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note), unless paragraph (b) or (c) below applies to the relevant Series of Notes, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount;
- (b) in the case of "**Fair Market Value**" being specified as the Early Redemption Amount, in relation to any Note which is to be redeemed early, its fair market value as of the early redemption date less any costs, expenses, fees or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes (all as determined by the Calculation Agent); or
- (c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

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

where:

- "RP" means the Reference Price;
- "AY" means the Accrual Yield expressed as a decimal; and
- "y" is 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 Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

in each case, subject to Condition 9.12 (*FX Factors*) below.

9.11 **Instalments**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 9.10 (*Early Redemption Amounts*).

9.12 **FX Factors**

Where FX Factors is specified to apply in respect of Early Redemption Amount or Final Redemption Amount, such Early Redemption Amount or Final Redemption Amount, as applicable, shall be multiplied by the Early Redemption FX Factor or Final Redemption FX Factor (as applicable).

**"Early Redemption FX Factor"** means the Early Redemption FX Factor specified in the Final Terms (if any).

**"Final Redemption FX Factor"** means the Final Redemption FX Factor specified in the Final Terms (if any).

9.13 **Purchases**

The Issuer (subject, in the case of Subordinated Capital Notes, to Condition 9.9 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*)) or any of its Subsidiaries, any Holding Company of the Issuer or any other Subsidiary of any such Holding Company, may (subject as provided above) at any time purchase Notes (*provided that*, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) in any manner or at any price. If purchases are made by tender, tenders must be available to all Noteholders alike.

**"Holding Company"** means, in relation to the Issuer, any company which is a member of the Issuer and (a) which holds a majority of the voting rights in the Issuer or (b) has the right to appoint or remove directors holding a majority of the voting rights at meetings of the board of the Issuer or (c) controls a majority of the voting rights of the Issuer, and includes any company which is a Holding Company of a Holding Company of the Issuer.

9.14 **Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold. Notes purchased by the Issuer or any of its Subsidiaries, any Holding Company of the Issuer or any other Subsidiary of any such Holding Company may be held or resold or surrendered for cancellation.

9.15 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 9.1, 9.2, 9.3, 9.4 or 9.5 above or upon its becoming due and repayable as provided in Condition 12 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 9.10(c)

(*Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 16.

## 9.16 Definitions

In these General Terms and Conditions, the following expressions have the following meanings:

**"Maturity Period"** means in relation to a Tranche of Tier 2 Notes, the period from (and including) the Issue Date to (but excluding) the Maturity Date, as specified in the applicable Final Terms;

**"Qualifying Additional Tier 1 Securities"** means in relation to a Tranche of Additional Tier 1 Notes, securities issued directly by the Issuer that:

- (a) have terms not materially less favourable to a holder of Additional Tier 1 Notes than the terms of the Additional Tier 1 Notes being substituted or varied in accordance with Condition 9.8 (*Substitution or variation*) (as reasonably determined by the Issuer), and *provided that* a certification to such effect signed by two Authorised Signatories of the Issuer shall have been delivered to the Trustee prior to the issue or, as appropriate, variation of the relevant securities and is so stated in the certificate), and which Qualifying Additional Tier 1 Securities (a) contain terms which comply with the then current minimum requirements of the Prudential Authority in relation to Additional Tier 1 Capital, required to ensure that such Qualifying Additional Tier 1 Securities qualify as Additional Tier 1 Capital, (b) include terms which provide for the same rate of interest, dividend or distribution rate or rate of return from time to time applying to the Additional Tier 1 Notes, and preserve the Interest Payment Dates, (c) rank at least *pari passu* with the ranking of the Additional Tier 1 Notes, (d) preserve any existing rights under the General Terms and Conditions to any accrued interest or other amounts which have not been paid and (e) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Additional Tier 1 Notes, including, without limitation, as to the timing of, and amounts payable upon, such redemption; and
- (b) if the Additional Tier 1 Notes being substituted or varied in accordance with Condition 9.8 (*Substitution or variation*) are listed on the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"), (i) continue to be listed on the Euronext Dublin or (ii) are listed on such other stock exchange at that time as selected by the Issuer;

**"Qualifying Tier 2 Securities"** means in relation to a Tranche of Tier 2 Notes, securities issued directly by the Issuer that:

- (a) have terms not materially less favourable to a holder of Tier 2 Notes than the terms of the Tier 2 Notes being substituted or varied in accordance with Condition 9.8 (*Substitution or variation*) (as reasonably determined by the Issuer), and *provided that* a certification to such effect signed by two Authorised Signatories of the Issuer shall have been delivered to the Trustee prior to the issue or, as appropriate, variation of the relevant securities and is so stated in the certificate), and which Qualifying Tier 2 Securities (a) contain terms which comply with the then current minimum requirements of the Prudential Authority in relation to Tier 2 Capital, required to ensure that such Qualifying Tier 2 Securities qualify as Tier 2 Capital, (b) include terms which provide for the same rate of interest, dividend or distribution rate or rate of return from time to time applying to the Tier 2 Notes, and preserve the Interest Payment Dates, (c) rank at least *pari passu* with the ranking of the Tier 2 Notes, (d) preserve any existing rights under the General Terms and Conditions to any accrued interest or other amounts which have not been paid and (e) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer



as to redemption of the Tier 2 Notes, including, without limitation, as to the timing of, and amounts payable upon, such redemption; and

- (b) if the Tier 2 Notes being substituted or varied in accordance with Condition 9.8 (*Substitution or variation*) are listed on the Euronext Dublin, (i) continue to be listed on the Euronext Dublin or (ii) are listed on such other stock exchange at that time as selected by the Issuer;

**"Regulatory Capital Change"** means (i) a change in, or amendment to, the Regulatory Capital Requirements, (ii) any change in the application of or official or generally published guidance or interpretation of the Regulatory Capital Requirements or (iii) any change in the accounting treatment of or application of or official or generally published guidance or interpretation of the accounting principles as they relate to Regulatory Capital, which change or amendment becomes, or would become, effective on or after the Issue Date of the first Tranche of Notes of the relevant Series;

**"Regulatory Event"** means an event which is deemed to have occurred if, with respect to the Notes of any Series which comprised Subordinated Capital Notes, the whole or any part of the aggregate outstanding nominal amount of the Notes of that Series would, as a result of a Regulatory Capital Change, no longer be eligible to qualify or no longer qualify (on a solo and/or consolidated basis) fully, or to the extent permitted by the Regulatory Capital Requirements, partially, or will in the future, but in the case of Tier 2 Notes, prior to the Maturity Date, no longer qualify (on a solo or consolidated basis) fully, or to the extent permitted by the Regulatory Capital Requirements, partially, as Regulatory Capital (save where such non-qualification arises only as a result of any applicable limitation on the amount of such capital or any amortisation of recognition of Tier 2 Capital under the Regulatory Capital Requirements in the final 5 (five) years prior to maturity) of the Issuer, on a solo and/or consolidated basis.

**"Solvent Reconstruction"** means an event where an order is made or an effective resolution is passed for the winding-up of the Issuer (i) under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Notes are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or (ii) where an arrangement with similar effect not involving a bankruptcy or insolvency is implemented;

**"Tax Event"** means, in relation to a Series of Notes, an event where:

- (c) as a result of a Tax Law Change, in respect of the Issuer's obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is materially reduced, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense);
- (d) as a result of a Tax Law Change, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts as provided or referred to in Condition 10 (*Taxation*), and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense); and

**"Tax Law Change"** means, in relation to each Note in a Series of Notes, a change or proposed change in, or amendment or proposed amendment to, the tax laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to Tax, or any change in the application or official interpretation of such tax laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which actual or proposed change or amendment is announced on or after the Issue Date of the first Tranche of such Series of Notes.

10. **TAXATION**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied unless such withholding or deduction is required by law. In the event such payments by the Issuer are subject to withholding or deduction required by the law of a Tax Jurisdiction, the Issuer will (subject to the Issuer's right to redeem Notes pursuant to Condition 9.2 (*Redemption for tax reasons*) and, where applicable, Condition 9.8 (*Substitution or variation*)), pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) where a holder (i) could avoid such withholding or deduction by complying, or procuring that any third party complies with, any statutory or procedural requirements (including, without limitation, the provision of information) or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority; or (ii) is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented (or in respect of which the certificate representing it is presented) for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 8.6) in the place of surrender; or
- (c) presented for payment by or on behalf of, or held by, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying with any statutory requirements in force at the present time or in the future by making a declaration of non-residence or other claim or filing for exemption to which it is entitled to the relevant tax authority or the Principal Paying Agent; or
- (d) if such withholding or deduction arises in terms of the US Foreign Account Tax Compliance Act ("**FATCA**") or the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor legislation or provisions), any regulations or agreements thereunder, official interpretations thereof, any intergovernmental approach thereto, or implementing legislation adopted by another jurisdiction in connection with FATCA and/or the aforementioned rules.

In these General Terms and Conditions:

- (i) "**Tax Jurisdiction**" means South Africa or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent, Trustee or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16.

Any reference in these General Terms and Conditions to principal or interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertakings given in addition thereto or in substitution thereof pursuant to the Trust Deed.

11. **PRESCRIPTION**

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 10) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 8.2 (*Presentation of Definitive Bearer Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 8.2 (*Presentation of Definitive Bearer Notes, Receipts and Coupons*).

12. **EVENTS OF DEFAULT**

12.1 **Senior Notes**

If any of the following events (each an "Event of Default") in relation to the Senior Notes occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one-quarter in nominal amount of the Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are immediately due and payable, and they shall immediately become, due and payable at their Early Redemption Amount (determined in accordance with Condition 9.10 (*Early Redemption Amounts*)) together with accrued interest (if any):

- (a) if default is made in the payment of any principal, premium or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal or premium or 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Senior Notes or the Trust Deed (except in any case where the Trustee considers the failure to be incapable of remedy when no such continuation or notice as is described in this Condition 12.1(b) shall be required) and such failure continues for the period of 45 days or such longer period as the Trustee may permit next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any indebtedness for borrowed money of the Issuer or any Material Subsidiary (A) is not paid on the due date for payment, as extended by any applicable grace period, or (B) becomes due and payable prior to its stated maturity by reason of an event of default (howsoever described), or (ii) any guarantee of or indemnity in respect of any payment in respect of indebtedness for borrowed money of any third party given by the Issuer or any Material Subsidiary (other than a guarantee or indemnity in respect of indebtedness for borrowed money of a Subsidiary of the Issuer owing to the Issuer or any of its Subsidiaries) is not honoured when it becomes due and is called upon (or within any applicable grace period) or (iii) any security given by the Issuer or any Material Subsidiary for any indebtedness becomes enforceable and the holder thereof takes any steps to enforce it, *provided that* no such event shall constitute an Event of Default unless the indebtedness or other relative liability either alone or when aggregated with the principal amount of other indebtedness for borrowed money or other relative liability shall amount to at least 5 per cent. of Consolidated Tangible Net Worth and provided further that, for the purposes of this Condition 12.1(c), neither the Issuer nor any Material Subsidiary shall be deemed to be in default with respect to any such indebtedness, guarantee or indemnity if it is taking action in good faith in appropriate legal proceedings to dispute its liability to make payment thereunder and has been advised by independent legal advisers of recognised standing that it is reasonable for it to do so; or
- (d) if, in relation to the Issuer or any Material Subsidiary, any order or presentation is made or an effective resolution is passed for the commencement of any business rescue or any other analogous proceedings, the winding up or dissolution of the Issuer or any Material Subsidiary, or the placement of the Issuer under curatorship as contemplated in the Banks Act, and any resulting business rescue, winding up, dissolution or curatorship, process remains undismissed for 45 days, save for the purposes of reorganisation, reconstruction,

amalgamation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders; or

- (e) if the Issuer or any Material Subsidiary ceases or threatens to cease to carry on the whole or substantially the whole of its business or operations, in each case, save for the purposes of (i) a reorganisation, reconstruction, amalgamation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders or (ii) a disposal on an arm's length basis of any assets or any part of the business of a Material Subsidiary, or the Issuer or any Material Subsidiary stops or suspends payment of its debts or admits inability to, pay its debts or is or is deemed unable to pay its debts within the meaning of the relevant provisions of the applicable legislation governing insolvency law in South Africa, or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or
- (f) if (A) proceedings are initiated against the Issuer or any Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation, business rescue proceedings, curatorship or other similar laws or an administrator, manager, business rescue practitioner, curator, administrative receiver or other receiver is appointed in relation to the Issuer or any Material Subsidiary including, without limitation, the following:
  - (i) the Issuer or any Material Subsidiary becomes subject to a scheme of arrangement or compromise with creditors as envisaged in sections 114 and 155 respectively of the SA Companies Act, (other than a scheme of arrangement or compromise the terms of which have been previously approved by the Trustee or by an Extraordinary Resolution of the Noteholders);
  - (ii) the Issuer or any Material Subsidiary is wound-up, liquidated, deregistered, commences business rescue proceedings or placed under curatorship or any other analogous proceedings, in any such event whether provisionally or finally and whether voluntarily or compulsorily, or passes a resolution providing for any such event;
  - (iii) the Issuer or any Material Subsidiary compromises or attempts to compromise with or defers or attempts to defer payment of debts owing by it to its creditors generally or any significant class of its creditors;
  - (iv) any procedural step is taken by the Issuer or any Material Subsidiary (including an application, a proposal or a convening of a meeting) with a view to a compromise or arrangement with any of its creditors generally or any significant class of its creditors;
  - (v) the Issuer or any Material Subsidiary commits any act which is or, if it were a natural person, would be an act of insolvency as defined in the South African Insolvency Act, 1936 (the "**SA Insolvency Act**");
  - (vi) the Issuer or any Material Subsidiary is deemed to be unable to pay its debts in terms of the relevant provisions of the applicable legislation governing insolvency law in South Africa;
  - (vii) the members or creditors of the Issuer (other than the Noteholders) or any Material Subsidiary meet in order to pass a resolution providing for the Issuer to be wound-up, liquidated, deregistered or placed under curatorship or business rescue proceedings, or any resolution is passed to this effect,

or, as the case may be, the whole or a material part of the undertaking or assets of any of the Issuer or any Material Subsidiary, or an encumbrancer takes possession of the whole or a material part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced or sued out on or against the whole or a material part of the undertaking or assets of any of them and (B) in any case

(other than the appointment of an administrator) is not discharged or stayed within 45 days; or

- (g) if anything analogous to any of the events specified in paragraphs (d), (e), (f) above occurs under the laws of any applicable jurisdiction,

*provided that* in the case of any Event of Default other than those described in sub-paragraphs 12.1(a) or (d) (in the case of a winding up or dissolution of the Issuer) above, the Trustee shall have certified to the Issuer that in its opinion such event is materially prejudicial to the interests of the Noteholders.

## 12.2 Subordinated Notes that are not Subordinated Capital Notes

An Event of Default in relation to Subordinated Notes (that are not Subordinated Capital Notes) shall arise if any one or more of the events contemplated in Condition 12.1(a) or 12.1(d) shall have occurred and be continuing. Upon the happening of such an Event of Default, the Trustee at its discretion may, and if so requested by holders of at least one-quarter in nominal amount of the Subordinated Notes that are not Subordinated Capital Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that such Subordinated Notes (that are not Subordinated Capital Notes) are immediately due and payable, and they shall immediately become, due and payable at their Early Redemption Amount (determined in accordance with Condition 9.10 (*Early Redemption Amounts*)) together with accrued interest (if any).

## 12.3 Tier 2 Notes

- (a) This Condition 12.3 (*Tier 2 Notes*) applies only to Tier 2 Notes.
- (b) Notwithstanding any of the provisions below in this Condition 12.3 (*Tier 2 Notes*), the remedies available to Tier 2 Noteholders in circumstances where payment of principal or interest (as the case may be) has become due and payable, but remains unpaid, are limited to the right to institute winding-up proceedings. If the Issuer fails to pay any amount due and payable in respect of any Series of Tier 2 Notes and the failure to pay has continued for more than seven days in the case of principal or premium or fourteen days in the case of interest then, subject to Condition 3.4 (*Status of the Tier 2 Notes*), the Trustee at its discretion and without further notice may, and if so requested by holders of at least one-quarter in nominal amount of the Tier 2 Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Tier 2 Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), institute proceedings for the winding-up of the Issuer, but may not take any other action in respect of that default; *provided that* no action may be taken by the Trustee or a Tier 2 Noteholder if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such Applicable Law or order, the Issuer will not be in default if it acts on the advice given to it by independent legal advisers of recognised standing during the aforementioned grace period.
- (c) If an order is made or an effective resolution is passed for the winding-up of the Issuer (other than pursuant to a Solvent Reconstruction), the Trustee at its discretion and without further notice may, and if so requested by holders of at least one-quarter in nominal amount of the Tier 2 Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Tier 2 Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), by written notice to the Issuer as its specified office, effective upon the date of receipt thereof by the Issuer, declare the Tier 2 Notes held by such Tier 2 Noteholder to be forthwith due and payable whereupon those Tier 2 Notes shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of payment subject to Condition 3.4 (*Status of the Tier 2 Notes*) (and specifically Condition 3.4(c) (*Subordination*)), *provided that* no such action may be taken by the

Trustee or a Tier 2 Noteholder if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction.

- (d) Without prejudice to Conditions 12.3(b) and 12.3(c), if the Issuer breaches any of its obligations under the Tier 2 Notes (other than any payment obligation arising out of or in connection with the Tier 2 Notes, including but not limited to in respect of the payment of principal or interest on such Tier 2 Notes), then the Trustee at its discretion and without further notice may, and if so requested by holders of at least one-quarter in nominal amount of the Tier 2 Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Tier 2 Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), subject to the Regulatory Capital Requirements, bring such proceedings as it may think fit to enforce the obligation in question, *provided that* the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on or satisfy any other payment obligation in relation to such Series of Tier 2 Notes earlier than the same would otherwise have been payable by it.
- (e) The rights of the holder of a Tier 2 Notes shall be subject to any terms and conditions which require such Tier 2 Notes to either be written off or converted upon the occurrence of a Trigger Event in accordance with the applicable Regulatory Capital Requirements in respect of the Tier 2 Notes (and subject further to the Regulatory Capital Requirements, including such Additional Conditions (if any) as are prescribed by the Prudential Authority in respect of a Tranche of Tier 2 Notes).

#### 12.4 **Additional Tier 1 Notes**

- (a) This Condition 12.4 (*Additional Tier 1 Notes*) applies only to Additional Tier 1 Notes.
- (b) Notwithstanding any of the provisions below in this Condition 12.4 (*Additional Tier 1 Notes*):
  - (i) the remedies available to Additional Tier 1 Noteholders in circumstances where payment of principal or interest (as the case may be) has become due and payable, but remains unpaid, are limited to the right to institute winding-up proceedings; and
  - (ii) payment of any Interest Amount in respect of Additional Tier 1 Notes will not be due if the Issuer has elected or is obliged to elect not to pay that Interest Amount (or any portion thereof) pursuant to Condition 6 (*Interest Payments on Additional Tier 1 Notes*).
- (c) If the Issuer fails to pay any amount falling due in respect of any Series of Additional Tier 1 Notes and the failure to pay has continued for more than seven days in the case of principal or premium or fourteen days in the case of interest, except where such Additional Tier 1 Notes are subject to a Write-off in accordance with Condition 3.6 (*Non-Viability Loss Absorption*) and subject to Condition 3.5 (*Status of the Additional Tier 1 Notes*), the Trustee at its discretion and without further notice may, and if so requested by holders of at least one-quarter in nominal amount of the Additional Tier 1 Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Additional Tier 1 Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), institute proceedings for the winding-up of the Issuer, but may not take any other action in respect of that default; *provided that* no action may be taken by the Trustee or an Additional Tier 1 Noteholder if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such Applicable Law or order, the Issuer will not be in default if it acts on the advice given to it by independent legal advisers of recognised standing during the aforementioned grace period.

- (d) Without prejudice to Conditions 12.4(b) and 12.4(c), if the Issuer breaches any of its obligations under the Additional Tier 1 Notes (other than any payment obligation arising out of or in connection with the Additional Tier 1 Notes, including but not limited to in respect of the payment of principal or interest on such Additional Tier 1 Notes), then the Trustee at its discretion and without further notice may, and if so requested by holders of at least one-quarter in nominal amount of the Additional Tier 1 Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Additional Tier 1 Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), but subject to the Regulatory Capital Requirements, bring such proceedings as it may think fit to enforce the obligation in question, *provided that* the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on or satisfy any other payment obligation in relation to such Series of Additional Tier 1 Notes earlier than the same would otherwise have been payable by it.
- (e) The rights of the holder of Additional Tier 1 Notes shall be subject to any terms and conditions which require such Additional Tier 1 Notes to either be written off or converted upon the occurrence of a Trigger Event in accordance with the applicable Regulatory Capital Requirements in respect of the Additional Tier 1 Notes (and subject further to the Regulatory Capital Requirements, including such Additional Conditions (if any) as are prescribed by the Prudential Authority in respect of a Tranche of Additional Tier 1 Notes).

#### 12.5 **Enforcement**

- (a) Subject to Conditions 12.3 and 12.4, the Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the holders or so requested in writing by the holders of at least one-quarter in nominal amount of Senior Notes, Subordinated Notes that are not Subordinated Capital Notes, Tier 2 Notes or Additional Tier 1 Notes, as applicable, then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.
- (b) No Noteholder, Receiptholder or Couponholder shall be entitled to institute proceedings directly against the Issuer or prove in the winding-up of the Issuer unless the Trustee, having become bound to do so, fails or is unable to do so within 60 days and such failure or inability is continuing, in which event any Noteholder, Receiptholder or Couponholder may, on giving an indemnity and/or security and/or prefunding satisfactory to the Trustee, in the name of the Trustee (but not otherwise) himself institute such proceedings and/or prove a claim in the winding-up of the Issuer to the same extent and in the same jurisdiction (but not further or otherwise) that the Trustee would have been entitled to do so in respect of the Notes and/or the Trust Deed.

#### 12.6 **Interpretation**

For the purposes of these General Terms and Conditions:

**"Capital Stock"** means any shares, interests, rights to purchase, warrants, options, participations or other equivalent of or interests (however designated) in equity of the Issuer, including any Preferred Stock, but excluding any debt securities convertible to such equity;

**"Consolidated Tangible Net Worth"** means the amount (including any share premium) for the time being paid up or credited as paid up on the issued Capital Stock of the Issuer:

*plus* the amount standing to the credit, or, as the case may be, minus the amount standing to the debit of the capital and revenue reserves of the Issuer and its Subsidiaries but excluding any amounts attributable to goodwill and other intangible assets; and

*plus* any amount standing to the credit or, as the case may be, minus any amount standing to the debit of the consolidated profit and loss account of the Issuer and its Subsidiaries excluding the effect of any write-off or amortisation in relation to intangible assets or goodwill on the consolidated profit and loss account,

and in each case as shown in, or otherwise calculated by reference to the latest Statutory Consolidated Accounts;

**"Material Subsidiary"** means at any time a Subsidiary of the Issuer:

- (a) whose total operating income (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 5 per cent. of the consolidated total operating income of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, *provided that* in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, *provided that* the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate total operating income equal to) not less than 5 per cent. of the consolidated total operating income of the Issuer, or represent (or, in the case aforesaid, are equal to) not less than 5 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, *provided that* the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate total operating income equal to) not less than 5 per cent. of the consolidated total operating income of the Issuer, or its assets represent (or, in the case aforesaid, are equal to) not less than 5 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of



subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Trust Deed.

**"Preferred Stock"** means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of the Issuer, over shares of Capital Stock of any other class of the Issuer; and

**"Statutory Consolidated Accounts"** means the annual audited consolidated accounts published by the Issuer from time to time and prepared in accordance with International Financial Reporting Standards.

#### 12.7 **Reports**

A report by two Authorized Signatories of the Issuer whether or not addressed to the Trustee that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

#### 13. **REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

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

#### 14. **AGENTS**

The names of the initial Agents and their initial specified offices are set out below.

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

- (a) there will at all times be a Principal Paying Agent, a Transfer Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 8.5. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 16.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency

Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

15. **EXCHANGE OF TALONS**

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 Principal Paying 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 Note to which it appertains) a further Talon, subject to the provisions of Condition 11.

16. **NOTICES**

All notices regarding the Bearer Notes will be deemed to be validly given if published (a) in a leading English language daily national newspaper of general circulation in the United Kingdom and (b) if and for so long as the Bearer Notes are listed on the Official List of the Euronext Dublin and admitted to trading on the regulated market of the Euronext Dublin and the Luxembourg Stock Exchange so requires, a daily newspaper of general circulation in Ireland and/or the Euronext Dublin's website, [www.ise.ie](http://www.ise.ie). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to be given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange.

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, except that, for so long as such Notes are admitted to trading on the Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in Ireland.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent or the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

17. **MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

The Trust Deed contains provisions for convening meetings of the Noteholders (including by way of conference call using a videoconference platform) to consider any matter affecting their

interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 (ten) per cent., in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 (fifty) per cent., of the nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of principal or interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons or (in the case of Subordinated Notes) modifying the provisions regarding subordination) the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trust Deed provides for a resolution, with or without notice, in writing signed by or on behalf of the holder or holders of not less than 90 (ninety) per cent. of the nominal amount of the Notes for the time being outstanding to be as effective and binding (other than in relation to the appointment, replacement or removal of the Trustee which matters must (other than to the extent permitted by applicable law) be sanctioned by an Extraordinary Resolution Adopted at a Meeting (as defined in the Trust Deed) pursuant to section 43(6)(b) of the SA Companies Act) as if it were an Extraordinary Resolution duly passed at a meeting of the Noteholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed (other than any modifications, waivers or authorisations relating to any matters described in clauses 26 to 28 of the Trust Deed or paragraph 19(f) of Schedule 3 to the Trust Deed), or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification (other than any modifications relating to any matters described in clauses 26 to 28 of the Trust Deed or paragraph 19(f) of Schedule 3 to the Trust Deed) which is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 16 as soon as practicable thereafter.

The Trustee shall, subject to satisfaction of the Modification Conditions (as defined in the Trust Deed), agree to any modification which is to correct any inconsistency arising in the applicable Final Terms in respect of any Series of Notes as compared to any term sheet, brochure or other written communication in respect of the Notes that has been distributed to Noteholders in respect of that Series provided that the Trustee has the right to refuse to agree such changes without liability to any Noteholder, the Issuer or any person in the event that, in its sole opinion, the change would expose it to more onerous obligations or additional costs for which, in its sole opinion, it is not or will not be pre-funded or indemnified or secured to its satisfaction or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it.

Notwithstanding the above, the Trustee shall be obliged to concur with the Issuer in effecting (A) any Benchmark Replacement Conforming Changes in the circumstances and as otherwise set out in Condition 7.2(b)(iv) (B) any Benchmark Amendments in the circumstances and as otherwise set out in Condition 7.5 and (C) any substitution or variation of the Notes in the circumstances and as otherwise set out in Condition 9.8, without the requirement for the consent and approval of Noteholders.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 10 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 10 pursuant to the Trust Deed.

Any modification of the General Terms and Conditions applicable to Subordinated Capital Notes in accordance with Condition 9.8 (*Substitution or variation*) or this Condition 17 (*Meetings of Noteholders, Modification and Waiver*) is subject, if and to the extent that such consent is required under the Regulatory Capital Requirements, to the Issuer obtaining the consent of the Prudential Authority.

Subject to Condition 9.8 (*Substitution or variation*), the Trustee may, without the consent of the Noteholders, agree with the Issuer, to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, Receipts, Coupons and the Trust Deed of another company, being a Subsidiary of the Issuer, subject to (a) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (b) certain other conditions set out in the Trust Deed being complied with.

18. **INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND TRUSTEE'S RETIREMENT AND REMOVAL**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trust Deed contains provisions allowing the Trustee to retire at any time on giving not less than 60 days' prior written notice to the Issuer without giving any reason and without being responsible for any Expenses (as defined in the Trust Deed) incurred by such retirement. The Noteholders may by Extraordinary Resolution Adopted at a Meeting pursuant to section 43(6)(b) of the SA Companies Act or, to the extent permitted by applicable law, by Extraordinary Resolution remove any trustee or trustees for the time being of the Notes. The Trust Deed provides that the retirement or removal of any such Trustee shall not become effective until a successor trustee (being a trust corporation which (a) satisfies the requirements of section 43(5)(a) of the SA Companies Act and (b) has previously been approved by an Extraordinary Resolution Adopted at a Meeting pursuant to section 43(6)(b) of the SA Companies Act or, to the extent permitted by applicable law, by an Extraordinary Resolution) is appointed. The Trust Deed provides that, in the event of the Trustee giving notice of retirement or being removed by Extraordinary Resolution Adopted at a Meeting pursuant to section 43(6)(b) of the SA Companies Act or, to the extent permitted by applicable law, by Extraordinary Resolution under the Trust Deed, the Issuer shall use their best endeavours to procure that a new trustee (being a person who (a) satisfies the requirements of section 43(5)(a) of the SA Companies Act and (b) has previously been approved

by an Extraordinary Resolution Adopted at a Meeting pursuant to section 43(6)(b) of the SA Companies Act or, to the extent permitted by applicable law, by an Extraordinary Resolution) is appointed as soon as reasonably practicable. If no appointment has become effective within 60 days of such notice or Extraordinary Resolution, the Trust Deed provides that the Trustee shall be entitled to appoint a trust corporation which (a) satisfies the requirements of section 43(5)(a) of the SA Companies Act and (b) has previously been approved by an Extraordinary Resolution Adopted at a Meeting pursuant to section 43(6)(b) of the SA Companies Act or, to the extent permitted by applicable law, by an Extraordinary Resolution). No appointment of a trustee shall take effect unless previously approved by an Extraordinary Resolution Adopted at a Meeting pursuant to section 43(6)(b) of the SA Companies Act or, to the extent permitted by applicable law, by an Extraordinary Resolution. Notice of any such change shall be given to the Noteholders in accordance with Condition 16 as soon as practicable thereafter.

19. **FX FACTORS AND PRICE SOURCE DISRUPTION**

19.1 If the Calculation Agent determines that a Price Source Disruption has occurred on any Relevant FX Fixing Date, then such Relevant Fixing Date shall be postponed until the first FX Business Day on which a Price Source Disruption does not occur or continue, *provided that* if a Price Source Disruption occurs or continues each of the 5 (five) FX Business Days following the originally scheduled Relevant FX Fixing Date, then on such fifth FX Business Day the Calculation Agent shall determine the Relevant FX Rate by reference to the rate of exchange published by available recognised financial information vendors (as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner) (such date of determination the "**Postponed Fixing Date**").

19.2 Definitions:

"**Final FX Fixing Date**" means, in relation to an FX Factor, the date specified as such in the applicable Final Terms, or if such date is not an FX Business Day the immediately following day that is an FX Business Day, subject to adjustment in accordance with Condition 19.1 above.

"**Final FX Fixing Page**" means, in relation to an FX Factor, the Reuters or other screen page specified as such in the Final Terms or any successor page thereof or, if such page is not specified in the applicable Final Terms or there is no successor page, the Calculation Agent will determine the Final FX Rate by reference to the spot rate prevailing in the international exchange market;

"**Final FX Fixing Time**" means, in relation to an FX Factor, the time and place specified as such in the applicable Final Terms or such other time and place as the Calculation Agent determines in the case of a successor page to the Final FX Fixing Page specified in the Final Terms;

"**Final FX Rate**" means, in relation to an FX Factor:

- (a) the rate of exchange specified as such in the applicable Final Terms; or
- (b) if such rate is not specified in the applicable Final Terms, the rate of exchange between the Specified Currency and the FX Currency (expressed as the number of units of FX Currency per one unit of Specified Currency) as published on the Final FX Fixing Page at the Final FX Fixing Time on the Final FX Fixing Date and as observed by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up;

"**FX Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the jurisdictions specified in the applicable Final Terms, or if no such jurisdictions are specified in the applicable Final Terms, a day on which commercial banks are open for general business and dealings in foreign exchange in the principal financial centre of the country of the Specified Currency and the FX Currency;

"**FX Currency**" means the FX Currency specified in the Final Terms (if any).

**"FX Factor"** means the Final Redemption FX Factor, Early Redemption FX Factor, Interest FX Factor and any FX Factor applied under the Terms (including any Kick-Out FX Factor, FX Factor 1, FX Factor 2 and/or FX Factor 3) or the Additional Terms (including the Credit Linked FX Factor);

**"Initial FX Fixing Date"** means, in relation to an FX Factor, the date specified as such in the applicable Final Terms, or if such date is not an FX Business Day the immediately following day that is an FX Business Day, subject to adjustment in accordance with Condition 19.1 above;

**"Initial FX Fixing Page"** means, in relation to an FX Factor, the Reuters or other screen page specified as such in the Final Terms or any successor page thereof or, if such page is not specified in the applicable Final Terms or there is no successor page, the Calculation Agent will determine the Initial FX Rate by reference to the spot rate prevailing in the international exchange market;

**"Initial FX Fixing Time"** means, in relation to an FX Factor, the time and place specified as such in the applicable Final Terms or such other time and place as the Calculation Agent determines in the case of a successor page to the Initial FX Fixing Page specified in the Final Terms;

**"Initial FX Rate"** means, in relation to an FX Factor:

- (a) the rate of exchange specified as such in the applicable Final Terms; or
- (b) if such rate is not specified in the applicable Final Terms, the rate of exchange between the Specified Currency and the FX Currency (expressed as the number of units of FX Currency per one unit of Specified Currency) as published on the Initial FX Fixing Page at the Initial FX Fixing Time on the Initial FX Fixing Date and as observed by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up;

**"Price Source Disruption"** means, in relation to a Relevant FX Rate, such Relevant FX Rate is not available for any reason as determined by the Calculation Agent;

**"Relevant FX Fixing Date"** means an Initial FX Fixing Date or a Final FX Fixing Date, as applicable; and

**"Relevant FX Rate"** means the Initial FX Rate or the Final FX Rate.

## 20. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## 21. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

## 22. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### 22.1 **Governing law**

The Trust Deed, the Agency Agreement, the Notes (and all non-contractual obligations arising out of or in connection with them), the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law save that Conditions 3.2 – 3.5 and Clause 7 of the Trust Deed are governed by, and shall be construed in accordance with, South African law.

## 22.2 **Submission to jurisdiction**

The Issuer has in the Trust Deed irrevocably agreed, for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes (including any non-contractual obligation arising out of or in connection with the Notes), the Receipts and/or the Coupons and accordingly submits to the non-exclusive jurisdiction of the English courts.

The Issuer has in the Trust Deed waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders, the Receiptholders and the Couponholders, may take any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons, against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

## 22.3 **Appointment of Process Agent**

The Issuer has in the Trust Deed appointed Investec Bank Plc at its registered office at 2 Gresham Street, London EC2V 7QP as its agent for service of process, and undertakes that, in the event of Investec Bank Plc ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England with respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

**PART A – TERMS FOR EQUITY LINKED NOTES / INDEX LINKED NOTES / FUND LINKED NOTES / MULTI UNDERLYING LINKED NOTES**

**REDEMPTION PROVISIONS IN RESPECT OF THE EQUITY LINKED NOTES/INDEX LINKED NOTES/FUND LINKED NOTES/MULTI UNDERLYING LINKED NOTES**

*For ease of reference each set of redemption provisions assumes that the "underlying" is a single Share (or, in the case of Multi Underlying Linked Notes, all "underlyings" are single Shares). However, the redemption provisions in paragraphs 1 - 15 apply to Notes linked to a single Index, a Basket of Indices, a Basket of Shares or a single Fund Interest or Basket of Fund Interests in the same manner as to Notes linked to a single Share. The redemption provisions in paragraphs 16 - 21 (in respect of Multi Underlying Linked Notes) apply equally in respect of any combination of equity, index or fund underlyings. Consequently, in these paragraphs, where applicable:*

1. *references to "Share" shall be construed as references to "Index", "Basket of Indices" "Basket of Shares", "Fund Interest" or "Basket of Fund Interests";*
2. *references to "Price" shall be construed as references to "Level" in respect of a single Index or a Basket of Indices and "Value" in respect of a Basket of Shares and "Fund Value" in respect of a Fund Interest or a Basket of Fund Interests;*
3. *references to "Initial Share Price" shall be construed as references to "Initial Value" in respect of a Basket of Shares, "Initial Index Level" in respect of a single Index or a Basket of Indices "Initial Fund Value" in respect of a single Fund Interest or a Basket of Fund Interests;*
4. *references to "Final Share Price" shall be construed as references to "Final Value" in respect of a Basket of Shares, "Final Index Level" in respect of a single Index or a Basket of Indices and "Final Fund Value" in respect of a single Fund Interest or a Basket of Fund Interests; and*
5. *references to "Downside Final Share Price" shall be construed as references to "Downside Final Value" in respect of a Basket of Shares, "Downside Final Index Level" in respect of a single Index or a Basket of Indices and "Downside Final Fund Value" in respect of a single Fund Interest or a Basket of Fund Interests;*
6. *references to "Final Component Price Differential" shall be construed as references to "Final Component Value Differential" in respect of a Basket of Shares, "Final Component Index Level Differential" in respect of a single Index or a Basket of Indices and "Final Component Fund Value Differential " in respect of a single Fund Interest or a Basket of Fund Interests;*
7. *references to "Component Price Differential" shall be construed as references to "Component Value Differential" in respect of a Basket of Shares, "Component Index Level Differential" in respect of a single Index or a Basket of Indices and "Component Fund Value Differential " in respect of a single Fund Interest or a Basket of Fund Interests; and*
8. *references to "Downside Final Component Price Differential" shall be construed as references to "Downside Final Component Value Differential" in respect of a Basket of Shares, "Downside Final Component Index Level Differential" in respect of a single Index or a Basket of Indices and "Downside Final Component Fund Value Differential " in respect of a single Fund Interest or a Basket of Fund Interests.*

*It should be noted that, in relation to any Equity Linked Notes to which "Equity Linked Physical Settlement" is applicable, or "Downside Only Physical Settlement" is applicable and a downside return is calculated in respect of the Notes pursuant to the relevant Redemption Provisions, the Issuer's obligation to redeem the Notes at the Final Redemption Amount or Automatic Early Redemption Amount (as applicable) shall instead be satisfied by the delivery of shares under Term 7 (Physical Delivery) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes.*



1. **Kick Out Notes with Capital at Risk.**

A. ***Further Information relating to Kick Out Notes with Capital at Risk.***

The Kick Out Notes with Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms). The return that an investor receives in relation to Kick Out Notes with Capital at Risk whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests as specified in the applicable Final Terms, which in certain circumstances can result in the investor receiving a return that is less than par.

The Kick Out Notes with Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formulae for determination of Redemption Amounts and other optional provisions relating to Kick Out Notes with Capital at Risk***

*Automatic Early Redemption Amount*

The Kick Out Notes with Capital at Risk will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the performance of the Share (as calculated in accordance with the provisions of the applicable Final Terms) is greater than the relevant Automatic Early Redemption Threshold specific to that Automatic Early Redemption Valuation Date, (an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date (or if "**Equity Linked Physical Settlement**" is applicable, a Share Transfer Amount calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes) will become payable (or deliverable, as applicable) on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity (i) if "Equity Linked Physical Settlement" is applicable, a Share Transfer Amount calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes shall be deliverable, or (ii) in any other case, the Final Redemption Amount payable (or Share Transfer Amount deliverable, as applicable) by the Issuer in respect of a Kick Out Note with Capital at Risk shall be determined as follows:

- (a) if the Final Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold (and, where Capital Downside is specified to be applicable, either (i) the Barrier Condition is satisfied or (ii) if the Barrier Condition is not satisfied (or no Barrier Condition is specified), the Downside Final Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold) either:

- (i) if Digital Return is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \text{Digital Return} \times \text{FX Factor 1}$$

**OR**

(ii) if Upside Return is specified as being applicable in the Final Terms

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ 0, \text{Min} \left( \text{Cap, Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \right] \times \text{FX Factor 1}$$

(b) where a Barrier Condition is specified, if (X) the Final Price is less than or equal to the Return Threshold and (Y) the Barrier Condition is satisfied (or, if "Capital Downside" is applicable, the Barrier Condition is not satisfied but the Downside Final Price is greater than the Return Threshold):

$$\text{Specified Denomination} \times 100\% \times \text{FX Factor 1}$$

(c) Where "Capital Downside" is specified to be applicable, if the Final Price is (X) where a Barrier Condition is specified greater than, or (Y) where no Barrier Condition is specified, greater than or equal, the Return Threshold and (i) the Barrier Condition (if any) is not satisfied and (ii) the Downside Final Price is (A) where no Barrier Condition is specified, less than, and (B) where a Barrier Condition is specified, less than or equal to, the Return Threshold, either:

(i) if Downside Return 1 and Digital Return are specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ \text{Digital Return} + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Downside Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}$$

**OR**

(ii) if Downside Return 2 and Digital Return are specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ \text{Digital Return} + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right), \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}) \right\} \right] \times \text{FX Factor 1}$$

**OR**

(iii) if Downside Return 1 and Upside Return are specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ \begin{array}{l} 100\% + \text{Max} \left\{ 0, \text{Min} \left( \text{Cap, Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \\ + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Downside Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \end{array} \right] \times \text{FX Factor 1}$$

**OR**

(iv) if Downside Return 2 and Upside Return are specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ \begin{array}{l} 100\% + \text{Max} \left\{ 0, \text{Min} \left( \text{Cap, Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \\ + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 2} \times \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right) \right\} \end{array} \right] \times \text{FX Factor 1}$$

(d) if (i) the Final Price is (X) where a Barrier Condition is specified less than or equal to, or (Y) where no Barrier Condition is specified, less than, the Return Threshold and (ii) the Barrier Condition (if any) is not satisfied (and, where, Capital Downside is specified to be

applicable the Downside Final Price is (X) where a Barrier Condition is specified, less than or equal to, and (Y) where no Barrier Condition is specified, less than, the Return Threshold), either:

(i) if "**Downside Only Physical Settlement**" is applicable, a Share Transfer Amount (calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes); or

(ii) otherwise:

(A) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Downside Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}$$

**OR**

(B) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 2} \times \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}$$

*(provided that, if any of Cap, Gearing 1, Gearing 2 or FX Factor 1 are specified as being "Not Applicable" in the applicable Final Terms, the Cap shall be unlimited and Gearing 1, Gearing 2 and/or FX Factor 1 (as applicable) shall be 100 per cent.).*

Where:

"**Barrier Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if "**American**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Digital Return**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Downside Final Price**" means the Downside Final Share Price, *provided that* where "Capital Downside" is specified in the applicable Final Terms as being "Not Applicable", the Downside Final Price shall be the Final Price;

"**Downside Return 1**", if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Price**" means the Final Share Price;

"**FX Factor 1**", if applicable, means the FX Factor specified as such in the Final Terms;

"**Gearing 1**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Gearing 2**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Initial Price**" means the Initial Share Price;

"**Lower Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Return Threshold**" means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms;

"**Strike Percentage**" or "**Z**" means  $n$  per cent., as specified in the applicable Final Terms, or if no such percentage is specified, means 100 per cent.;

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms; and

"**Upside Return**", if applicable, means a return determined in accordance with the provisions above.

2. **Kick Out Notes without Capital at Risk**

A. ***Further Information relating to Kick Out Notes without Capital at Risk***

Kick Out Notes without Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms). The return that an investor receives in relation to Kick Out Notes without Capital at Risk whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

The Kick Out Notes without Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formulae for determination of Redemption Amounts relating to Kick Out Notes without Capital at Risk***

*Automatic Early Redemption Amount*

The Kick Out Notes without Capital at Risk will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the performance of the Share (as calculated in accordance with the provisions of the applicable Final Terms) is greater than the relevant Automatic Early Redemption Threshold specific to that Automatic Early Redemption Valuation Date, (an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Kick Out Note without Capital at Risk on its Maturity Date shall be determined by the Calculation Agent as:

(a) if the Final Price is greater than the Return Threshold, either:

(i) if Digital Return is specified as being applicable in the Final Terms:

*Specified Denomination x Digital Return*

**OR**

(ii) if Upside Return is specified as being applicable in the Final Terms

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ 0, \text{Min} \left( \text{Cap}, \text{Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \times \text{FX Factor 1} \right]$$

(b) if the Final Price is less than or equal to the Return Threshold:

*Specified Denomination x 100%*

**(provided that,** if any of Cap, Gearing 1 or FX Factor 1 are specified as being "**Not Applicable**" in the applicable Final Terms, the Cap shall be unlimited and Gearing 1 and/or FX Factor 1 shall be 100 per cent.).

Where:

"**Cap**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Digital Return**", if applicable, means  $n$  per cent. as specified in the applicable Final Terms;

"**Final Price**" means the Final Share Price;

"**FX Factor 1**", if applicable, means the FX Factor specified as such in the applicable Final Terms;

"**Gearing 1**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Initial Price**" means the Initial Share Price;

"**Minimum Return**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Return Threshold**" means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms; and

"**Strike Percentage**" or "**Z**" means  $n$  per cent., as specified in the applicable Final Terms, or if no such percentage is specified, means 100 per cent.;

"**Upside Return**", if applicable, means a return determined in accordance with the provisions above.

3. **Phoenix Kick Out Notes with Capital at Risk**

A. ***Further Information relating to Phoenix Kick Out Notes with Capital at Risk.***

Phoenix Kick Out Notes with Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms) in relation to which an Interest Amount may be payable if the performance of the single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms, fulfils certain conditions described below and set out in the applicable Final Terms. The Notes may also bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

The return that an investor receives in relation to Phoenix Kick Out Notes with Capital at Risk, whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests as specified in the applicable Final Terms, which in certain circumstances can result in the investor receiving a return that is less than par.

B. ***Formulae for determination of Interest Amount relating to Phoenix Kick Out Notes with Capital at Risk***

*Underlying Linked Interest Amount*

Whether or not one or more Interest Amount Event(s) occurs in respect of the Phoenix Kick Out Notes with Capital at Risk depends upon the performance of the Share (as calculated in accordance with the provisions specified in the applicable Final Terms) as compared to one or more relevant Interest Amount Conditions specified in the applicable Final Terms, as determined by the Calculation Agent.

An "**Interest Amount Event**" will occur in relation to any Interest Payment Date if on any Interest Valuation Date, during any Interest Averaging Period, during any Interest Observation Period or on each and every Interest Observation Date, in each case relating to such Interest Payment Date, the performance of the Share (as calculated in accordance with the provisions specified in the applicable Final Terms) meets the relevant Interest Amount Condition applicable to that Interest Valuation Date, that Interest Averaging Period, that Interest Observation Period or those Interest Observation Dates.

If the Calculation Agent determines that an Interest Amount Event has occurred, the Interest Amount relevant to the particular Interest Amount Condition satisfied will become payable.

If the "**Memory Feature Provisions**" are specified as being applicable in the applicable Final Terms, if the Calculation Agent determines that an Interest Amount Event has occurred in relation to an Interest Payment Date, then, if an Interest Amount Event did not occur in relation to any Interest Period prior to such Interest Amount Event (but subsequent to any previous Interest Amount Event), the Missed Interest Amounts in respect of any such Interest Period will become payable on such Interest Payment Date.

"**Interest Amount**" means the amount specified in the applicable Final Terms;

"**Interest Amount Threshold**" means  $n$  per cent. of the Initial Share Price;

"**Interest Amount Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the price of the Share is greater than the Interest Amount Threshold on the Interest Valuation Date, or, if Interest Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Interest Averaging Date is greater than the Interest Amount Threshold, as specified in the applicable Final Terms;
- (b) if "**American**" is specified in the applicable Final Terms, that the price of the Share is greater than the Interest Amount Threshold during the Interest Observation Period as specified in the applicable Final Terms; and

- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share is greater than the Interest Amount Threshold on each and every Interest Observation Date as specified in the applicable Final Terms,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of Interest Amount, in which case the price shall be monitored at all times on such date(s);

"**Missed Interest Amounts**" means any Interest Amounts that would have become payable in relation to an Interest Period but for the fact that an Interest Amount Event did not occur in respect of such Interest Period.

C. ***Formulae for determination of Redemption Amounts and other optional provisions relating to Phoenix Kick Out Notes with Capital at Risk***

*Automatic Early Redemption Amount*

The Phoenix Kick Out Notes with Capital at Risk will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the performance of the Share (as calculated in accordance with the provisions of the applicable Final Terms) is greater than the relevant Automatic Early Redemption Threshold specific to that Automatic Early Redemption Valuation Date, (an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date (or if "Equity Linked Physical Settlement" is applicable, a Share Transfer Amount calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes) will become payable (or deliverable, as applicable) on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity (i) if "Equity Linked Physical Settlement" is applicable, a Share Transfer Amount calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes shall be deliverable, or (ii) in any other case, the Final Redemption Amount payable (or Share Transfer Amount deliverable, as applicable) by the Issuer in respect of a Phoenix Kick Out Note with Capital at Risk shall be determined as follows:

- (a) if the Final Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold:

$$\text{Specified Denomination} \times \text{Digital Return} \times \text{FX Factor} \ 1$$

- (b) where a Barrier Condition is specified, if (X) the Barrier Condition is satisfied and (Y) the Final Price is less than or equal to the Return Threshold:

$$\text{Specified Denomination} \times 100\% \times \text{FX Factor} \ 1$$

- (c) if (X) where a Barrier Condition is specified, (i) the Barrier Condition is not satisfied, and (ii) the Final Price is less than or equal to the Return Threshold, or (Y) where no Barrier Condition is specified the Final Price is less than the Return Threshold, either:

- (i) if "**Downside Only Physical Settlement**" is applicable, a Share Transfer Amount (calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes); or



(ii) otherwise:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 1} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}$$

(*provided that*, if Gearing 1 or FX Factor 1 is specified as being "Not Applicable" in the applicable Final Terms, Gearing 1 and/or FX Factor 1 shall be 100 per cent.).

Where:

"**Barrier Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) "**American**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Digital Return**" means *n* per cent., as specified in the applicable Final Terms;

"**Final Price**" means the Final Share Price;

"**FX Factor 1**", if applicable, means the FX Factor specified as such in the applicable Final Terms;

"**Gearing 1**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Initial Price**" means the Initial Share Price; and

"**Return Threshold**" means *n* per cent. of the Initial Price as specified in the applicable Final Terms.

4. **Phoenix Kick Out Notes without Capital at Risk**

A. ***Further Information relating to Kick Out Notes with Capital at Risk.***

Phoenix Kick Out Notes without Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms) in relation to which an Interest Amount may be payable if the performance of the underlying Share or Basket of Shares or a Fund Interest or Basket of Fund Interests, as specified in the applicable Final Terms, fulfils certain conditions described below and set out in the applicable Final Terms. The Phoenix Kick Out Notes without Capital at Risk may also bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formulae for determination of Interest Amount relating to Phoenix Kick Out Notes without Capital at Risk***

*Underlying Linked Interest Amount*

Whether or not one or more Interest Amount Event(s) occurs in respect of the Phoenix Kick Out Notes without Capital at Risk depends upon the performance of the Share (as calculated in accordance with the provisions specified in the applicable Final Terms) as compared to one or more relevant Interest Amount Conditions specified in the applicable Final Terms, as determined by the Calculation Agent.

An "**Interest Amount Event**" will occur in relation to any Interest Payment Date if on any Interest Valuation Date, during any Interest Averaging Period, during any Interest Observation Period or on each and every Interest Observation Date, in each case relating to such Interest Payment Date, the performance of the Share (as calculated in accordance with the provisions specified in the applicable Final Terms) meets the relevant Interest Amount Condition applicable to that Interest Valuation Date, that Interest Averaging Period, that Interest Observation Period or those Interest Observation Dates.

If the Calculation Agent determines that an Interest Amount Event has occurred, the Interest Amount relevant to the particular Interest Amount Condition satisfied will become payable.

If the "**Memory Feature Provisions**" are specified as being applicable in the applicable Final Terms, if the Calculation Agent determines that an Interest Amount Event has occurred in relation to an Interest Payment Date, then, if an Interest Amount Event did not occur in relation to any Interest Period prior to such Interest Amount Event (but subsequent to any previous Interest Amount Event), the Missed Interest Amounts in respect of any such Interest Period will become payable on such Interest Payment Date.

"**Interest Amount**" means the amount specified in the applicable Final Terms;

"**Interest Amount Threshold**" means  $n$  per cent. of the Initial Share Price;

"**Interest Amount Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the price of the Share is greater than the Interest Amount Threshold on the Interest Valuation Date, or, if Interest Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Interest Averaging Date is greater than the Interest Amount Threshold, as specified in the applicable Final Terms;
- (b) if "**American**" is specified in the applicable Final Terms, that the price of the Share is greater than the Interest Amount Threshold during the Interest Observation Period as specified in the applicable Final Terms; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share is greater than the Interest Amount Threshold on each and every Interest Observation Date as specified in the applicable Final Terms,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of Interest Amount, in which case the price shall be monitored at all times on such date(s);

"**Missed Interest Amounts**" means any Interest Amounts that would have become payable in relation to an Interest Period but for the fact that an Interest Amount Event did not occur in respect of such Interest Period.

C. ***Formulae for determination of Redemption Amounts and other optional provisions relating to Phoenix Kick Out Notes without Capital at Risk***

*Automatic Early Redemption Amount*

The Phoenix Kick Out Notes without Capital at Risk will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the performance of the Share (as calculated in accordance with the provisions of the applicable Final Terms) is greater than the relevant Automatic Early Redemption Threshold specific to that Automatic Early Redemption Valuation Date, (an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity the Final Redemption Amount payable by the Issuer in respect of a Phoenix Kick Out Note without Capital at Risk shall be determined as follows:

- (a) if the Final Price greater than the Return Threshold:

$$\text{Specified Denomination} \times \text{Digital Return}$$

- (b) where the Final Price is less than or equal to the Return Threshold:

$$\text{Specified Denomination} \times 100\%$$

Where:

"**Digital Return**" means  $n$  per cent., as specified in the applicable Final Terms;

"**Final Price**" means the Final Share Price;

"**Initial Price**" means the Initial Share Price; and

"**Return Threshold**" means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms.

5. **Upside Notes with Capital at Risk**

A. ***Further Information relating to Upside Notes with Capital at Risk***

Upside Notes with Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms). The return that an investor receives in relation to Upside Notes with Capital at Risk is linked to the performance of an underlying single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

The Upside Notes with Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Upside Notes with Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity (i) if "Equity Linked Physical Settlement" is applicable, a Share Transfer Amount calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes shall be deliverable, or (ii) in any other case, the Final Redemption Amount payable (or Share Transfer Amount deliverable, as applicable) by the Issuer in respect of an Upside Note with Capital at Risk shall be determined as follows:

- (a) if the Final Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold (and, where Capital Downside is specified to be applicable, either (i) the Barrier Condition is satisfied or (ii) if the Barrier Condition is not satisfied (or no Barrier Condition is specified), the Downside Final Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold either:

- (i) if Digital Return is specified as being applicable in the Final Terms:

*Specified Denomination x Digital Return x Return Factor x FX Factor 1*

**OR**

- (ii) if Upside Return is specified as being applicable in the Final Terms

$$\text{Specified Denomination} \times \left[ \text{Return Factor} \times \text{FX Factor 1} + \text{Max} \left\{ \text{Minimum Return}, \text{Min} \left( \text{Cap}, \text{Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \times \text{FX Factor 2} \right]$$

- (b) where a Barrier Condition is specified, if (X) the Final Price is less than or equal to the Return Threshold and (Y) the Barrier Condition is satisfied (or, if "**Capital Downside**" is applicable, the Barrier Condition is not satisfied but the Downside Final Price is greater than the Return Threshold):

*Specified Denomination x Return Factor x FX Factor 1*

- (c) Where "**Capital Downside**" is specified to be applicable, if the Final Price is (X) where a Barrier Condition is specified greater than, or (Y) where no Barrier Condition is specified, greater than or equal, the Return Threshold and (i) the Barrier Condition (if any) is not satisfied and (ii) the Downside Final Price is (A) where no Barrier Condition is specified,

less than, and (B) where a Barrier Condition is specified, less than or equal to, the Return Threshold, either:

- (i) if Downside Return 1 and Digital Return are specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ \text{Digital Return} + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Downside Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}$$

**OR**

- (ii) if Downside Return 2 and Digital Return are specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ \text{Digital Return} + \text{Min} \left\{ 0, \text{Max} \left( \begin{array}{l} \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \\ \text{Gearing 2} \times \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \end{array} \right) \right\} \right] \times \text{FX Factor 1}$$

**OR**

- (iii) if Downside Return 1 and Upside Return are specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return}, \text{Min} \left( \text{Cap}, \text{Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \right] \times \text{FX Factor 2} + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Downside Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}$$

**OR**

- (iv) if Downside Return 2 and Upside Return are specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return}, \text{Min} \left( \text{Cap}, \text{Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \right] \times \text{FX Factor 2} + \text{Min} \left\{ 0, \text{Max} \left( \begin{array}{l} \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \\ \text{Gearing 2} \times \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \end{array} \right) \right\} \right] \times \text{FX Factor 1}$$

- (d) if (i) the Final Price is (X) where a Barrier Condition is specified less than or equal to, or (Y) where no Barrier Condition is specified, less than, the Return Threshold and (ii) the Barrier Condition (if any) is not satisfied (and, where, Capital Downside is specified to be applicable the Downside Final Price is (X) where a Barrier Condition is specified, less than or equal to, and (Y) where no Barrier Condition is specified, less than, the Return Threshold), either:

- (i) if "**Downside Only Physical Settlement**" is applicable, a Share Transfer Amount (calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes); or

- (ii) otherwise:

- (A) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Downside Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}$$

**OR**

(B) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ 0, \text{Max} \left( \begin{array}{l} \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \\ \text{Gearing 2} \times \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right) \end{array} \right), -100\% \right\} \right] \times \text{FX Factor 1}$$

*(provided that*, if any of Cap, Gearing 1, Gearing 2, Return Factor, FX Factor 1, FX Factor 2 and/or Minimum Return are specified as being "Not Applicable" in the applicable Final Terms, the Cap shall be unlimited, Gearing 1, Gearing 2, Return Factor, FX Factor 1 and/or FX Factor 2 (as applicable) shall be 100 per cent. and the Minimum Return shall be zero).

Where:

"**Barrier Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) "**American**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Digital Return**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Downside Final Price**" means the Downside Final Share Price, *provided that* where "Capital Downside" is specified in the applicable Final Terms as being "Not Applicable", the Downside Final Price shall be the Final Price;

"**Downside Return 1**", if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Price**" means the Final Share Price;

"**FX Factor 1**", if applicable, means the FX Factor specified as such in the applicable Final Terms;

"**FX Factor 2**", if applicable, means the FX Factor specified as such in the applicable Final Terms;

"**Gearing 1**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Gearing 2**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Initial Price**" means the Initial Share Price;

"**Lower Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Minimum Return**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Return Factor**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Return Threshold**" means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms;

"**Strike Percentage**" or "**Z**" means  $n$  per cent., as specified in the applicable Final Terms, or if no such percentage is specified, means 100 per cent.;

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms; and

"**Upside Return**", if applicable, means a return determined in accordance with the provisions above.

6. **Upside Notes without Capital at Risk**

A. ***Further Information relating to Upside Notes without Capital at Risk***

Upside Notes without Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms). The return that an investor receives in relation to Upside Notes without Capital at Risk is linked to the performance of an underlying single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

The Upside Notes without Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Upside Notes without Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of an Upside Note without Capital at Risk on its Maturity Date shall be determined by the Calculation Agent in accordance with the following formula:

- (a) if the Final Price is greater than the Return Threshold:
- (i) if Digital Return is specified as being applicable in the Final Terms:

*Specified Denomination x Digital Return*

**OR**

- (ii) if Upside Return is specified as being applicable in the Final Terms

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return}, \text{Min} \left( \text{Cap}, \text{Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \times \text{FX Factor 1} \right]$$

- (b) if the Final Price is less than or equal to the Return Threshold:

*Specified Denomination x (100% + Minimum Return x FX Factor 1)*

**(provided that,** if any of Cap, Gearing 1, FX Factor 1 and/or Minimum Return are specified as being "Not Applicable" in the applicable Final Terms, the Cap shall be unlimited, Gearing 1 and/or FX Factor 1 (as applicable) shall be 100 per cent. and Minimum Return shall be zero).

Where:

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Digital Return**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Final Price**" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"**FX Factor 1**", if applicable, means the FX Factor specified as such in the applicable Final Terms;

"**Gearing 1**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Initial Price**" means the Initial Share Price, in case of Shares, and Initial Value, in case of a Basket;

"**Minimum Return**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Return Threshold**" means *n* per cent. of the Initial Price as specified in the applicable Final Terms;



**"Strike Percentage"** or **"Z"** means *n* per cent., as specified in the applicable Final Terms, or if no such percentage is specified, means 100 per cent.; and

**"Upside Return"**, if applicable, means a return determined in accordance with the provisions above.

7. **Geared Booster Notes with Capital at Risk**

A. ***Further Information relating to Geared Booster Notes with Capital at Risk***

Geared Booster Notes with Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms). The return that an investor receives in relation to Geared Booster Notes with Capital at Risk is linked to the performance of an underlying single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

The Geared Booster Notes with Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Geared Booster Notes with Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity (i) if "Equity Linked Physical Settlement" is applicable, a Share Transfer Amount calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes shall be deliverable, or (ii) in any other case, the Final Redemption Amount payable (or Share Transfer Amount deliverable, as applicable) by the Issuer in respect of a Geared Booster Note with Capital at Risk shall be determined as follows:

- (a) if the Final Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold (and, where Capital Downside is specified to be applicable, either (i) the Barrier Condition is satisfied or (ii) if the Barrier Condition is not satisfied (or no Barrier Condition is specified), the Downside Final Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold:

$$\text{Specified Denomination} \times \left[ \begin{aligned} &\text{Return Factor} \times \text{FX Factor 1} \\ &+ \text{Gearing 1} \times \text{Max} \left\{ 0, \text{Min} \left( \text{Cap}, \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \times \text{FX Factor 2} \\ &+ \text{Gearing 2} \times \text{Max} \left\{ 0, \left( \frac{\text{Final Price}}{\text{Initial Price}} - K \right) \right\} \times \text{FX Factor 3} \end{aligned} \right]$$

- (b) where a Barrier Condition is specified, if (X) the Final Price is less than or equal to the Return Threshold and (Y) the Barrier Condition is satisfied (or, if "**Capital Downside**" is applicable, the Barrier Condition is not satisfied but the Downside Final Price is greater than the Return Threshold):

$$\text{Specified Denomination} \times \text{Return Factor} \times \text{FX Factor 1}$$

- (c) Where "**Capital Downside**" is specified to be applicable, if the Final Price is (X) where a Barrier Condition is specified greater than, or (Y) where no Barrier Condition is specified, greater than or equal, the Return Threshold and (i) the Barrier Condition (if any) is not satisfied and (ii) the Downside Final Price is (A) where no Barrier Condition is specified,

less than, and (B) where a Barrier Condition is specified, less than or equal to, the Return Threshold:

(i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & \quad + \text{Gearing 1} \times \text{Max} \left\{ 0, \text{Min} \left( \text{Cap}, \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \times \text{FX Factor 2} \\ & \quad + \text{Gearing 2} \times \text{Max} \left\{ 0, \left( \frac{\text{Final Price}}{\text{Initial Price}} - K \right) \right\} \times \text{FX Factor 3} \\ & \quad \left. + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 3} \times \left( \frac{\text{Downside Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1} \end{aligned}$$

**OR**

(ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & \quad + \text{Gearing 1} \times \text{Max} \left\{ 0, \text{Min} \left( \text{Cap}, \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \times \text{FX Factor 2} \\ & \quad + \text{Gearing 2} \times \text{Max} \left\{ 0, \left( \frac{\text{Final Price}}{\text{Initial Price}} - K \right) \right\} \times \text{FX Factor 3} \\ & \quad + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 3} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 3} \times \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} \right. \right. \right. \\ & \quad \left. \left. \left. - \text{Upper Strike} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1} \end{aligned}$$

(d) if (i) the Final Price is (X) where a Barrier Condition is specified less than or equal to, or (Y) where no Barrier Condition is specified, less than, the Return Threshold and (ii) the Barrier Condition (if any) is not satisfied (and, where, Capital Downside is specified to be applicable the Downside Final Price is (X) where a Barrier Condition is specified, less than or equal to, and (Y) where no Barrier Condition is specified, less than, the Return Threshold), either:

(i) if "**Downside Only Physical Settlement**" is applicable, a Share Transfer Amount (calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes); or

(ii) otherwise:

(A) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & \quad \left. + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 3} \times \left( \frac{\text{Downside Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1} \end{aligned}$$

**OR**

(B) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & \quad + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 3} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 3} \times \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} \right. \right. \right. \\ & \quad \left. \left. \left. - \text{Upper Strike} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1} \end{aligned}$$

**(provided that**, if any of Cap, Gearing 1, Gearing 2, Gearing 3, Return Factor, FX Factor 1, FX Factor 2 or FX Factor 3 are specified as being "Not Applicable" in the applicable

Final Terms, the Cap shall be unlimited and Gearing 1, Gearing 2, Gearing 3, Return Factor, FX Factor 1, FX Factor 2 and/or FX Factor 3 (as applicable) shall be 100 per cent.).

Where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) **"American"** is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

**"Cap"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Downside Final Price"** means the Downside Final Share Price, *provided that* where "Capital Downside" is specified in the applicable Final Terms as being "Not Applicable", the Downside Final Price shall be the Final Price;

**"Downside Return 1"**, if applicable, means a return determined in accordance with the provisions above;

**"Downside Return 2"**, if applicable, means a return determined in accordance with the provisions above;

**"Final Price"** means the Final Share Price;

**"FX Factor 1"** if applicable, means the FX Factor specified as such in the applicable Final Terms;

**"FX Factor 2"** if applicable, means the FX Factor specified as such in the applicable Final Terms;

**"FX Factor 3"** if applicable, means the FX Factor specified as such in the applicable Final Terms;

**"Gearing 1"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Gearing 2"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Gearing 3"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Initial Price"** means the Initial Share Price;

**"Lower Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Return Factor"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms;

**"Strike Percentage"** or **"Z"** means  $n$  per cent., as specified in the applicable Final Terms, or if no such percentage is specified, means 100 per cent.;

**"Upside Booster Threshold"**, if applicable, means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms; and

**"Upside Booster Strike Percentage"** or **"K"**, if applicable, means  $n$  per cent. as specified in the applicable Final Terms; and

**"Upper Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms.

8. **Lock-In Call Notes with Capital at Risk**

A. ***Further Information relating to Lock-In Call Notes with Capital at Risk***

Lock-In Call Notes with Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms). The return that an investor receives in relation to Lock-In Call Notes is linked to the performance of an underlying single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

The Lock-In Call Notes with Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Lock-In Call Notes with Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity the Final Redemption Amount payable by the Issuer in respect of a Lock-In Call Note with Capital at Risk shall be determined as follows:

- (a) if either of the Final Price or the Lock In Price are greater than, the Return Threshold:

$$\text{Specified Denomination} \times \left[ \text{Return Factor} \times \text{FX Factor 1} + \text{Gearing 1} \times \text{Max} \left\{ 0, \text{LockIn Value} \times \text{LockIn Percentage}, \frac{\text{Final Price}}{\text{Initial Price}} - Z \right\} \times \text{FX Factor 2} \right]$$

- (b) If both the Final Price and Lock In Price are less than or equal to the Return Threshold:

$$\text{Specified Denomination} \times \text{Return Factor} \times \text{FX Factor 1}$$

(*provided that*, if any of Gearing 1, Return Factor, FX Factor 1 or FX Factor 2 are specified as being "Not Applicable" in the applicable Final Terms, Gearing 1, Return Factor, FX Factor 1 and/or FX Factor 2 (as applicable) shall be 100 per cent.).

Where:

"**Final Price**" means the Final Share Price;

"**FX Factor 1**" if applicable, means the FX Factor specified as such in the applicable Final Terms;

"**FX Factor 2**" if applicable, means the FX Factor specified as such in the applicable Final Terms;

"**Gearing 1**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Initial Price**" means the Initial Share Price;

"**Lock-In Observation Dates**" means, as specified in the applicable Final Terms, either:

- (i) each Exchange Business Day (or, in respect of a Basket, each Exchange Business Day which is an Exchange Business Day in respect of each Share or Index in the such Basket) from and including the "**Lock-In Observation Start Date**" specified in the applicable Final Terms to and including the "**Lock-In Observation End Date**" specified in the applicable Final Terms (the "**Lock-In Observation Period**"); or
- (ii) each of the dates specified as such in the applicable Final Terms, or if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately following Scheduled Valuation Day which is not already specified or deemed to be an Lock-In Observation Date;

"**Lock-In Percentage**", means  $n$  per cent., as specified in the applicable Final Terms;

"**Lock-In Price**" means, in relation to each Lock-In Observation Date, the Price of the Share at the Valuation Time on such Lock-In Observation Date;

"**Lock-In Performance**" with respect to each Lock-In Observation Date, means:

$$\frac{\text{Lock-In Price}_t}{\text{Initial Price}} - 1$$

"**Lock-In Performance MAX**" means the highest Lock-In Performance;

"**Lock-In Value**" means the Lock-In Performance MAX divided by the Lock-In Percentage, rounded down to the nearest integer;

"**Lower Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Minimum Return**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Return Factor**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Return Threshold**" means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms;

"**Strike Percentage**" or "**Z**" means  $n$  per cent., as specified in the applicable Final Terms, or if no such percentage is specified, means 100 per cent.; and

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms.

9. **N Barrier (Income) Notes with Capital at Risk**

A. ***Further Information relating to N Barrier (Income) Notes with Capital at Risk***

N Barrier (Income) Notes with Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms) in relation to which an Interest Amount will be payable if the performance of an underlying single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms, fulfils certain conditions described below and set out in the applicable Final Terms. The N Barrier (Income) Notes with Capital at Risk may also bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

The Final Redemption Amount of the N Barrier (Income) Notes with Capital at Risk will depend upon the performance of a Share or a Basket of Shares, or an Index or Basket of Indices, as specified in the applicable Final Terms.

B. ***Formulae for determination of Interest Amount relating to N Barrier (Income) Notes with Capital at Risk***

*Underlying Linked Interest Amount*

Whether or not one or more Interest Amount Event(s) occurs in respect of the N Barrier (Income) Notes with Capital at Risk depends upon the performance of the Share (as calculated in accordance with the provisions specified in the applicable Final Terms) as compared to one or more relevant Interest Amount Conditions specified in the applicable Final Terms, as determined by the Calculation Agent.

An "**Interest Amount Event**" will occur in relation to any Interest Payment Date if on any Interest Valuation Date, during any Interest Averaging Period, during any Interest Observation Period or on each and every Interest Observation Date, in each case relating to such Interest Payment Date, the performance of the Share (as calculated in accordance with the provisions specified in the applicable Final Terms) meets the relevant Interest Amount Condition applicable to that Interest Valuation Date, that Interest Averaging Period, that Interest Observation Period or those Interest Observation Dates.

If the Calculation Agent determines that an Interest Amount Event has occurred, the Interest Amount relevant to the particular Interest Amount Condition satisfied will become payable. The total amount payable will be the aggregate of each Interest Amount payable in respect of each Interest Period for which the relevant Interest Amount Condition is satisfied.

"**Interest Amount Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the price of the Share is greater than the Interest Amount Threshold on the Interest Valuation Date, or, if Interest Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Interest Averaging Date is greater than the Interest Amount Threshold, as specified in the applicable Final Terms;
- (b) if "**American**" is specified in the applicable Final Terms, that the price of the Share is greater than the Interest Amount Threshold during the Interest Observation Period as specified in the applicable Final Terms; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share is greater than the Interest Amount Threshold on each and every Interest Observation Date as specified in the applicable Final Terms,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of Interest Amount, in which case the price shall be monitored at all times on such date(s);



*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity (i) if "Equity Linked Physical Settlement" is applicable, a Share Transfer Amount calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes shall be deliverable, or (ii) in any other case, the Final Redemption Amount payable (or Share Transfer Amount deliverable, as applicable) by the Issuer in respect of an N Barrier (Income) Note with Capital at Risk shall be determined as follows:

- (a) if the Final Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold:

$$\text{Specified Denomination} \times \text{Digital Return}$$

- (b) where a Barrier Condition is specified, if (X) the Barrier Condition is satisfied and (Y) the Final Price is less than or equal to the Return Threshold:

$$\text{Specified Denomination} \times 100\%$$

- (c) if (X) where a Barrier Condition is specified, (i) the Barrier Condition is not satisfied, and (ii) the Final Price is less than or equal to the Return Threshold, or (Y) where no Barrier Condition is specified the Final Price is less than the Return Threshold, either:

- (i) if "**Downside Only Physical Settlement**" is applicable, a Share Transfer Amount (calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes); or

- (ii) otherwise:

- (A) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing1} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right) \right)$$

**OR**

- (B) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing1} \times (\text{LowerStrike} - \text{UpperStrike}), \text{Gearing1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

(*provided that*, if Gearing 1 is specified as being "**Not Applicable**" in the applicable Final Terms, Gearing 1 shall be 100 per cent.).

Where:

"**Barrier Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;

- (b) if "**American**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and

- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Digital Return**" means  $n$  per cent., as specified in the applicable Final Terms;

"**Downside Return 1**", if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Price**" means the Final Share Price;

"**Gearing 1**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Initial Price**" means the Initial Share Price;

"**Lower Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Return Threshold**" means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms; and

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms.

10. **Range Accrual (Income) Notes with Capital at Risk**

A. ***Further Information relating to Range Accrual (Income) Notes with Capital at Risk***

Range Accrual (Income) Notes with Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms) in relation to which an interest amount linked to the performance of the Underlying will be payable on Interest Payment Dates occurring at regular intervals throughout the life of the Range Accrual (Income) Notes with Capital at Risk. The Interest Amount that an investor in the Range Accrual (Income) Notes with Capital at Risk receives is linked to the performance of a single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms and on how many actual days during the relevant Interest Period the applicable price, level or value remains within a range. The Range Accrual (Income) Notes with Capital at Risk may also bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

The Final Redemption Amount of the Range Accrual (Income) Notes with Capital at Risk will depend upon the performance of a single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

B. ***Formulae for determination of Rate of Interest relating to Range Accrual (Income) Notes with Capital at Risk***

*Rate of Interest*

Interest determined in accordance with the below will be payable in respect of the Range Accrual (Income) Notes with Capital at Risk.

The Rate of Interest payable in respect of the Range Accrual (Income) Notes with Capital at Risk for any Interest Period shall be a rate determined by the Calculation Agent in accordance with the following formula:

$$\text{Relevant Rate} \times \text{Accrual Factor}$$

Where the Relevant Rate is a floating rate, the amount of interest payable in respect of an Interest Payment Date shall be determined in accordance with Condition 7.2 (*Interest on Floating Rate Notes and Reset Notes*), and where the Relevant Rate is a fixed rate shall be determined in accordance with Condition 7.1 (*Interest on Fixed Rate Notes*).

Where:

"**Accrual Factor**" is calculated as the actual number of Scheduled Valuation Days during each Interest Period in which:

- (a) the Price of Shares is greater than or equal to the Range Lower Level and less than or equal to the Range Upper Level (or, where "Worst of Provisions" or "Best of Provisions" are specified as applicable, the Price of the Worst Performing Share is greater than or equal to the Range Lower Level and the Price of the Best Performing Share is less than or equal to the Range Upper Level); or
- (b) if Range Upper Level is specified as Not Applicable, the Price of Shares is greater than or equal to the Range Lower Level; or
- (c) if Range Lower Level is specified as Not Applicable, the Price of Shares is less than or equal to the Range Upper Level;

in each case divided by the actual number of days during such Interest Period, *provided that* (i) for Scheduled Valuation Days that are not Exchange Business Days, the Price of Shares shall be the same as the previous Exchange Business Day fixing, and (ii) the final fixing of the Price of Shares in the respective Interest Period will be as of the day that is five (5) Exchange Business Days prior to the respective Interest Payment Date and that day's fixing shall apply in respect of the remaining days of the respective Interest Period;

"**Relevant Rate**" shall be any of the fixed Rate of Interest specified in the Fixed Rate provisions of the applicable Final Terms, the Reference Rate specified in the Floating Rate or the relevant rate specified in the applicable Final Terms, as applicable (and calculated by the Calculation Agent in accordance with the terms and fixed on the dates specified therein);

"**Range Lower Level**" means *n* per cent. of the Initial Share Price as specified in the applicable Final Terms; and

"**Range Upper Level**" means *n* per cent. of the Initial Share Price as specified in the applicable Final Terms.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity (i) if "Equity Linked Physical Settlement" is applicable, a Share Transfer Amount calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes shall be deliverable, or (ii) in any other case, the Final Redemption Amount payable (or Share Transfer Amount deliverable, as applicable) by the Issuer in respect of a Range Accrual (Income) Note with Capital at Risk shall be determined as follows:

if the Final Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold:

*Specified Denomination x Digital Return*

- (a) where a Barrier Condition is specified, if (X) the Barrier Condition is satisfied and (Y) the Final Price is less than or equal to the Return Threshold:

*Specified Denomination x 100%*

- (b) if (X) where a Barrier Condition is specified, (i) the Barrier Condition is not satisfied, and (ii) the Final Price is less than or equal to the Return Threshold, or (Y) where no Barrier Condition is specified the Final Price is less than the Return Threshold, either:

- (i) if "**Downside Only Physical Settlement**" is applicable, a Share Transfer Amount (calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes); or

- (ii) otherwise:

- (A) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing 1} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right) \right)$$

**OR**

- (B) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing 1} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

(*provided that*, if Gearing 1 is specified as being "**Not Applicable**" in the applicable Final Terms, Gearing 1 shall be 100 per cent.).

Where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if **"American"** is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

**"Digital Return"** means  $n$  per cent., as specified in the applicable Final Terms;

**"Downside Return 1"**, if applicable, means a return determined in accordance with the provisions above;

**"Downside Return 2"**, if applicable, means a return determined in accordance with the provisions above;

**"Final Price"** means the Final Share Price;

**"Gearing 1"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Initial Price"** means the Initial Share Price;

**"Lower Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms; and

**"Upper Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms.

11. **Range Accrual (Income) Notes without Capital at Risk**

A. ***Further Information relating to Range Accrual (Income) Notes without Capital at Risk***

Range Accrual (Income) Notes without Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms) in relation to which an interest amount linked to the performance of the Underlying will be payable on Interest Payment Dates occurring at regular intervals throughout the life of the Range Accrual (Income) Notes without Capital at Risk. The Interest Amount that an investor in the Range Accrual (Income) Notes without Capital at Risk receives is linked to the performance of a single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms and on how many actual days during the relevant Interest Period the applicable price, level or value remains within a range. The Range Accrual (Income) Notes without Capital at Risk may also bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

The Final Redemption Amount of the Range Accrual (Income) Notes without Capital at Risk will depend upon the performance of a single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

B. ***Formulae for determination of Rate of Interest relating to Range Accrual (Income) Notes without Capital at Risk***

*Rate of Interest*

Interest determined in accordance with the below will be payable in respect of the Range Accrual (Income) Notes without Capital at Risk.

The Rate of Interest payable in respect of the Range Accrual (Income) Notes without Capital at Risk for any Interest Period shall be a rate determined by the Calculation Agent in accordance with the following formula:

Relevant Rate × Accrual Factor

Where the Relevant Rate is a floating rate, the amount of interest payable in respect of an Interest Payment Date shall be determined in accordance with Condition 7.2 (*Interest on Floating Rate Notes and Reset Notes*), and where the Relevant Rate is a fixed rate shall be determined in accordance with Condition 7.1 (*Interest on Fixed Rate Notes*).

Where:

"**Accrual Factor**" is calculated as the actual number of Scheduled Valuation Days during each Interest Period in which:

- (a) the Price of Shares is greater than or equal to the Range Lower Level and less than or equal to the Range Upper Level (or, where "Worst of Provisions" or "Best of Provisions" are specified as applicable, the Price of the Worst Performing Share is greater than or equal to the Range Lower Level and the Price of the Best Performing Share is less than or equal to the Range Upper Level); or
- (b) if Range Upper Level is specified as Not Applicable, the Price of Shares is greater than or equal to the Range Lower Level; or
- (c) if Range Lower Level is specified as Not Applicable, the Price of Shares is less than or equal to the Range Upper Level;

in each case divided by the actual number of days during such Interest Period, *provided that* (i) for Scheduled Valuation Days that are not Exchange Business Days, the Price of Shares shall be the same as the previous Exchange Business Day fixing, and (ii) the final fixing of the Price of Shares in the respective Interest Period will be as of the day that is five (5) Exchange Business Days prior to the respective Interest Payment Date and that day's fixing shall apply in respect of the remaining days of the respective Interest Period;

**"Relevant Rate"** shall be any of the fixed Rate of Interest specified in the Fixed Rate provisions of the applicable Final Terms, the Reference Rate specified in the Floating Rate or the relevant rate specified in the applicable Final Terms, as applicable (and calculated by the calculation agent in accordance with the terms and fixed on the dates specified therein);

**"Range Lower Level"** means  $n$  per cent. of the Initial Share Price specified in the applicable Final Terms; and

**"Range Upper Level"** means  $n$  per cent. of the Initial Share Price specified in the applicable Final Terms.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Range Accrual (Income) Note without Capital at Risk on its Maturity Date shall be:

- (a) if the Final Price is greater than the Return Threshold:

*Specified Denomination x Digital Return*

- (b) if the Final Price is less than or equal to the Return Threshold:

*Specified Denomination x 100%*

Where:

**"Digital Return"** means  $n$  per cent., as specified in the applicable Final Terms;

**"Final Price"** means the Final Share Price;

**"Initial Price"** means the Initial Share Price; and

**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms.

12. **Reverse Convertible Notes with Capital at Risk**

A. ***Further Information relating to Reverse Convertible Notes***

Reverse Convertible Notes with Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms) that are linked to the performance of a a single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms. The Final Redemption Amount of the Reverse Convertible Notes with Capital at Risk will depend upon the performance of a single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

The Reverse Convertible Notes with Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formulae for Final Redemption Amount and other optional provisions relating to Reverse Convertible Equity Linked Notes/Index Linked Notes/Fund Linked Notes***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity (i) if "Equity Linked Physical Settlement" is applicable, a Share Transfer Amount calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes shall be deliverable, or (ii) in any other case, the Final Redemption Amount payable (or Share Transfer Amount deliverable, as applicable) by the Issuer in respect of a Reverse Convertible Note with Capital at Risk shall be determined as follows:

- (a) if (X) the Final Price is greater than or equal to the Return Threshold or (Y) where a Barrier Condition is specified, the Barrier Condition is satisfied:

$$\text{Specified Denomination} \times 100\%$$

- (b) if (X) the Final Price is less than the Return Threshold, and (Y) where a Barrier Condition is specified, the Barrier Condition is not satisfied, either:

- (i) if "**Downside Only Physical Settlement**" is applicable, a Share Transfer Amount (calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes; or

- (ii) otherwise:

- (A) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left[ 0, \text{Max} \left[ \text{Gearing 1} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right] \right)$$

**OR**

- (B) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left[ 0\%, \text{Max} \left[ \text{Gearing 1} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right] \right)$$

(*provided that*, if Gearing 1 is specified as being "**Not Applicable**" in the applicable Final Terms, Gearing 1 shall be 100 per cent.).



Where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if **"American"** is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

**"Downside Return 1"**, if applicable, means a return determined in accordance with the provisions above;

**"Downside Return 2"**, if applicable, means a return determined in accordance with the provisions above;

**"Final Price"** means the Final Share Price;

**"Gearing 1"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Initial Price"** means the Initial Share Price;

**"Lower Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms; and

**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms; and

**"Upper Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms.

13. **Double Bonus Notes with Capital at Risk**

A. ***Further Information relating to Double Bonus Notes with Capital at Risk***

Double Bonus Notes with Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms). The return that an investor receives in relation to Double Bonus Notes with Capital at Risk is linked to the performance of an underlying single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

The Double Bonus Notes with Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Double Bonus Notes with Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity the Final Redemption Amount payable by the Issuer in respect of a Double Bonus Note with Capital at Risk shall be determined as follows:

- (a) if the Final Price is greater than the Return Threshold, but less than or equal to the Upper Return Threshold:

$$[\text{Specified Denomination} + [\text{Digital Return} \times \text{Return Factor}]] \times \text{FX Factor 1}$$

- (b) if the Final Price is greater than the Upper Return Return Threshold:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ \text{Return Factor 1} \times \text{FX Factor 1} \right. \\ & \quad \left. + \left\{ \left( 2 \times \text{Digital Return} \right. \right. \right. \\ & \quad \left. \left. + \text{Max} \left( \text{Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right), 0 \right) \right) \times \text{FX Factor 2} \right\} \right] \end{aligned}$$

- (c) where a Barrier Condition is specified, if (X) the Final Price is less than or equal to the Return Threshold and (Y) the Barrier Condition is satisfied:

$$\text{Specified Denomination} \times \text{Return Factor} \times \text{FX Factor 1}$$

- (d) if (i) the Final Price is less than or equal to the Return Threshold and (ii) the Barrier Condition (if any) is not satisfied, either:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & \left. + \text{Min} \left\{ 0, \text{Max} \left( \left( \text{Gearing 2} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right) \right), -100\% \right) \right\} \right] \times \text{FX Factor 1} \end{aligned}$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & \quad \left. + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times (\text{Lower Strike} \right. \right. \right. \\ & \quad \left. \left. \left. - \text{Upper Strike} \right), \text{Gearing 2} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} \right) \right. \right. \right. \\ & \quad \left. \left. \left. - \text{Upper Strike} \right), -100\% \right\} \right] \times \text{FX Factor 1} \end{aligned}$$

*(provided that, if any of Gearing 1, Gearing 2, Return Factor, FX Factor 1 and/or FX Factor 2 are specified as being "Not Applicable" in the applicable Final Terms, Gearing 1, Gearing 2, Return Factor, FX Factor 1 and/or FX Factor 2 (as applicable) shall be 100 per cent.)*

Where:

"**Barrier Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) "**American**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Digital Return**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Downside Return 1**", if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Price**" means the Final Share Price;

"**FX Factor 1**", if applicable, means the FX Factor specified as such in the applicable Final Terms;

"**FX Factor 2**", if applicable, means the FX Factor specified as such in the applicable Final Terms;

"**Gearing 1**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Gearing 2**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Initial Price"** means the Initial Share Price;

**"Lower Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Return Factor"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms;

**"Strike Percentage"** or **"Z"** means  $n$  per cent., as specified in the applicable Final Terms, or if no such percentage is specified, means 100 per cent.;

**"Upper Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms;

**"Upper Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms.

14. **Bear Notes with Capital at Risk**

A. ***Further Information relating to Bear Notes with Capital at Risk***

Bear Notes with Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms). The return that an investor receives in relation to Bear Notes with Capital at Risk is linked to the performance of an underlying single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

The Bear Notes with Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Bear Notes with Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity the Final Redemption Amount payable by the Issuer in respect of a Bear Note with Capital at Risk shall be determined as follows:

- (a) if the Final Price is (i) where no Barrier Condition is specified, less than or equal to, and (ii) where a Barrier Condition is specified, less than, the Return Threshold (and, where Capital Downside is specified to be applicable, either (i) the Barrier Condition is satisfied or (ii) if the Barrier Condition is not satisfied (or no Barrier Condition is specified), the Downside Final Price is (i) where no Barrier Condition is specified, less than or equal to, and (ii) where a Barrier Condition is specified, less than, the Return Threshold:

$$\text{Specified Denomination} \times \left[ \text{Return Factor} \times \text{FX Factor 1} + \text{Min} \left\{ \text{Cap, Gearing 1} \times \left( Z - \left( \frac{\text{Final Price}}{\text{Initial Price}} \right) \right) \right\} \times \text{FX Factor 2} \right]$$

- (b) where a Barrier Condition is specified, if (X) the Final Price is greater than or equal to the Return Threshold and (Y) the Barrier Condition is satisfied (or, if "**Capital Downside**" is applicable, the Barrier Condition is not satisfied but the Downside Final Price is less than the Return Threshold):

$$\text{Specified Denomination} \times \text{Return Factor} \times \text{FX Factor 1}$$

- (c) Where "**Capital Downside**" is specified to be applicable, if the Final Price is (X) where a Barrier Condition is specified less than, or (Y) where no Barrier Condition is specified, less than or equal to, the Return Threshold and (i) the Barrier Condition (if any) is not satisfied and (ii) the Downside Final Price is (A) where no Barrier Condition is specified, greater than, and (B) where a Barrier Condition is specified, greater than or equal to, the Return Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & + \text{Min} \left\{ \text{Cap, Gearing 1} \times \left( Z - \left( \frac{\text{Final Price}}{\text{Initial Price}} \right) \right) \right\} \times \text{FX Factor 2} \\ & \left. + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Initial Price} - \text{Downside Final Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \times \text{FX Factor 1} \right] \end{aligned}$$

**OR**

(ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\begin{aligned}
 & \text{Specified Denomination} \times \left[ 100\% \right. \\
 & \quad + \text{Min} \left\{ \text{Cap, Gearing 1} \times \left( Z \right. \right. \\
 & \quad \quad \left. \left. - \left( \frac{\text{Final Price}}{\text{Initial Price}} \right) \right) \right\} \times \text{FX Factor 2} \\
 & \quad + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times (\text{Lower Strike} \right. \right. \right. \\
 & \quad \quad \left. \left. - \text{Upper Strike}), \text{Gearing 2} \times \left( \text{Lower Strike} \right. \right. \right. \\
 & \quad \quad \left. \left. \left. - \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} \right) \right), -100\% \right) \right\} \times \text{FX Factor 1}
 \end{aligned}$$

(d) if (i) the Final Price is (X) where a Barrier Condition is specified greater than or equal to, or (Y) where no Barrier Condition is specified, greater than, the Return Threshold and (ii) the Barrier Condition (if any) is not satisfied (and, where, Capital Downside is specified to be applicable the Downside Final Price is (X) where a Barrier Condition is specified, greater than or equal to, and (Y) where no Barrier Condition is specified, greater than, the Return Threshold):

(A) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\begin{aligned}
 & \text{Specified Denomination} \times \left[ \text{Return Factor} \right. \\
 & \quad \left. + \text{Min} \left\{ 0, \text{Max} \left( \left( \text{Gearing 2} \times \left( \frac{\text{Initial Price} - \text{Downside Final Price}}{\text{Initial Price}} \right) \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}
 \end{aligned}$$

**OR**

(B) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\begin{aligned}
 & \text{Specified Denomination} \times \left[ \text{Return Factor} \right. \\
 & \quad + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times (\text{Lower Strike} \right. \right. \right. \\
 & \quad \quad \left. \left. - \text{Upper Strike}), \text{Gearing 2} \times \left( \text{Lower Strike} \right. \right. \right. \\
 & \quad \quad \left. \left. \left. - \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} \right) \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}
 \end{aligned}$$

**(provided that,** if any of Cap, Gearing 1, Gearing 2, Return Factor, FX Factor 1 and/or FX Factor 2 are specified as being "Not Applicable" in the applicable Final Terms, the Cap shall be unlimited, Gearing 1, Gearing 2, Return Factor, FX Factor 1 and/or FX Factor 2 (as applicable) shall be 100 per cent.).

Where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Share is less than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is less than or equal to the Barrier Threshold;
- (b) **"American"** is specified in the applicable Final Terms, that the price of the Share is less than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the price of the Share is less than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

**"Cap"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Downside Final Price"** means the Downside Final Share Price, *provided that* where "Capital Downside" is specified in the applicable Final Terms as being "Not Applicable", the Downside Final Price shall be the Final Price;

**"Downside Return 1"**, if applicable, means a return determined in accordance with the provisions above;

**"Downside Return 2"**, if applicable, means a return determined in accordance with the provisions above;

**"Final Price"** means the Final Share Price;

**"FX Factor 1"**, if applicable, means the FX Factor specified as such in the applicable Final Terms;

**"FX Factor 2"**, if applicable, means the FX Factor specified as such in the applicable Final Terms;

**"Gearing 1"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Gearing 2"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Initial Price"** means the Initial Share Price;

**"Lower Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Return Factor"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms;

**"Strike Percentage"** or **"Z"** means  $n$  per cent., as specified in the applicable Final Terms, or if no such percentage is specified, means 100 per cent.;

**"Upper Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms; and

"**Upside Return**", if applicable, means a return determined in accordance with the provisions above.



15. **Bear Notes without Capital at Risk**

A. ***Further Information relating to Bear Notes without Capital at Risk***

Bear Notes without Capital at Risk may be Equity Linked Notes, Index Linked Notes or Fund Linked Notes (as specified in the applicable Final Terms). The return that an investor receives in relation to Bear Notes without Capital at Risk is linked to the performance of an underlying single Share, single Index, single Fund Interest, Basket of Indices, Basket of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

The Bear Notes without Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Bear Notes without Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Bear Note without Capital at Risk on its Maturity Date shall be determined by the Calculation Agent in accordance with the following formula:

- (a) if the Final Price is less than the Return Threshold:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ \text{Cap, Gearing 1} \left( Z - \left( \frac{\text{Final Price}}{\text{Initial Price}} \right) \right) \right\} \times \text{FX Factor 1} \right]$$

- (b) if the Final Price is less than or equal to the Return Threshold:

$$\text{Specified Denomination} \times 100\%$$

(*provided that*, if any of Cap, Gearing 1 and/or FX Factor 1 are specified as being "Not Applicable" in the applicable Final Terms, the Cap shall be unlimited, Gearing 1 and/or FX Factor 1 (as applicable) shall be 100 per cent.).

Where:

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Digital Return**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Final Price**" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"**FX Factor 1**", if applicable, means the FX Factor specified as such in the applicable Final Terms;

"**Gearing 1**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Initial Price**" means the Initial Share Price, in case of Shares, and Initial Value, in case of a Basket;

"**Return Threshold**" means *n* per cent. of the Initial Price as specified in the applicable Final Terms;

"**Strike Percentage**" or "**Z**" means *n* per cent., as specified in the applicable Final Terms, or if no such percentage is specified, means 100 per cent.; and

"**Upside Return**", if applicable, means a return determined in accordance with the provisions above.

16. **Dual Underlying Kick Out Notes with Capital at Risk**

A. ***Further Information relating to Dual Underlying Kick Out Notes with Capital at Risk***

Dual Underlying Kick Out Notes with Capital at Risk are Multi Underlying Linked Notes.

The return that an investor receives in relation to Dual Underlying Kick Out Notes with Capital at Risk whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of two Underlyings, being any combination of single Shares, single Indices, single Fund Interests, Baskets of Indices, Baskets of Shares or Baskets of Fund Interests, as specified in the applicable Final Terms, which in certain circumstances can result in the investor receiving a return that is less than par.

The Dual Underlying Kick Out Notes do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formulae for determination of Redemption Amounts and other optional provisions relating to Dual Underlying Kick Out Notes with Capital at Risk***

*Automatic Early Redemption Amount*

The Dual Underlying Kick Out Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the performance of the Return Underlying (as calculated in accordance with the provisions of the applicable Final Terms) is greater than the relevant Automatic Early Redemption Threshold specific to that Automatic Early Redemption Valuation Date, (an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Dual Underlying Kick Out Note on its Maturity Date shall be:

- (a) if the Final Return Price is greater than the Return Threshold, either:
- (i) if Digital Return is specified as being applicable in the Final Terms:

*Specified Denomination x Digital Return*

**OR**

- (ii) if Upside Return is specified as being applicable in the Final Terms

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ 0, \text{Min} \left( \text{Cap, Gearing1} \times \frac{\text{Final Return Price} - \text{Initial Return Price}}{\text{Initial Return Price}} \right) \right\} \right]$$

- (b) if (X) the Final Return Price is less than or equal to the Return Threshold, and (Y) either (A) the Barrier Condition is satisfied and/or (B) the Final Risk Price is greater than the Risk Threshold:

*Specified Denomination x 100%*

(c) if (X) the Final Return Price is less than or equal to the Return Threshold, and (Y) the Barrier Condition is not satisfied, and (Z) the Final Risk Price is less than or equal to the Risk Threshold, either:

(i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing 2} \times \left( \frac{\text{Final Risk Price} - \text{Initial Risk Price}}{\text{Initial Risk Price}} \right), -100\% \right] \right) \right)$$

**OR**

(ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 2} \times \left( \frac{\text{Final Risk Price}}{\text{Initial Risk Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

*(provided that, if any of Cap, Gearing 1 and/or Gearing 2 are specified as being "Not Applicable" in the applicable Final Terms, the Cap shall be unlimited and Gearing 1 and/or Gearing 2 (as applicable) shall be 100 per cent.).*

Where:

**"Barrier Condition"** means in relation to the Risk Underlying:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if **"American"** is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

**"Cap"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Digital Return"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Downside Return 1"**, if applicable, means a return determined in accordance with the provisions above;

**"Downside Return 2"**, if applicable, means a return determined in accordance with the provisions above;

**"Final Return Price"** means the Final Share Price for the Return Underlying;

**"Final Risk Price"** means the Final Share Price for the Risk Underlying;

**"Gearing 1"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Gearing 2"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Initial Return Price"** means the Initial Share Price for the Return Underlying.

**"Initial Risk Price"** means the Initial Share Price for the Risk Underlying.

**"Lower Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Return Threshold"** means  $n$  per cent. of the Initial Return Price as specified in the applicable Final Terms;

**"Return Underlying"** means the Share specified as such in the applicable Final Terms;

**"Risk Threshold"** means  $n$  per cent. of the Initial Risk Price as specified in the applicable Final Terms;

**"Risk Underlying"** means the Share specified as such in the applicable Final Terms;

**"Upper Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms; and

**"Upside Return"**, if applicable, means a return determined in accordance with the provisions above.

17. **Dual Underlying Upside Notes with Capital at Risk**

A. ***Further Information relating to Dual Underlying Upside Notes with Capital at Risk***

Dual Underlying Upside Notes with Capital at Risk are Multi Underlying Linked Notes. The return that an investor receives in relation to Dual Underlying Upside Notes with Capital at Risk is linked to the performance of two Underlyings, being any combination of single Shares, single Indices, single Fund Interests, Baskets of Indices, Baskets of Shares or Baskets of Fund Interests, as specified in the applicable Final Terms, which in certain circumstances can result in the investor receiving a return that is less than par.

The Dual Underlying Upside Notes with Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Dual Underlying Upside Notes with Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Dual Underlying Upside Note with Capital at Risk on its Maturity Date shall be determined by the Calculation Agent in accordance with the following formula:

- (a) if the Final Return Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold and either (i) the Barrier Condition is satisfied or (ii) if the Barrier Condition is not satisfied (or no Barrier Condition is specified), the Final Risk Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Risk Threshold:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return, Min} \left( \text{Cap, Gearing 1} \times \frac{\text{Final Return Price} - \text{Initial Return Price}}{\text{Initial Return Price}} \right) \right\} \right]$$

- (b) where a Barrier Condition is specified, if (X) the Final Return Price is less than or equal to the Return Threshold and (Y) the Barrier Condition is satisfied or, the Barrier Condition is not satisfied but Final Risk Price is greater than the Risk Threshold:

$$\text{Specified Denomination} \times 100\%$$

- (c) if the Final Return Price is (X) where a Barrier Condition is specified greater than, or (Y) where no Barrier Condition is specified, greater than or equal, the Return Threshold and (i) the Barrier Condition (if any) is not satisfied and (ii) the Final Risk Price is (A) where no Barrier Condition is specified, less than, and (B) where a Barrier Condition is specified, less than or equal to, the Risk Threshold:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( \begin{aligned} & \left( 100\% + \text{Max} \left\{ \text{Minimum Return, Min} \left( \text{Cap, Gearing 1} \times \frac{\text{Final Return Price} - \text{Initial Return Price}}{\text{Initial Return Price}} \right) \right\} \right) \\ & + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing 2} \times \left( \frac{\text{Final Risk Price} - \text{Initial Risk Price}}{\text{Initial Risk Price}} \right), -100\% \right] \right) \end{aligned} \right)$$

**OR**

(ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Max} \left\{ \text{Minimum Return, } \text{Min} \left( \text{Cap, Gearing 1} \times \frac{\text{Final Return Price} - \text{Initial Return Price}}{\text{Initial Return Price}} \right) \right\} \right) + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing 2} \times (\text{LowerStrike} - \text{UpperStrike}), \text{Gearing 2} \times \left( \frac{\text{Final Risk Price}}{\text{Initial Risk Price}} - \text{Upper Strike} \right), -100\% \right] \right)$$

(d) if the Final Return Price is (X) where a Barrier Condition is specified less than or equal to, or (Y) where no Barrier Condition is specified, less than, the Return Threshold and (i) the Barrier Condition (if any) is not satisfied and (ii) the Final Risk Price is (A) where no Barrier Condition is specified, less than, and (B) where a Barrier Condition is specified, less than or equal to, the Risk Threshold, either:

(i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing 2} \times \left( \frac{\text{Final Risk Price} - \text{Initial Risk Price}}{\text{Initial Risk Price}} \right), -100\% \right] \right) \right)$$

**OR**

(ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing 2} \times (\text{LowerStrike} - \text{UpperStrike}), \text{Gearing 2} \times \left( \frac{\text{Final Risk Price}}{\text{Initial Risk Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

**(provided that,** if any of Cap, Gearing 1, Gearing 2 and/or Minimum Return are specified as being "Not Applicable" in the applicable Final Terms, the Cap shall be unlimited, Gearing 1 and/or Gearing 2 (as applicable) shall be 100 per cent. and the Minimum Return shall be zero).

Where:

**"Barrier Condition"** means in relation to the Risk Underlying:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if **"American"** is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

**"Cap"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Downside Return 1"**, if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Return Price**" means the Final Share Price for the Return Underlying;

"**Final Risk Price**" means the Final Share Price for the Risk Underlying;

"**Gearing 1**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Gearing 2**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Initial Return Price**" means the Initial Share Price for the Return Underlying; and

"**Initial Risk Price**" means the Initial Share Price for the Risk Underlying; and

"**Lower Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Minimum Return**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Return Threshold**" means  $n$  per cent. of the Initial Return Price as specified in the applicable Final Terms;

"**Return Underlying**" means the Share specified as such in the applicable Final Terms;

"**Risk Threshold**" means  $n$  per cent. of the Initial Risk Price as specified in the applicable Final Terms;

"**Risk Underlying**" means the Share specified as such in the applicable Final Terms; and

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms.

18. **Out Performance Call Notes with Capital at Risk**

A. ***Further Information relating to Out Performance Call Notes with Capital at Risk***

Out Performance Call Notes with Capital at Risk are Multi Underlying Linked Notes. The return that an investor receives in relation to Out Performance Call Notes with Capital at Risk is linked to the performance of two Underlyings, being any combination of single Shares, single Indices, single Fund Interests, Baskets of Indices, Baskets of Shares or Baskets of Fund Interests, as specified in the applicable Final Terms, which in certain circumstances can result in the investor receiving a return that is less than par.

The Out Performance Call Notes with Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Out Performance Call Notes with Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of an Out Performance Call Note with Capital at Risk on its Maturity Date shall be determined by the Calculation Agent in accordance with the following formula:

- (a) if (X) the Barrier Condition is satisfied and (Y) the Primary Performance is greater than the Comparator Performance:

$$\text{Specified Denomination} \times \left[ \text{Return Factor} \times \text{FX Factor 1} \right. \\ \left. + \text{Min} \left\{ \text{Cap, Gearing 1} \times \text{Max} \left( \left( \left( \frac{\text{FP}(i) - \text{IP}(i)}{\text{IP}(i)} \right) \right. \right. \right. \right. \\ \left. \left. \left. - \left( \frac{\text{FP}(j) - \text{IP}(j)}{\text{IP}(j)} \right) \right), 0 \right) \right\} \times \text{FX Factor 2} \right]$$

- (b) if (X) the Barrier Condition is satisfied and (Y) the Comparator Performance is greater than or equal to the Primary Performance:

$$\text{Specified Denomination} \times \text{Return Factor} \times \text{FX Factor 1}$$

- (c) if (X) the Barrier Condition is not satisfied and (Y) the Primary Performance is greater than the Comparator Performance:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% \right. \\ \left. + \left\{ \text{Cap, Gearing 1} \times \text{Max} \left( \left( \left( \frac{\text{FP}(i) - \text{IP}(i)}{\text{IP}(i)} \right) \right. \right. \right. \right. \right. \\ \left. \left. \left. - \left( \frac{\text{FP}(j) - \text{IP}(j)}{\text{IP}(j)} \right) \right), 0 \right) \right\} \times \text{FX Factor 2} \\ \left. + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{FP}(i) - \text{IP}(i)}{\text{IP}(i)} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}$$

**OR**



- (ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & \quad \left. + \text{Min} \left\{ \text{Cap, Gearing 1} \times \text{Max} \left( \left( \frac{\text{FP}(i) - \text{IP}(i)}{\text{IP}(i)} \right) \right. \right. \right. \\ & \quad \left. \left. \left. - \left( \frac{\text{FP}(j) - \text{IP}(j)}{\text{IP}(j)} \right) \right), 0 \right\} \times \text{FX Factor 2} \right. \\ & \quad \left. + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times (\text{Lower Strike} \right. \right. \right. \\ & \quad \left. \left. \left. - \text{Upper Strike} \right), \text{Gearing 2} \times \left( \frac{\text{FP}(i)}{\text{IP}(i)} \right) \right. \right. \right. \\ & \quad \left. \left. \left. - \text{Upper Strike} \right), -100\% \right\} \right] \times \text{FX Factor 1} \end{aligned}$$

- (d) if (X) the Barrier Condition is not satisfied and (Y) the Comparator Performance is greater than or equal to the Primary Performance:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & \quad \left. + \text{Min} \left\{ 0, \text{Max} \left( \left( \text{Gearing 2} \times \left( \frac{\text{FP}(i) - \text{IP}(i)}{\text{IP}(i)} \right) \right), -100\% \right) \right\} \right] \times \text{FX Factor 1} \end{aligned}$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & \quad \left. + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times (\text{Lower Strike} \right. \right. \right. \\ & \quad \left. \left. \left. - \text{Upper Strike} \right), \text{Gearing 2} \times \left( \frac{\text{FP}(i)}{\text{IP}(i)} \right) \right. \right. \right. \\ & \quad \left. \left. \left. - \text{Upper Strike} \right), -100\% \right\} \right] \times \text{FX Factor 1} \end{aligned}$$

**(provided that,** if any of Cap, Gearing 1 and/or Gearing 2 are specified as being "Not Applicable" in the applicable Final Terms, the Cap shall be unlimited, Gearing 1 and/or Gearing 2 (as applicable) shall be 100 per cent.).

Where:

**"Barrier Condition"** means in relation to the Primary Underlying:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Primary Underlying is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the

prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;

- (b) if "**American**" is specified in the applicable Final Terms, that the price of the Primary Underlying is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Primary Underlying is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Cap**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Comparator Performance**" means the percentage change between the Initial Comparator Price and the Final Comparator Price;

"**Comparator Underlying**" means the Share specified as such in the applicable Final Terms; and

"**Downside Return 1**", if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Primary Price**" or "**FP(i)**" means the Final Share Price for the Primary Underlying;

"**Final Comparator Price**" or "**FP(j)**" means the Final Share Price for the Comparator Underlying;

"**Gearing 1**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Gearing 2**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Initial Primary Price**" or "**IP(i)**" means the Initial Share Price for the Primary Underlying; and

"**Initial Comparator Price**" or "**IP(j)**" means the Initial Share Price for the Comparator Underlying; and

"**Lower Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Primary Performance**" means the percentage change between the Initial Primary Price and the Final Primary Price;

"**Primary Underlying**" means the Share specified as such in the applicable Final Terms; and

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms.

19. **Out Performance Call Notes without Capital at Risk**

A. ***Further Information relating to Out Performance Call Notes without Capital at Risk***

Out Performance Call Notes with Capital at Risk are Multi Underlying Linked Notes. The return that an investor receives in relation to Out Performance Call Notes with Capital at Risk is linked to the performance of two Underlyings, being any combination of single Shares, single Indices, single Fund Interests, Baskets of Indices, Baskets of Shares or Baskets of Fund Interests, as specified in the applicable Final Terms, which in certain circumstances can result in the investor receiving a return that is less than par.

The Out Performance Call Notes with Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Out Performance Call Notes with Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of as Out Performance Call Note with Capital at Risk on its Maturity Date shall be determined by the Calculation Agent in accordance with the following formula:

- (a) if the Primary Performance is greater than the Comparator Performance:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ \text{Cap, Gearing} \times \text{Max} \left( \left( \frac{\text{FP}(i) - \text{IP}(i)}{\text{IP}(i)} \right) - \left( \frac{\text{FP}(j) - \text{IP}(j)}{\text{IP}(j)} \right), 0 \right) \right\} \times \text{FX Factor} 1 \right]$$

- (b) if the Comparator Performance is greater than the Primary Performance:

$$\text{Specified Denomination} \times 100\%$$

(*provided that*, if any of Cap or Gearing are specified as being "Not Applicable" in the applicable Final Terms, the Cap shall be unlimited and Gearing shall be 100 per cent.).

Where:

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Comparator Performance**" means the percentage change between the Initial Comparator Price and the Final Comparator Price;

"**Comparator Underlying**" means the Share specified as such in the applicable Final Terms;

"**Final Primary Price**" or "**FP(i)**" means the Final Share Price for the Primary Underlying;

"**Final Comparator Price**" or "**FP(j)**" means the Final Share Price for the Comparator Underlying;

"**Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Initial Primary Price**" or "**IP(i)**" means the Initial Share Price for the Primary Underlying; and

"**Initial Comparator Price**" "**IP(j)**" means the Initial Share Price for the Comparator Underlying; and

**"Primary Performance"** means the percentage change between the Initial Primary Price and the Final Primary Price; and

**"Primary Underlying"** means the Share specified as such in the applicable Final Terms.

20. **Multi Underlying Upside Notes without Capital at Risk**

A. ***Further Information relating to Multi Underlying Upside Notes without Capital at Risk***

Multi Underlying Upside Notes without Capital at Risk are Multi Underlying Linked Notes. The return that an investor receives in relation to Multi Underlying Upside Notes without Capital at Risk is linked to the performance of two or more Underlyings being any combination of single Shares, single Indices, single Fund Interests, Baskets of Indices, Baskets of Shares or Basket of Fund Interests, as specified in the applicable Final Terms.

The Multi Underlying Upside Notes without Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Multi Underlying Upside Notes without Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity the Final Redemption Amount payable by the Issuer in respect of a Multi Underlying Upside Note without Capital at Risk shall be determined as follows:

- (a) if the Final Price is greater than the Return Threshold:
- (i) if Digital Return is specified as being applicable in the Final Terms:

*Specified Denomination x Digital Return*

**OR**

- (i) if Upside Return is specified as being applicable in the Final Terms

*Specified Denomination x [100% + Max {Minimum Return, Min (Cap, Gearing 1 x (  $\frac{\text{Final Price}}{\text{Initial Price}}$  - Z))}] x FX Factor 1 ]*

- (b) if the Final Price is less than or equal to the Return Threshold:

*Specified Denomination x (100% + Minimum Return x FX Factor 1)*

(provided that, if any of Cap, Gearing 1, FX Factor 1 and/or Minimum Return are specified as being "Not Applicable" in the applicable Final Terms, the Cap shall be unlimited, Gearing 1 and/or FX Factor 1 (as applicable) shall be 100 per cent. and Minimum Return shall be zero).

Where:

**"Best Performing Underlying"** means, in respect of any Valuation Date or Observation Date, the Underlying for which the Price, Level, Value or Fund Value (as applicable) of such Underlying on such day divided by Initial Price, Initial Level, Initial Value or Initial Fund Value (as applicable) of such Underlying is highest, and, in respect of any Averaging Period, the Underlying for which the performance of the Underlying (as calculated on the basis of the arithmetic average of the Price, Level, Value or Fund Value (as applicable) of the Underlying on each relevant Averaging Date) divided by Initial Price, Initial Level, Initial Value or Initial Fund Value (as applicable) for such Underlying is highest;

**"Cap"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Digital Return"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Final Price"** means:

- (a) where "Worst Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Final Share Price of the Worst Performing Underlying;
- (b) where "Best Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Final Share Price of the Best Performing Underlying;
- (c) where "Average Performance" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Initial Price multiplied by the arithmetic average of Final Component Price Differentials for each Share as determined by the Calculation Agent;

"**FX Factor 1**", if applicable, means the FX Factor specified as such in the applicable Final Terms;

"**Gearing 1**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Initial Price**" means:

- (a) where "Worst Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Initial Share Price of the Worst Performing Underlying;
- (b) where "Best Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Initial Share Price of the Best Performing Underlying;
- (c) where "Average Performance" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the arithmetic average of the Initial Share Prices of each Share, as determined by the Calculation Agent (in each case as determined in accordance with the relevant terms applicable to initial valuation thereof);

"**Minimum Return**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Return Factor**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Return Threshold**" means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms; and

"**Strike Percentage**" or "**Z**" means  $n$  per cent., as specified in the applicable Final Terms, or if no such percentage is specified, means 100 per cent.;

"**Upside Return**", if applicable, means a return determined in accordance with the provisions above; and

"**Worst Performing Underlying**" means, in respect of any Valuation Date or Observation Date, the Underlying for which the Price, Level, Value or Fund Value (as applicable) of such Underlying on such day divided by Initial Price, Initial Level, Initial Value or Initial Fund Value (as applicable) of such Underlying is lowest, and, in respect of any Averaging Period, the Underlying for which the performance of the Underlying (as calculated on the basis of the arithmetic average of the Price, Level, Value or Fund Value (as applicable) of the Underlying on each relevant Averaging Date) divided by Initial Price, Initial Level, Initial Value or Initial Fund Value (as applicable) for such Underlying is lowest.

21. **Multi Underlying Upside Notes with Capital at Risk**

A. ***Further Information relating to Multi Underlying Upside Notes with Capital at Risk***

Multi Underlying Upside Notes with Capital at Risk are Multi Underlying Linked Notes. The return that an investor receives in relation to Multi Underlying Upside Notes with Capital at Risk is linked to the performance of two or more Underlyings being any combination of single Shares, single Indices, single Fund Interests, Baskets of Indices, Baskets of Shares or Basket of Fund Interests, as specified in the applicable Final Terms, which in certain circumstances can result in the investor receiving a return that is less than par.

The Multi Underlying Upside Notes with Capital at Risk do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Multi Underlying Upside Notes with Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, on maturity the Final Redemption Amount payable by the Issuer in respect of a Multi Underlying Upside Note with Capital at Risk shall be determined as follows:

- (a) if the Final Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold (and, where Capital Downside is specified to be applicable, either (i) the Barrier Condition is satisfied or (ii) if the Barrier Condition is not satisfied (or no Barrier Condition is specified), the Downside Final Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold either:

- (i) if Digital Return is specified as being applicable in the Final Terms:

*Specified Denomination x Digital Return x Return Factor x FX Factor 1*

**OR**

- (ii) if Upside Return is specified as being applicable in the Final Terms

$$\text{Specified Denomination} \times \left[ \text{Return Factor} \times \text{FX Factor 1} + \text{Max} \left\{ \text{Minimum Return}, \text{Min} \left( \text{Cap}, \text{Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \times \text{FX Factor 2} \right]$$

- (b) where a Barrier Condition is specified, if (X) the Final Price is less than or equal to the Return Threshold and (Y) the Barrier Condition is satisfied (or, if "**Capital Downside**" is applicable, the Barrier Condition is not satisfied but the Downside Final Price is greater than the Return Threshold):

*Specified Denomination x Return Factor x FX Factor 1*

- (c) Where "**Capital Downside**" is specified to be applicable, if the Final Price is (X) where a Barrier Condition is specified greater than, or (Y) where no Barrier Condition is specified, greater than or equal, the Return Threshold and (i) the Barrier Condition (if any) is not satisfied and (ii) the Downside Final Price is (A) where no Barrier Condition is specified,

less than, and (B) where a Barrier Condition is specified, less than or equal to, the Return Threshold, either:

- (i) if Downside Return 1 and Digital Return are specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ \text{Digital Return} + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Downside Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}$$

**OR**

- (ii) if Downside Return 2 and Digital Return are specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ \text{Digital Return} + \text{Min} \left\{ 0, \text{Max} \left( \begin{array}{l} \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \\ \text{Gearing 2} \times \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right) \end{array} \right), -100\% \right\} \right] \times \text{FX Factor 1}$$

**OR**

- (iii) if Downside Return 1 and Upside Return are specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & + \text{Max} \left\{ \text{Minimum Return}, \text{Min} \left( \text{Cap}, \text{Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \times \text{FX Factor 2} \\ & \left. + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Downside Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1} \end{aligned}$$

**OR**

- (iv) if Downside Return 2 and Upside Return are specified as being applicable in the Final Terms:

$$\begin{aligned} & \text{Specified Denomination} \times \left[ 100\% \right. \\ & + \text{Max} \left\{ \text{Minimum Return}, \text{Min} \left( \text{Cap}, \text{Gearing 1} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - Z \right) \right) \right\} \times \text{FX Factor 2} \\ & \left. + \text{Min} \left\{ 0, \text{Max} \left( \begin{array}{l} \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \\ \text{Gearing 2} \times \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right) \end{array} \right), -100\% \right\} \right] \times \text{FX Factor 1} \end{aligned}$$

- (d) if (i) the Final Price is (X) where a Barrier Condition is specified less than or equal to, or (Y) where no Barrier Condition is specified, less than, the Return Threshold and (ii) the Barrier Condition (if any) is not satisfied (and, where, Capital Downside is specified to be applicable the Downside Final Price is (X) where a Barrier Condition is specified, less than or equal to, and (Y) where no Barrier Condition is specified, less than, the Return Threshold), either:

- (i) if "**Downside Only Physical Settlement**" is applicable, a Share Transfer Amount (calculated in accordance with Term 7 (*Physical Settlement*) of the Terms for



Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes); or

(ii) otherwise:

(A) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Downside Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right) \right\} \right] \times \text{FX Factor 1}$$

**OR**

(B) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ 0, \text{Max} \left( \begin{array}{l} \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \\ \text{Gearing 2} \times \left( \frac{\text{Downside Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right) \end{array} \right), -100\% \right\} \right] \times \text{FX Factor 1}$$

*(provided that, if any of Cap, Gearing 1, Gearing 2, Return Factor, FX Factor 1, FX Factor 2 and/or Minimum Return are specified as being "Not Applicable" in the applicable Final Terms, the Cap shall be unlimited, Gearing 1, Gearing 2, Return Factor, FX Factor 1 and/or FX Factor 2 (as applicable) shall be 100 per cent. and the Minimum Return shall be zero).*

Where:

**"Barrier Condition"** means:

(a) if **"European"** is specified in the applicable Final Terms:

(i) where "Worst Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes with Capital at Risk, that the price of the Worst Performing Underlying is greater than or equal to its Initial Share Price multiplied by the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Worst Performing Underlying on each Barrier Averaging Date is greater than or equal to its Initial Share Price multiplied by the Barrier Threshold;

(ii) where "Best Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes with Capital at Risk, that the price of the Best Performing Underlying is greater than or equal to its Initial Share Price multiplied by the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of such Share on each Barrier Averaging Date is greater than or equal to its Initial Share Price multiplied by the Barrier Threshold;

(iii) where "Average Performance" is specified as "Applicable" in relation to Multi Underlying Upside Notes with Capital at Risk, that the Multi Underlying Price is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the Multi Underlying Prices on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;

- (b) "**American**" is specified in the applicable Final Terms:
- (i) where "Worst Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes with Capital at Risk, that the price of the Worst Performing Multi Underlying is greater than or equal to the Barrier Threshold during the Barrier Observation Period;
  - (ii) where "Best Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes with Capital at Risk, that the price of the Best Performing Underlying is greater than or equal to the Barrier Threshold during the Barrier Observation Period;
  - (iii) where "Average Performance" is specified as "Applicable" in relation to Multi Underlying Upside Notes with Capital at Risk, that the Multi Underlying Price is greater than or equal to the Barrier Threshold during the Barrier Observation Period;
- (c) if "**Bermudan**" is specified in the applicable Final Terms:
- (i) where "Worst Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes with Capital at Risk, that the price of the Worst Performing Underlying is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date;
  - (ii) where "Best Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes with Capital at Risk, that the price of the Best Performing Underlying is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date;
  - (iii) where "Average Performance" is specified as "Applicable" in relation to Multi Underlying Upside Notes with Capital at Risk, that the Multi Underlying Price is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date;

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Best Performing Underlying**" means, in respect of any Valuation Date or Observation Date, the Underlying for which the Price, Level, Value or Fund Value (as applicable) of such Underlying on such day divided by Initial Price, Initial Level, Initial Value or Initial Fund Value (as applicable) of such Underlying is highest, and, in respect of any Averaging Period, the Underlying for which the performance of the Underlying (as calculated on the basis of the arithmetic average of the Price, Level, Value or Fund Value (as applicable) of the Underlying on each relevant Averaging Date) divided by Initial Price, Initial Level, Initial Value or Initial Fund Value (as applicable) for such Underlying is highest;

"**Cap**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Digital Return**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Downside Final Price**" means

- (a) where "Worst Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Downside Final Share Price of the Worst Performing Underlying;
- (b) where "Best Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Downside Final Share Price of the Best Performing Underlying;

- (c) where "Average Performance" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Initial Price multiplied by the arithmetic average of Downside Final Component Price Differentials for each Share as determined by the Calculation Agent;

*provided that* where "Capital Downside" is specified in the applicable Final Terms as being "Not Applicable", the Downside Final Price shall be the Final Price;

**"Downside Return 1"**, if applicable, means a return determined in accordance with the provisions above;

**"Downside Return 2"**, if applicable, means a return determined in accordance with the provisions above;

**"Final Price"** means:

- (a) where "Worst Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Final Share Price of the Worst Performing Underlying;
- (b) where "Best Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Final Share Price of the Best Performing Underlying;
- (c) where "Average Performance" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Initial Price multiplied by the arithmetic average of Final Component Price Differentials for each Share as determined by the Calculation Agent;

**"FX Factor 1"**, if applicable, means the FX Factor specified as such in the applicable Final Terms;

**"FX Factor 2"**, if applicable, means the FX Factor specified as such in the applicable Final Terms;

**"Gearing 1"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Gearing 2"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Initial Price"** means:

- (a) where "Worst Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Initial Share Price of the Worst Performing Underlying;
- (b) where "Best Performing Underlying" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the Initial Share Price of the Best Performing Underlying;
- (c) where "Average Performance" is specified as "Applicable" in relation to Multi Underlying Upside Notes without Capital at Risk, the arithmetic average of the Initial Share Prices of each Share, as determined by the Calculation Agent (in each case as determined in accordance with the relevant terms applicable to initial valuation thereof);

**"Lower Strike"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Minimum Return"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;

**"Multi Underlying Price"** means, in respect of any relevant date, the Initial Price multiplied by the arithmetic average of Component Price Differentials for each Share as determined by the Calculation Agent;

**"Return Factor"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms;

**"Strike Percentage"** or **"Z"** means  $n$  per cent., as specified in the applicable Final Terms, or if no such percentage is specified, means 100 per cent.;

**"Upper Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Upside Return"**, if applicable, means a return determined in accordance with the provisions above; and

**"Worst Performing Underlying"** means, in respect of any Valuation Date or Observation Date, the Underlying for which the Price, Level, Value or Fund Value (as applicable) of such Underlying on such day divided by Initial Price, Initial Level, Initial Value or Initial Fund Value (as applicable) of such Underlying is lowest, and, in respect of any Averaging Period, the Underlying for which the performance of the Underlying (as calculated on the basis of the arithmetic average of the Price, Level, Value or Fund Value (as applicable) of the Underlying on each relevant Averaging Date) divided by Initial Price, Initial Level, Initial Value or Initial Fund Value (as applicable) for such Underlying is lowest.

## TERMS FOR EQUITY LINKED NOTES/INDEX LINKED NOTES/FUND LINKED NOTES/MULTI UNDERLYING LINKED NOTES

If the Notes are identified as "Equity Linked Notes", "Index Linked Notes", "Fund Linked Notes" or "Multi Underlying Linked Notes" in the applicable Final Terms, the Conditions applicable to the Notes shall be supplemented by the following Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes. In the event of any inconsistency between any of these Terms and the Conditions, or any statement in or incorporated by reference into the Base Prospectus, these Terms will prevail for the purposes of the Equity Linked Notes, Index Linked Notes, Fund Linked Notes and Multi Underlying Linked Notes. In the event of any inconsistency between any of these Terms, the Conditions or any statement in or incorporated by reference into the Base Prospectus, and the Final Terms in relation to the relevant Equity Linked Notes, Index Linked Notes, Fund Linked Notes or Multi Underlying Linked Notes, the applicable Final Terms shall prevail.

The applicable Final Terms shall specify whether the "**Underlying**" in respect of the Equity Linked Note is a single Share (which may be an ETF Share) or a Basket of Shares (which may be ETF Shares), whether the Underlying in respect of the Index Linked Note is an Index or a Basket of Indices, whether the Underlying in respect of the Fund Linked Note is a Fund Interest or a Basket of Fund Interests, and, in the case of the Multi Underlying Linked Note, shall specify the combination of such Underlyings in respect of the Multi Underlying Linked Note.

### 1. **Definitions**

For the purposes of the terms and conditions of the Equity Linked Notes, Index Linked Notes, Fund Linked Notes and Multi Underlying Linked Notes, the following terms shall have the meanings set out below:

**"Additional Disruption Event"** means a Change in Law, an Insolvency Filing, a Hedging Disruption and/or an Increased Cost of Hedging, ETF Modification, a Strategy Breach, a Regulatory Action and/or a Cross-contamination as specified in the applicable Final Terms in relation to the relevant Note and as determined by the Calculation Agent;

**"Automatic Early Redemption Amount"** means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, an amount specified as such in the applicable Final Terms multiplied by the Kick Out FX Factor;

**"Automatic Early Redemption Averaging"** means, if specified as being applicable in the applicable Final Terms, that, for the purposes of determining whether an Automatic Early Redemption Event has occurred, the performance of the relevant Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests (as applicable) will be determined on the basis of the arithmetic average of the Prices, Levels, Values or Fund Values of the Share, Index, Fund Interests, Basket of Shares, Basket of Indices or Basket of Fund Interests (as applicable) on certain Automatic Early Redemption Averaging Dates;

**"Automatic Early Redemption Averaging Date(s)"** means, as specified in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable) either:

- (a) each of the dates specified as such in the applicable Final Terms, or if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be an Automatic Early Redemption Averaging Date; or
- (b) if Automatic Early Redemption Averaging Period is specified in the applicable Final Terms as being applicable, each day in the Automatic Early Redemption Averaging Period;

**"Automatic Early Redemption Averaging End Date"** means the date specified as such in relation to the relevant Automatic Early Redemption Averaging Period in the Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Automatic Early Redemption Averaging Period"** means, as specified in the applicable Final Terms, either:

- (a) each Scheduled Valuation Day in the period from and including the Automatic Early Redemption Averaging Start Date to and including the Automatic Early Redemption Averaging End Date; or
- (b) the Automatic Early Redemption Averaging End Date and such number of Scheduled Valuation Days preceding the Automatic Early Redemption Averaging End Date as specified in the applicable Final Terms, *provided that*, if the scheduled Automatic Early Redemption Averaging End Date is not a Scheduled Valuation Day, the Automatic Early Redemption Averaging End Date shall be the immediately preceding Scheduled Valuation Day;

**"Automatic Early Redemption Averaging Start Date"** means the date specified as such in relation to the relevant Automatic Early Redemption Averaging Period in the Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Automatic Early Redemption Date(s)"** means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, each of the date(s) specified as such in the applicable Final Terms, *provided that* if the scheduled Automatic Early Redemption Date is not a Business Day, the Automatic Early Redemption Date shall be the next following Business Day;

**"Automatic Early Redemption Event"** means,

- (a) if "Automatic Early Redemption Averaging" is specified in the applicable Final Terms as being applicable, the arithmetic average of the Prices, Levels, Values or Fund Values (as applicable) of the relevant Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests on each Automatic Early Redemption Averaging Date is greater than the Automatic Early Redemption Threshold specified in the applicable Final Terms;
- (b) otherwise, that the price, level or value (as applicable) of the relevant Share, Index, Basket of Shares, Basket of Indices or Basket of Fund Interests on the applicable Automatic Early Redemption Valuation Date, as determined by the Calculation Agent, is greater than the relevant Automatic Early Redemption Threshold specified in the applicable Final Terms, where the price, level or value (as applicable) shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Automatic Early Redemption Event, in which case the price, level or value (as applicable) shall be monitored at all times on such date(s);

**"Automatic Early Redemption Threshold(s)"** means, if "Automatic Early Redemption" is specified as being applicable, *n* per cent. as specified in the applicable Final Terms;

**"Automatic Early Redemption Valuation Date(s)"** means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, each of the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable) or, if any originally scheduled Automatic Early Redemption Valuation Date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day;

**"Averaging Dates"** means each of the Automatic Early Redemption Averaging Dates, the Barrier Averaging Dates, the Interest Averaging Dates, the Final Averaging Dates, the Downside Final Averaging Dates and the Initial Averaging Dates;

**"Averaging Date Market Disruption"**, if applicable, means the procedures specified in the applicable Final Terms for determining the consequence of an Averaging Date being a Disrupted day, as described in Term 2 (*Disruption*) below;

**"Averaging Period(s)"** means each of the Automatic Early Redemption Averaging Period(s), the Barrier Averaging Period, the Interest Averaging Period(s), the Final Averaging Period, the Downside Final Averaging Period and the Initial Averaging Period;

**"Barrier Averaging"** means, if specified as being applicable in the applicable Final Terms, that, for the purposes of determining whether the Barrier Condition has been satisfied, the performance of the relevant Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests (as applicable) will be determined on the basis of the arithmetic average of the Prices, Levels, Values or Fund Values of the Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests (as applicable) on certain Barrier Averaging Dates;

**"Barrier Averaging Date(s)"** means, as specified in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable), either:

- (a) each of the dates specified as such in the applicable Final Terms, or, if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be a Barrier Averaging Date; or
- (b) if Barrier Averaging Period is specified in the applicable Final Terms as being applicable, each date in the Barrier Averaging Period;

**"Barrier Averaging End Date"** means the date specified as such in relation to the relevant Barrier Averaging Period in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Barrier Averaging Period"** means, as specified in the applicable Final Terms, either:

- (a) each Scheduled Valuation Day in the period from and including the Barrier Averaging Start Date to and including the Barrier Averaging End Date; or
- (b) the Barrier Averaging End Date and such number of Scheduled Valuation Days preceding the Barrier Averaging End Date as specified in the applicable Final Terms, *provided that*, if the scheduled Barrier Averaging End Date is not a Scheduled Valuation Day, the Barrier Averaging End Date shall be the immediately preceding Scheduled Valuation Day;

**"Barrier Averaging Start Date"** means the date specified as such in relation to the relevant Barrier Averaging Period in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Barrier Observation Dates"** means, as specified in the applicable Final Terms, either:

- (a) (i) in respect of a Share or an Index, each Exchange Business Day, (ii) in respect of a Basket, each Exchange Business Day which is an Exchange Business Day in respect of each Share or Index in the such Basket, and (iii) in respect of a Fund Interest or Basket of Fund Interests, each Scheduled Valuation Day, in the period from and including the **"Barrier Observation Start Date"** specified in the applicable Final Terms to and including the **"Barrier Observation End Date"** specified in the applicable Final Terms (the **"Barrier Observation Period"**); or
- (b) each of the dates specified as such in the applicable Final Terms, or if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be a Barrier Observation Date;

**"Barrier Threshold"** means *n* per cent. of the Initial Share Price, Initial Value, Initial Index Level or Initial Fund Value (as applicable) of the relevant Underlying specified in the applicable Final Terms;

**"Barrier Valuation Date"** means the date specified as such in the applicable Final Terms, or if such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately

preceding Scheduled Valuation Day, subject in each case to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Basket"** means a basket composed of Shares, Indices or Fund Interests (as applicable) in the relative proportions and/or, in the case of Shares only, numbers of Shares of each Share Issuer, specified in the applicable Final Terms;

**"Best Performing Fund Interest"** means, in respect of any Fund Business Day, the Fund Interest for which the Fund Value on such day divided by Initial Fund Value for such Fund Interest is highest, and, in respect of any Averaging Period, the Fund Interest for which the performance of the Fund Interest (as calculated on the basis of the arithmetic average of the Fund Value of the Fund Interest on each relevant Averaging Date) divided by Initial Fund Value for such Fund Interest is highest;

**"Best Performing Index"** means, in respect of any Valuation Date or Observation Date, the Index for which the Level of the Index on such day divided by Initial Index Level for such Index is highest, and, in respect of any Averaging Period, the Index for which the performance of the Index (as calculated on the basis of the arithmetic average of the Level of the Index on each relevant Averaging Date) divided by Initial Index Level for such Index is highest;

**"Best Performing Share"** means, in respect of any Valuation Date or Observation Date, the Share for which the Price of the Share on such day divided by Initial Share Price for such Share is highest, and, in respect of any Averaging Period, the Share for which the performance of the Share (as calculated on the basis of the arithmetic average of the Price of the Share on each relevant Averaging Date) divided by Initial Share Price for such Share is highest;

**"Change in Law"** means that, on or after the Issue Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) it is unable to perform its obligation in respect of the Notes or it has become illegal to hold, acquire or dispose of any Shares or relevant hedge positions in respect of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes; or
- (b) it or any of its affiliates would incur a materially increased cost (including, without limitation, in respect of any solvency or capital requirements or any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) in maintaining the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes in issue or in holding, acquiring or disposing of any Shares or relevant hedge positions of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes;

**"Component Fund Value Differential"** means, in respect of each Fund Interest comprising a Basket or an Underlying in respect of a Multi-Underlying Linked Note, or a Basket of Fund Interests comprising an Underlying in respect of a Multi-Underlying Linked Note and the relevant Valuation Date and/or Averaging Date, a percentage determined by the Calculation Agent by dividing the Fund Value of such Fund Interest (or Basket of Fund Interests, as applicable) on such Valuation Date and/or Averaging Date by the Initial Fund Value;

**"Component Index Level Differential"** means, in respect of each Index comprising a Basket or an Underlying in respect of a Multi-Underlying Linked Note, or a Basket of Indices comprising an Underlying in respect of a Multi-Underlying Linked Note and the relevant Valuation Date and/or Averaging Date, a percentage determined by the Calculation Agent by dividing the Level of such Index (or Basket of Indices, as applicable) on such Valuation Date and/or Averaging Date by the Initial Index Level;

**"Component Price Differential"** means, in respect of each Share comprising a Basket or an Underlying in respect of a Multi-Underlying Linked Note and the relevant Valuation Date and/or



Averaging Date, a percentage determined by the Calculation Agent by dividing the Price for such Share on such Valuation Date and/or Averaging Date by the Initial Price;

**"Component Value Differential"** means, in respect of each Basket of Shares Comprising an Underlying in respect of a Multi-Underlying Linked Note and the relevant Valuation Date and/or Averaging Date, a percentage determined by the Calculation Agent by dividing the Value for such Basket of Shares on such Valuation Date and/or Averaging Date by the Initial Value;

**"Cross-contamination"** means, in respect of an ETF Share and the related ETF, the occurrence of a cross-contamination or other failure to effectively segregate assets between different classes, series or sub-funds of such ETF, and such event continues, in the determination of the Calculation Agent, for the foreseeable future;

**"Delayed Payment Cut-off Date"** has the meaning given in the applicable Final Terms or, if not so specified, the date falling two calendar years after the originally designated Final Redemption Valuation Date, Automatic Early Redemption Valuation Date or any date on which the Notes are designated by the Issuer to redeem early;

**"Delisting"** means that an Exchange announces that pursuant to its rules the Share or one or more of the Shares in the Basket has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Calculation Agent;

**"Disrupted Day"** means,

- (a) in respect of an Index, any Scheduled Valuation Day on which (i) if **"Multi-Exchange Index"** is specified in the applicable Final Terms, the relevant Index Sponsor fails to publish the level of the relevant Index or, if an Exchange is specified in relation to such Index, such Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred, all as determined by the Calculation Agent;
- (b) in respect of a Basket of Indices, any day which is a Disrupted Day in respect of any Index comprising the Basket;
- (c) in respect of a Share, any Scheduled Valuation Day on which (i) the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred, all as determined by the Calculation Agent; and
- (d) in respect of a Basket of Shares, any day which is a Disrupted Day in respect of any Share comprising the Basket;

**"Downside Final Averaging"** means, if specified as being applicable in the applicable Final Terms, that the Downside Final Share Price, Downside Final Index Level, Downside Final Value or Downside Final Fund Value (as applicable) of the relevant Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests will be determined on the basis of the arithmetic average of Prices, Levels, Values or Fund Values (as applicable) of such Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests on certain Downside Final Averaging Dates;

**"Downside Final Averaging Date(s)"** means, as specified in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*), either:

- (a) each of the dates specified as such in the applicable Final Terms, or if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be a Downside Final Averaging Date; or

- (b) if Downside Final Averaging Period is specified in the applicable Final Terms as being applicable, each date in the Downside Final Averaging Period;

**"Downside Final Averaging End Date"** means the date specified as such in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*);

**"Downside Final Averaging Period"** means, as specified in the applicable Final Terms, either:

- (a) each Scheduled Valuation Day in the period from and including the Downside Final Averaging Start Date to and including the Downside Final Averaging End Date; or
- (b) the Downside Final Averaging End Date and such number of Scheduled Valuation Days preceding the Downside Final Averaging End Date as specified in the applicable Final Terms, *provided that*, if the scheduled Downside Final Averaging End Date is not a Scheduled Valuation Day, the Downside Final Averaging End Date shall be the immediately preceding Scheduled Valuation Day;

**"Downside Final Averaging Start Date"** means, the date specified as such in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*);

**"Downside Final Component Fund Value Differential"** means, in respect of each Fund Interest comprising a Basket or an Underlying in respect of a Multi-Underlying Linked Note, or a Basket of Fund Interests comprising an Underlying in respect of a Multi-Underlying Linked Note, a percentage determined by the Calculation Agent by dividing the Downside Final Fund Value of such Fund Interest (or Basket of Fund Interests, as applicable) by the Initial Fund Value;

**"Downside Final Component Index Level Differential"** means, in respect of each Index comprising a Basket or an Underlying in respect of a Multi-Underlying Linked Note, or a Basket of Indices comprising an Underlying in respect of a Multi-Underlying Linked Note, a percentage determined by the Calculation Agent by dividing the Downside Final Index Level of such Index (or Basket of Indices, as applicable) by the Initial Index Level;

**"Downside Final Component Price Differential"** means, in respect of each Share comprising a Basket or an Underlying in respect of a Multi-Underlying Linked Note, a percentage determined by the Calculation Agent by dividing the Downside Final Price for such Share by the Initial Price;

**"Downside Final Component Value Differential"** means, in respect of each Basket of Shares comprising an Underlying in respect of a Multi-Underlying Linked Note, a percentage determined by the Calculation Agent by dividing the Downside Final Value for such Basket of Shares by the Initial Value;

**"Downside Final Fund Value"** or **"DFV"** means:

- (a) in respect of a Fund Interest (i) if Downside Final Averaging is specified as applicable in relation to the Downside Final Fund Value in the applicable Final Terms, the arithmetic average of the Fund Values of the Fund Interest each Downside Final Averaging Date specified in relation to the Downside Final Fund Level in the applicable Final Terms, (ii) if **"Downside Best Final"** is applicable in relation to the Downside Final Fund Value, the highest Fund Value as of : (A) the Valuation Time on each Scheduled Valuation Day or (B) if **"Constant Monitoring"** is applicable, at any time on each Scheduled Valuation Day, in the period from and including the **"Downside Best Final Start Date"** to and including the **"Downside Best Final End Date"** each as specified in relation to the Downside Final Fund Value in the applicable Final Terms, or (iii) otherwise, the level of the relevant Index at the Valuation Time on the Downside Final Redemption Valuation Date as specified in relation to the Downside Final Fund Level in the applicable Final Terms, as determined by the Calculation Agent; and
- (b) in respect of a Basket of Fund Interests, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Fund Interests, the Initial Fund Value of such Basket multiplied by the weighted average of the Downside Final Component Fund Value Differentials for each Fund Interest comprising such Basket as determined by the Calculation Agent;

**"Downside Final Index Level" or "DFIL"** means:

- (a) in respect of an Index, (i) if Downside Final Averaging is specified as applicable in relation to the Downside Final Index Level in the applicable Final Terms, the arithmetic average of the levels of the Index as calculated and published by the Index Sponsor at the Valuation Time on each Downside Final Averaging Date specified in relation to the Downside Final Index Level in the applicable Final Terms, (ii) if **"Downside Best Final"** is applicable in relation to the Downside Final Index Level, the highest level of the relevant Index published by the Index Sponsor as of: (A) the Valuation Time on each Scheduled Valuation Day or (B) if **"Constant Monitoring"** is applicable, at any time on each Scheduled Valuation Day, in the period from and including the **"Downside Best Final Start Date"** to and including the **"Downside Best Final End Date"** each as specified in relation to the Downside Final Index Level in the applicable Final Terms, or (iii) otherwise, the level of the relevant Index at the Valuation Time on the Downside Final Redemption Valuation Date as specified in relation to the Downside Final Index Level in the applicable Final Terms, as determined by the Calculation Agent; and
- (b) in respect of a Basket of Indices, subject to Term 3 (*Best of/Worst of Provisions*), Initial Index Level multiplied by the weighted average of Downside Final Component Index Level Differentials for each Index comprising such Basket as determined by the Calculation Agent;

**"Downside Final Redemption Valuation Date"** means the date (if any) specified as such in the applicable Final Terms subject to adjustment in accordance with Term 2 (*Disruption*) or, if such date is not a Scheduled Valuation Day in respect of the relevant Underlying, the immediately preceding Scheduled Valuation Day;

**"Downside Final Share Price" or "DFSP"** means, in respect of a Share (i) if Downside Final Averaging is specified as applicable in relation to the Downside Final Share Price, (a) the arithmetic average of the prices of one such Share in the Share Currency quoted on the Exchange at the Valuation Time on each Downside Final Averaging Date specified in relation to the Downside Final Share Price in the applicable Final Terms, (ii) if **"Downside Best Final"** is applicable, the highest price of one such Share quoted on the Exchange as of: (A) the Valuation Time on each Scheduled Valuation Day or (B) if **"Constant Monitoring"** is applicable, at any time on each Scheduled Valuation Day, in the period from and including the **"Best Downside Start Date"** to and including the **"Downside Best Final End Date"** each as specified in relation to the Downside Final Share Price in the applicable Final Terms, or (iii) otherwise, the price of one such Share in the Share Currency quoted on the Exchange at the Valuation Time on the Downside Final Redemption Valuation Date specified in relation to the Downside Final Share Price in the applicable Final Terms, as determined by the Calculation Agent;

**"Downside Final Value" or "DFV"** means, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Shares, Initial Value multiplied by the weighted average of Downside Final Component Price Differentials for each Share comprising such Basket as determined by the Calculation Agent;

**"Early Closure"** means, in respect of a Share/an Index (as applicable), the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent;

**"ETF"** means, in respect of an ETF Share, the issuer of such ETF Share as specified in relation to the relevant ETF Share in the Final Terms);

**"ETF Administrator"** means, in respect of an ETF Share and the related ETF, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities

for such ETF in respect of such ETF Share according to the ETF Fund Documents of such ETF and such ETF Share;

**"ETF Adviser"** means, in respect of an ETF Share and the related ETF, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) to such ETF in respect of such ETF Share, or any successor;

**"ETF Fund Documents"** means, in respect of an ETF Share and the related ETF, the constitutive and governing documents of such ETF in respect of such ETF Share, and the subscription agreements and other agreements, in each case, relating to such ETF Shares and as amended from time to time;

**"ETF Modification"** means, in respect of an ETF Share and the related ETF, any change or modification of the ETF Fund Documents of such ETF in respect of such ETF Share which could reasonably be expected to affect (i) the value of such ETF Share; or (ii) the rights or remedies of any holder of any ETF Share as compared with those rights and remedies prevailing on the Issue Date;

**"ETF Service Provider"** means, in respect of an ETF Share and the related ETF, any person who is appointed to provide services, directly or indirectly, for such ETF in respect of such ETF Share, whether or not specified in the relevant ETF Fund Documents or any successor, including, without limitation, any ETF Administrator, ETF Adviser, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent;

**"ETF Share"** means the share as specified in the applicable Final Terms;

**"Exchange(s)"** means,

- (a) in respect of an Index, if an Exchange is specified in relation to that Index in the applicable Final Terms, such Exchange, and, if **"Multi-Exchange Index"** is specified in relation to that Index in the applicable Final Terms, in respect of any securities comprised in such Index, the stock exchanges (from time to time) on which in the determination of the Calculation Agent such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the relevant Index has temporarily been relocated (*provided that* the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange);
- (b) in respect of a Share, the Exchange specified for such Share in the applicable Final Terms or otherwise the principal stock exchange on which such Share is, in the determination of the Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily been relocated (*provided that* the Calculation Agent has determined that there is comparable liquidity relative to such Share on such successor or substitute exchange or quotation system as on the original Exchange);

**"Exchange Business Day"** means, in respect of a Share/an Index (as applicable), any Scheduled Valuation Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time, as determined by the Calculation Agent;

**"Exchange Disruption"** means:

- (a) in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, (x) if **"Multi-Exchange Index"** is specified in relation to that Index in the applicable Final Terms any security comprised in such Index on any relevant Exchange and (y) if an Exchange is specified in relation to that

Index in the applicable Final Terms, securities that comprise 20 per cent. or more of the level of such Index on the such Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange;

- (b) in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, such Share on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange;

**"Extraordinary Dividend"** means, in respect of a Share, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the Calculation Agent;

**"Extraordinary Fund Event"** means, in relation to a Fund, the occurrence or continuance at any time on or after the Issue Date of any of the following events as determined by the Calculation Agent:

- (a) the Fund or any Fund Service Provider: (i) ceases trading and/or, in the case of a Fund Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable); (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv)(1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above;
- (b) the occurrence of a Fund Merger Event or Fund Tender Offer;
- (c) there exists any litigation against the Fund or a Fund Service Provider which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the Fund Interests or the rights or remedies of any investor in such Fund Interests;
- (d) (i) an allegation of criminal or fraudulent activity is made in respect of the Fund, or any Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings are commenced or are threatened against the Fund, any Fund Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the Fund Interests or the rights or remedies of any investor in such Fund Interests;

- (e) (i) a Fund Service Provider ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents which failure is reasonably likely to have an adverse impact on the value of the Fund Interests or on the rights or remedies of any investor in such Fund Interests;
- (f) one or more of the key individuals involved with, or having supervision over, the Fund or a Fund Service Provider ceases to act in such capacity, and the relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;
- (g) a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the Fund (howsoever described, including the underlying type of assets in which the Fund invests), from those set out in the Fund Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- (h) a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the Fund invests, or (ii) the Fund purports to track;
- (i) a material modification, or any announcement regarding a potential future material modification, of the Fund (including, but not limited to, a material modification of the Fund Documents or to the Fund's liquidity terms) other than a modification or event which does not affect the Fund Interests or the Fund or any portfolio of assets to which the Fund Interest relates (either alone or in common with other Fund Interests issued by the Fund);
- (j) the creation by the Fund of any illiquid share class or unit howsoever described;
- (k) the currency denomination of the Fund Interests is amended from that set out in the Fund Documents so that the NAV per Fund Interest is no longer calculated in the same currency as it was as at the Issue Date;
- (l) if applicable, the Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;
- (m) following the issue or creation of a new class or series (howsoever described in the Fund Documents) of shares or units by the Fund, the Calculation Agent determines taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the Fund Documents) that such new class or series has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Securities;
- (n) a material modification of the method of calculating the NAV per Fund Interest;
- (o) any change in the periodicity of the calculation or the publication of the NAV per Fund Interest;
- (p) any suspension of the calculation or publication of the NAV per Fund Interest;
- (q) the occurrence of any event affecting a Fund Interest that, in the sole and absolute discretion of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the NAV per Fund Interest;
- (r) any of the Fund, any Fund Service Provider or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Interest within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Interests unless the cause of such failure to publish is of a technical

nature and outside the immediate and direct control of the entity responsible for such publication;

- (s) any Fund Service Provider uses asset prices provided by the investment manager (howsoever described in the Fund Documents) to calculate the NAV per Fund Interest when such asset prices could have been obtained from independent sources and the asset prices from independent sources materially diverge from the asset prices provided by the investment manager (howsoever described in the Fund Documents);
- (t) the assets under management of the Fund fall below the Minimum AUM Level;
- (u) (i) the Calculation Agent determines, at any time, that the NAV per Fund Interest is inaccurate, or (ii) the reported net asset value of the Fund Interests misrepresents the net asset value of the Fund Interests;
- (v) a NAV Trigger Event occurs;
- (w) (i) in the case of a Hedge Fund only, the audited net asset value of the Fund and/or the NAV per Fund Interest is different from the audited net asset value of the Fund and/or the NAV per Fund Interest communicated by the relevant Fund Service Provider in respect of the same date, (ii) the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, and/or (iii) the Calculation Agent, in its sole and absolute discretion, does not deem the audited net asset value of the Fund to be representative of the actual net asset value of the Fund;
- (x) any failure of the Fund, or its authorised representative, to deliver or publish, or cause to be delivered or published, (i) information that the Fund has agreed to deliver or publish, or agreed to cause to be delivered or published, to the Calculation Agent or Hedge Provider, or (ii) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Interest;
- (y) any Fund Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio or other activities or undertakings of the Fund;
- (z) (i) any relevant activities of or in relation to the Fund or a Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Fund or a Fund Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the Fund is required by a competent authority to redeem any Fund Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any Fund Interests held in connection with any hedging arrangements relating to the Notes and/or (v) any change in the legal, tax, accounting or regulatory treatment of the Fund or any Fund Service Provider that is reasonably likely to have an adverse impact on the value of the Fund Interests or other activities or undertakings of the Fund or on the rights or remedies of any investor in such Fund Interests, including any Hedge Provider; or
- (aa) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Interests (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), (ii) the Fund

suspends or refuses transfers of any of its Fund Interests (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Interests), (iii) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Interests by the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Interests, if in any case it could, in the sole and absolute determination of the Calculation Agent, have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, or (iv) a mandatory redemption, in whole or in part, of the Fund Interests is imposed by the Fund on any one or more holders of Fund Interests at any time for any reason.

For the purposes of the foregoing:

"**Fund**" shall have the meaning given to it below in the definition of "Fund" and include any fund in which such Fund invests any of its investible assets from time to time; and

"**Fund Interests**" shall have the meaning defined in "Fund Interest(s)" and the shares or units in any Fund;

"**Extraordinary Fund Event Effective Date**" means, in respect of an Extraordinary Fund Event, the date on which such Extraordinary Fund Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion;

"**Final Averaging**" means, if specified as being applicable in the applicable Final Terms, that the Final Share Price, Final Index Level, Final Fund Value or Final Value (as applicable) of the relevant Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests will be determined on the basis of the arithmetic average of Prices, Levels, Values or Fund Values (as applicable) of such Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests on certain Final Averaging Dates;

"**Final Averaging Date(s)**" means, as specified in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable), either:

- (a) each of the dates specified as such in the applicable Final Terms, or if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be a Final Averaging Date; or
- (b) if Final Averaging Period is specified in the applicable Final Terms as being applicable, each date in the Final Averaging Period;

"**Final Averaging End Date**" means the date specified as such in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

"**Final Averaging Period**" means, as specified in the applicable Final Terms, either:

- (a) each Scheduled Valuation Day in the period from and including the Final Averaging Start Date to and including the Final Averaging End Date; or
- (b) the Final Averaging End Date and such number of Scheduled Valuation Days preceding the Final Averaging End Date as specified in the applicable Final Terms, *provided that*, if the scheduled Final Averaging End Date is not a Scheduled Valuation Day, the Final Averaging End Date shall be the immediately preceding Scheduled Valuation Day;

"**Final Averaging Start Date**" means, the date specified as such in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);



**"Final Component Fund Value Differential"** means, in respect of each Fund Interest comprising a Basket or an Underlying in respect of a Multi-Underlying Linked Note, or a Basket of Fund Interests comprising an Underlying in respect of a Multi-Underlying Linked Note, a percentage determined by the Calculation Agent by dividing the Final Fund Value of such Fund Interest (or Basket of Fund Interests, as applicable) by the Initial Fund Value;

**"Final Component Index Level Differential"** means, in respect of each Index comprising a Basket or an Underlying in respect of a Multi-Underlying Linked Note, or a Basket of Indices comprising an Underlying in respect of a Multi-Underlying Linked Note, a percentage determined by the Calculation Agent by dividing the Final Index Level of such Index (or Basket of Indices, as applicable) by the Initial Index Level;

**"Final Component Price Differential"** means, in respect of each Share comprising a Basket or an Underlying in respect of a Multi-Underlying Linked Note, a percentage determined by the Calculation Agent by dividing the Final Price for such Share by the Initial Price;

**"Final Component Value Differential"** means, in respect of each Basket of Shares Comprising an Underlying in respect of a Multi-Underlying Linked Note, a percentage determined by the Calculation Agent by dividing the Final Value for such Basket of Shares by the Initial Value;

**"Final Fund Redemption Valuation Date"** means the last Fund Business Day prior to the Maturity Date on which a Hypothetical Investor could have validly submitted a redemption application for value on the Maturity Date, subject to postponement due to an Extraordinary Fund Event, as determined by the Calculation Agent;

**"Final Fund Value"** means:

- (a) in respect of a Fund Interest (i) if Final Averaging is specified as applicable in the applicable Final Terms, the arithmetic average of the Fund Values of the Fund Interest each Final Averaging Date or, (ii) if **"Best Strike"** is applicable the highest Fund Value determined by the Calculation Agent during the period from and including the **"Redemption Level Start Date"** to and including the **"Redemption Level End Date"** each as specified in the applicable Final Terms, or (iii) otherwise the Fund Value of the Fund Interest on the Final Redemption Valuation Date, as determined by the Calculation Agent; and
- (b) in respect of a Basket of Fund Interests, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Fund Interests, the Initial Fund Value of such Basket multiplied by the weighted average of Final Component Fund Value Differentials for each Fund Interest comprising such Basket as determined by the Calculation Agent;

**"Final Index Level"** or **"FIL"** means:

- (a) in respect of an Index, (i) if Final Averaging is specified as applicable in the applicable Final Terms, the arithmetic average of the levels of the Index as calculated and published by the Index Sponsor at the Valuation Time on each Final Averaging Date specified in relation to the Final Index Level in the applicable Final Terms, (ii) if **"Best Final"** is applicable the highest level of the relevant Index published by the Index Sponsor as of: (A) the Valuation Time on each Scheduled Valuation Day or (B) if **"Constant Monitoring"** is applicable, at any time on each Scheduled Valuation Day, in the period from and including the **"Best Final Start Date"** to and including the **"Best Final End Date"** each specified in relation to the Final Index Level in the applicable Final Terms, or (iii) otherwise, the level of the relevant Index at the Valuation Time on the Final Redemption Valuation Date specified in relation to the Final Index Level in the applicable Final Terms, as determined by the Calculation Agent; and
- (b) in respect of a Basket of Indices, subject to Term 3 (*Best of/Worst of Provisions*), Initial Index Level multiplied by the weighted average of Final Component Index Level Differentials for each Index comprising such Basket as determined by the Calculation Agent;

**"Final Redemption Valuation Date"** means (i) the date (if any) specified as such in the applicable Final Terms; or (ii) in respect of a Fund Interest unless otherwise specified in the applicable Final Terms, the Fund Redemption Valuation Date, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable) or, if such date is not a Scheduled Valuation Day in respect of the relevant Underlying, the immediately preceding Scheduled Valuation Day;

**"Final Share Price"** or **"FSP"** means, in respect of a Share (i) if Final Averaging is applicable, (a) the arithmetic average of the prices of one such Share in the Share Currency quoted on the Exchange at the Valuation Time on each Final Averaging Date specified in relation to the Final Share Price in the applicable Final Terms, (ii) if **"Best Final"** is applicable, the highest price of one such Share quoted on the Exchange as of: (A) the Valuation Time on each Scheduled Valuation Day or (B) if **"Constant Monitoring"** is applicable, at any time on each Scheduled Valuation Day, in the period from and including the **"Best Final Start Date"** to and including the **"Best Final End Date"** each as specified in relation to the Final Share Price in the applicable Final Terms, or (iii) otherwise, the price of one such Share in the Share Currency quoted on the Exchange at the Valuation Time on the Final Redemption Valuation Date specified in relation to the Final Share Price in the applicable Final Terms, as determined by the Calculation Agent;

**"Final Value"** or **"FV"** means, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Shares, Initial Value multiplied by the weighted average of Final Component Price Differentials for each Share comprising such Basket as determined by the Calculation Agent;

**"Fund"** means each Mutual Fund, Hedge Fund, Private Equity Fund or any other fund, as specified in the applicable Final Terms;

**"Fund Business Day"** means:

- (a) in respect of a single Fund Interest, a date (i) that is a Scheduled Valuation Day and (ii) on which the Hedge Provider has, or could have, a subscription or redemption order for the Fund Interests executed at the NAV per Fund Interest published by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Scheduled Valuation Day;
- (b) in respect of a Basket of Fund Interests, a date (i) that is a Scheduled Valuation Day for all Fund Interests comprised in the Basket and (ii) on which the Hedge Provider has, or could have, a subscription or redemption order for each such Fund Interest executed at the NAV per Fund Interest published by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Scheduled Valuation Day;

**"Fund Documents"** means:

- (a) in respect of any Fund Interest, the offering document of the relevant Fund in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such Fund Interest and, for the avoidance of doubt, any other documents or agreements in respect of the Fund, as further described in any Fund Document; or
- (b) in respect of an ETF Share and the related ETF, the constitutive and governing documents of such ETF in respect of such ETF Share, and the subscription agreements and other agreements, in each case, relating to such ETF Shares and as amended from time to time;

**"Fund Interest(s)"** means an ownership interest issued to or held by an investor in a Fund or any other interest specified as such in the applicable Final Terms;

**"Fund Merger Event"** means, in respect of any relevant Shares and Entity (as defined below), any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such Entity is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or

otherwise obtain 100 per cent. of the outstanding Shares of an Entity that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity or its subsidiaries with or into another entity in which the Entity is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Extraordinary Fund Event Effective Date, as determined by the Calculation Agent, is on or before the Final Redemption Valuation Date. For the purposes of this definition only, "**Shares**" shall mean the applicable Fund Interests or the shares of any applicable Fund Service Provider, as the context may require, and "**Entity**" shall mean the applicable ETF or any applicable Fund Service Provider, as the context may require;

"**Fund Service Provider**" means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, in respect of such Fund, whether or not specified in the Fund Documents, including any adviser, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms;

"**Fund Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the Fund or Fund Service Provider, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"**Fund Value**" means:

- (a) in respect of a Fund Interest, on any Fund Business Day, an amount determined by the Calculation Agent as the net redemption proceeds per Fund Interest that would have been received as of such Fund Business Day by a Hypothetical Investor in the Fund had such Hypothetical Investor provided a timely notice in accordance with the terms and conditions of the Fund to the Fund and any other party necessary to effect a redemption (or other disposition) of an investment in the Fund for such Fund Business Day (such redemption, a "**Hypothetical Investor Redemption**") net of any Related Costs; and
- (b) means, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Fund Interests and the relevant Valuation Date and/or Averaging Date, Initial Fund Value multiplied by the weighted average of Component Fund Value Differentials for each Fund Interest comprising such Basket as determined by the Calculation Agent;

"**Hedge Fund**" means the hedge fund(s) specified as such in the applicable Final Terms;

"**Hedge Provider**" means the party (being, *inter alios*, the Issuer, the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Notes or, where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Interests as it (or, in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Notes;

"**Hedging Disruption**" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge the equity price risk or any other relevant price risk, including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Inflation Linked Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of

any such transaction(s) or asset(s) or any futures or option contract(s) or any relevant hedge positions relating to the Equity Linked/Fund Linked/Index Linked/Multi Underlying Linked Notes;

**"Hypothetical Investor"** means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in a Fund Interest which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding a Fund Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity/index/fund interest price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), *provided that* any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its respective affiliates shall not be deemed an Increased Cost of Hedging; and

**"Index"** means an index specified in the applicable Final Terms or any Successor thereto, and in respect of a Basket, means one of the indices specified in the definition of Basket or any Successor Index, and **"Indices"** means all such indices together;

**"Index Cancellation"** means, in respect of an Index, the Index Sponsor in respect of such Index cancels the Index and no Successor Index exists;

**"Index Disruption"** means, in respect of an Index, the Index Sponsor in respect of such Index fails to calculate and announce the Level;

**"Index Modification"** means, in respect of an Index, the relevant Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating such Index or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in constituent securities and capitalisation and other routine events);

**"Index Sponsor"** means, in respect of an Index, either (x) the index sponsor specified in the applicable Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Valuation Day failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the applicable Final Terms, then the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Valuation Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person;

**"Initial Averaging"** means, if specified as being applicable in the applicable Final Terms, that the Initial Share Price, Initial Value, Initial Fund Value or Initial Index Level (as applicable) will be determined on the basis of the arithmetic average of Prices, Levels, Values or Fund Values (as applicable) of the Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests on certain Initial Averaging Dates;

**"Initial Averaging Date(s)"** means, as specified in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable), either:

- (a) each of the dates specified as such in the applicable Final Terms, or if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be an Initial Averaging Date; or
- (b) if Initial Averaging Period is specified in the applicable Final Terms as being applicable, each date in the Initial Averaging Period;

**"Initial Averaging End Date"** means the date specified as such in relation to the Initial Averaging Period in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Initial Averaging Period"** means, as specified in the applicable Final Terms, either:

- (a) each Scheduled Valuation Day in the period from and including the Initial Averaging Start Date to and including the Initial Averaging End Date; or
- (b) the Initial Averaging End Date and such number of Scheduled Valuation Days preceding the Initial Averaging End Date as specified in the applicable Final Terms, *provided that*, if the scheduled Initial Averaging End Date is not a Scheduled Valuation Day, the Initial Averaging End Date shall be the immediately preceding Scheduled Valuation Day;

**"Initial Averaging Start Date"** means the date specified as such in relation to the Initial Averaging Period in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Initial Fund Value"** means:

- (a) in respect of a Fund Interest (i) if Initial Averaging is applicable, the arithmetic average of the Fund Value of the Fund Interest each Initial Averaging Date or, (ii) if "**Best Strike**" is applicable the highest Fund Value determined by the Calculation Agent during the period from and including the "**Strike Start Date**" to and including the "**Strike End Date**" each as specified in the applicable Final Terms, or (iii) otherwise the Fund Value of the Fund Interest on the Strike Date, as determined by the Calculation Agent; and
- (b) in respect of a Basket of Fund Interests, subject to Term 3 (*Best of/Worst of Provisions*), the weighted average of the Initial Fund Values of each of the Fund Interests constituting the Basket, as determined by the Calculation Agent;

**"Initial Index Level"** means:

- (a) in respect of an Index (i) if Initial Averaging is applicable, the arithmetic average of the levels of the relevant Index as calculated and published by the Index Sponsor at the Valuation Time on each Initial Averaging Date, (ii) if "**Best Strike**" is applicable the lowest level of the relevant Index published by the Index Sponsor as of: (A) the Valuation Time on each Scheduled Valuation Day or (B) if "**Constant Monitoring**" is applicable, at any time on each Scheduled Valuation Day, in the period from and including the "**Strike Start Date**" to and including the "**Strike End Date**" each as specified in the applicable Final Terms, (iii) the Initial Index Level specified in the Final Terms, or (iv) otherwise the level of the relevant Index at the Valuation Time on the Strike Date, as determined by the Calculation Agent; and
- (b) in respect of a Basket of Indices, unless otherwise specified in the Final Terms, subject to Term 3 (*Best of/Worst of Provisions*), the weighted average of the Initial Index Levels of the Indices constituting the Basket, as determined by the Calculation Agent.

**"Initial Share Price"** means, unless otherwise specified in the Final Terms, in respect of a Share (i) if Initial Averaging is applicable, the arithmetic average of the Prices of one such Share in the

Share Currency quoted on the Exchange at the Valuation Time on each Initial Averaging Date, (ii) if "**Best Strike**" is applicable, the lowest price of one such Share in the Share Currency quoted on the Exchange as of: (A) the Valuation Time on each Scheduled Valuation Day or (B) if "**Constant Monitoring**" applicable, at any time on each Scheduled Valuation Day, in the period from and including the "**Strike Start Date**" to and including the "**Strike End Date**" each as specified in the applicable Final Terms, or (iii) otherwise, the price of one such Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date, as determined by the Calculation Agent

"**Initial Value**" means, unless otherwise specified in the Final Terms, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Shares, the weighted average of the Initial Share Prices of the Shares constituting the Basket, as determined by the Calculation Agent;

"**Insolvency**" means, in respect of a Share Issuer or ETF (as applicable), that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Share Issuer or ETF (as applicable), (A) all the Shares of such Share Issuer or ETF (as applicable) are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of such Share Issuer or ETF (as applicable) become legally prohibited from transferring them, all as determined by the Calculation Agent;

"**Insolvency Filing**" means, in respect of a Share, that the Calculation Agent determines that the relevant Share Issuer or ETF (as applicable) has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition;

"**Interest Averaging**" means, if specified as being applicable in the applicable Final Terms, for the purposes of determining whether an Interest Amount Event has occurred, the performance of the Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests (as applicable) will be determined on the basis of the arithmetic average of Prices, Levels, Values or Fund Values (as applicable) of the Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests on certain Interest Averaging Dates;

"**Interest Averaging Date(s)**" means, as specified in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable), either:

- (a) each of the dates specified as such in the applicable Final Terms, or, if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be an Interest Averaging Date; or
- (b) if Initial Averaging Period is specified in the applicable Final Terms as being applicable, each date in the Initial Averaging Period;

"**Interest Averaging End Date**" means the date specified as such in relation to the relevant Interest Averaging Period in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

"**Interest Averaging Period**" means, as specified in the applicable Final Terms, either:

- (a) each Scheduled Valuation Day in the period from and including the Interest Averaging Start Date to and including the Interest Averaging End Date; or
- (b) the Interest Averaging End Date and such number of Scheduled Valuation Days preceding the Interest Averaging End Date as specified in the applicable Final Terms, *provided that*, if the scheduled Interest Averaging End Date is not a Scheduled Valuation Day, the Interest Averaging End Date shall be the immediately preceding Scheduled Valuation Day;

**"Interest Averaging Start Date"** means the date specified as such in relation to the relevant Interest Averaging Period in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Interest Observation Dates"** means, as specified in the applicable Final Terms, either:

- (a) (i) in respect of a Share or an Index, each Exchange Business Day, (ii) in respect of a Basket, each Exchange Business Day which is an Exchange Business Day in respect of each Share or Index in the such Basket and (iii) in respect of a Fund Interest or Basket of Fund Interests, each Scheduled Valuation Day, from and including the **"Interest Observation Start Date"** specified in the applicable Final Terms to and including the **"Interest Observation End Date"** specified in the applicable Final Terms (the **"Interest Observation Period"**); or
- (b) each of the dates specified as such in the applicable Final Terms, or if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be an Interest Observation Date;

**"Interest Valuation Date"** means the date specified as such in the applicable Final Terms, or if such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day, subject in each case to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Kick Out FX Factor"**, if applicable, means the FX Factor specified as such in the applicable Final Terms (*provided that* if Kick Out FX Factor is specified as Not Applicable in the applicable Final Terms, the Kick Out FX Factor shall be 100 per cent.);

**"Level"** means:

- (a) in respect of an Index, on any relevant Exchange Business Day, the level of the Index, as calculated and published by the Index Sponsor at the Valuation Time on such Exchange Business Day; and
- (b) in respect of a Basket of Indices and the relevant Valuation Date and/or Averaging Date, subject to Term 3 (*Best of/Worst of Provisions*), Initial Index Level multiplied by the weighted average of Component Index Level Differentials for each Index comprising such Basket as determined by the Calculation Agent.

**"Market Disruption Event"** means:

- (a) in respect of an Index, the occurrence or existence on any Scheduled Valuation Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, *provided that*, if **"Multi-Exchange Index"** is specified in relation to that Index in the applicable Final Terms, the securities comprised in the relevant Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of such Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of the relevant Index attributable to that security and (y) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent, all as determined by the Calculation Agent;
- (b) in respect of a Share, the occurrence or existence on any Scheduled Valuation Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, all as determined by the Calculation Agent;

**"Merger Date"** means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;

**"Merger Event"** means, in respect of one or more of the Shares in the Basket, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or ETF (as applicable) with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer or ETF (as applicable) is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the relevant Share Issuer or ETF (as applicable) that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or ETF (as applicable) or its subsidiaries with or into another entity in which such Share Issuer or ETF (as applicable) is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Valuation Date (or such other date as may be specified in the applicable Final Terms), all as determined by the Calculation Agent;

**"Minimum AUM Level"** has the meaning given to it in the applicable Final Terms or, if not so specified, with respect to: (i) a Mutual Fund, EUR 50,000,000; (ii) a Hedge Fund, EUR 50,000,000; or (iii) a Private Equity Fund, EUR 50,000,000, or the equivalent in any other currency;

**"Mutual Fund"** means the mutual fund(s) specified as such in the applicable Final Terms;

**"Nationalisation"** means (i) in respect of an ETF, that all the ETF Shares of such ETF or all the assets or substantially all the assets of such ETF; or (ii) in respect of a Share Issuer, that all the Shares of a Share Issuer or all or substantially all the assets of such Share Issuer, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof, as determined by the Calculation Agent;

**"NAV per Fund Interest"** means, with respect to the relevant Fund Interests and a Fund Business Day, (i) the net asset value per Fund Interest as of the related Automatic Early Redemption Averaging Date or Final Redemption Valuation Date (as applicable), as reported by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service, or (ii) if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Interests, the net asset value per Fund Interest calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Interests divided by the number of Fund Interests issued and outstanding as of the related valuation date (as applicable);

**"NAV Trigger Event"** means, in respect of the Fund Interests, that (i) the NAV per Fund Interest has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period, or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets;

**"NAV Trigger Percentage"** means the percentage specified in the applicable Final Terms or, if not so specified, with respect to: (i) a Mutual Fund, 50 per cent.; (ii) a Hedge Fund, 50 per cent.; or (iii) a Private Equity Fund, 50 per cent.;

**"NAV Trigger Period"** means the period specified in the applicable Final Terms or, if not so specified, the period from and including the Issue Date to and including the Final Redemption Valuation Date;



**"New Shares"** means ordinary or common shares, whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Calculation Agent and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations, all as determined by the Calculation Agent;

**"Number of NAV Publication Days"** means the number of calendar days specified in the applicable Final Terms or, if not so specified, with respect to (i) a Mutual Fund, five calendar days or (ii) a Hedge Fund, 10 calendar days;

**"Observation Date"** means each Interest Observation Date, Barrier Observation Date and Lock-In Observation Date;

**"Other Consideration"** means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party);

**"Potential Adjustment Event"** means any of the following: a subdivision, consolidation or reclassification of one or more of the Shares in the Basket (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue; a distribution, issue or dividend to existing holders of one or more of the Shares in the Basket of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer or ETF (as applicable) equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant Share Issuer or ETF (as applicable) as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent; an Extraordinary Dividend; a call by a Share Issuer or ETF (as applicable) in respect of relevant Shares that are not fully paid; a repurchase by a Share Issuer or ETF (as applicable) or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; with respect to a Share Issuer or ETF (as applicable), an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer or ETF (as applicable) (*provided that* any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares in the Basket, all as determined by the Calculation Agent;

**"Price"** means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on such Exchange Business Day;

**"Private Equity Fund"** means the private equity fund(s) specified as such in the applicable Final Terms;

**"Redemption Amount"** means the Automatic Early Redemption Amount or the Final Redemption Amount;

**"Regulatory Action"** means, in respect of an ETF Share and the related ETF, (i) the cancellation, suspension, revocation of the registration or approval of such ETF or such ETF Share by any governmental, legal or regulatory entity with authority over such ETF or such ETF Share; (ii) any change in the legal, tax, accounting or regulatory treatment of such ETF Share, such ETF or its ETF Adviser which is reasonably likely, in the determination of the Calculation Agent, to have an adverse impact on the value of such ETF Share or on any investor in such ETF Share; or (iii) such

ETF or any of its ETF Administrator or its ETF Adviser becomes subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activity relating to or resulting from the operation of such ETF, ETF Administrator or ETF Adviser;

**"Related Costs"** means, in connection with a Hypothetical Investor Redemption and in each case as determined by the Calculation Agent, (i) all accrued management, load, administrative and other per Fund Interest fees, costs, expenses, levies, or adjustments; (ii) all taxes and duties which may be withheld or applied by the Fund (including any potential taxes and duties which the Calculation Agent considers may arise); and (iii) all other taxes and duties in respect of the Fund which would otherwise be required to be paid (including any potential taxes and duties which the Calculation Agent considers may arise);

**"Related Exchange"** means:

- (a) in respect of an Index, each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (*provided that* the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the relevant Index on such temporary substitute exchange or quotation system as on the original Related Exchange);
- (b) in respect of a Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share or such other options or futures exchange(s) as the Issuer shall (acting on the instructions of the Calculation Agent) select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (*provided that* the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange),

**"Scheduled Closing Time"** means, in respect of an Exchange or a Related Exchange and a Scheduled Valuation Day, the scheduled weekday closing time of such Exchange or such Related Exchange on such Scheduled Valuation Day, without regard to after hours or any other trading outside of the regular trading session hours;

**"Scheduled Valuation Day"** means:

- (a) in respect of an Index, (i) if **"Multi-Exchange Index"** is specified in relation to that Index in the applicable Final Terms, any day on which the relevant Index Sponsor is scheduled to publish the level of such Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if an Exchange is specified in relation to the Index in the applicable Final Terms, any day on which such Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session, notwithstanding the relevant Exchange(s) or any relevant Related Exchange(s) closing prior to its/their Scheduled Closing Time, as determined by the Calculation Agent;
- (b) in respect of a Basket of Indices, any day which is a Scheduled Valuation Day in respect of each Index comprising the Basket;
- (c) in respect of a Share, any day on which the relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading sessions, notwithstanding the relevant Exchange(s) or any relevant Related Exchange(s) closing prior to its/their Scheduled Closing Time, as determined by the Calculation Agent;

- (d) in respect of a Basket of Shares, any day which is a Scheduled Valuation Day in respect of each Share comprising the Basket;
- (e) in respect of a Fund Interest, any date as of which, in accordance with the Fund Documents, the Fund (or the Fund Service Provider that generally determines such value) is or, but for the occurrence of an Extraordinary Fund Event, would have been scheduled to determine the NAV per Fund Interest; and
- (f) in respect of a Basket of Fund Interests, any day which is a Scheduled Valuation Day in respect of each Fund Interest comprising the Basket;

**"Share"** means a share or ETF Share as specified in the applicable Final Terms and in respect of a Basket, means one of the shares or ETF Shares (as applicable) specified in the definition of Basket, and **"Shares"** or **"ETF Shares"** means all such shares together;

**"Share Currency"** has the meaning given to it in the applicable Final Terms;

**"Share Issuer"** has the meaning given to it in the applicable Final Terms;

**"Strategy Breach"** means, in respect of an ETF Share and the related ETF, any breach or violation of any strategy or investment guidelines stated in the ETF Fund Documents of such ETF in respect of such ETF Share which is reasonably likely, in the determination of the Calculation Agent, to affect: (i) the value of such ETF Share; or (ii) the rights or remedies of any holder of any such ETF Share as compared with those rights or remedies prevailing on the Issue Date;

**"Strike Date"** means the date specified as such (if any) in the applicable Final Terms, subject to adjustment in accordance with Term 2 (*Disruption*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable) or, if such date is not a Scheduled Valuation Day in respect of the relevant Underlying, the next following Scheduled Valuation Day;

**"Successor Index"** means, in respect of an Index, where such Index is (i) not calculated and announced by the relevant Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index, such successor index or index calculated and announced by the successor sponsor;

**"Tender Offer"** means, in respect of a Share, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

**"Tender Offer Date"** means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent);

**"Trading Disruption"** means:

- (a) in respect of an Index, any suspension of or limitation imposed on trading by a relevant Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or relevant Related Exchange or otherwise (i) if **"Multi-Exchange Index"** is specified in relation to that Index in the applicable Final Terms, on any relevant Exchange(s) relating to any security comprised in the relevant Index or, if an Exchange is specified in relation to that Index in the applicable Final Terms, relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange, all as determined by the Calculation Agent;

- (b) in respect of a Share, any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or such Related Exchange or otherwise (i) relating to such Share on such Exchange or (ii) in futures or options contracts relating to such Share on a Related Exchange, all as determined by the Calculation Agent,

**"Valuation Date"** means, for purposes of Term 2 (*Disruption*) only, each Automatic Early Redemption Valuation Date, each Interest Valuation Date, each Barrier Valuation Date and the Final Redemption Valuation Date;

**"Valuation Time"** means the time on the relevant Valuation Date or Averaging Date, as the case may be, specified in the applicable Final Terms or, if no such time is specified, the Scheduled Closing Time on the Exchange on the relevant date in relation to the relevant Share/Index. If a relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Term 2 (*Disruption*) below) the Valuation Time shall be such actual closing time;

**"Value"** means, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Shares and the relevant Valuation Date and/or Averaging Date, Initial Value multiplied by the weighted average of Component Price Differentials for each Share comprising such Basket as determined by the Calculation Agent;

**"Worst Performing Fund Interest"** means, in respect of any Valuation Date or Observation Date, the Fund Interest for which the Fund Value on such day divided by Initial Fund Value for such Fund Interest is lowest, and, in respect of any Averaging Period, the Fund Interest for which the performance of the Fund Interest (as calculated on the basis of the arithmetic average of the Fund Value of the Fund Interest on each relevant Averaging Date) divided by Initial Fund Value for such Fund Interest lowest;

**"Worst Performing Index"** means, in respect of any Valuation Date or Observation Date, the Index for which the Level of the Index on such day divided by Initial Index Level for such Index is lowest, and, in respect of any Averaging Period, the Index for which the performance of the Index (as calculated on the basis of the arithmetic average of the Level of the Index on each relevant Averaging Date) divided by Initial Index Level for such Index is lowest;

**"Worst Performing Share"** means, in respect of any Valuation Date or Observation Date, the Share for which the Price of the Share on such day divided by Initial Share Price for such Share is lowest, and, in respect of any Averaging Period, the Share for which the performance of the Share (as calculated on the basis of the arithmetic average of the Price of the Share on each relevant Averaging Date) divided by Initial Share Price for such Share is lowest.

## 2. **Disruption**

2.1 If the Calculation Agent determines that the Strike Date, any Valuation Date or any Observation Date, as the case may be, in respect of the relevant Underlying is a Disrupted Day, then the Strike Date, such Valuation Date, or such Observation Date, as the case may be, in respect of such Underlying only shall be the first succeeding Scheduled Valuation Day in respect of such Underlying that is not a Disrupted Day, unless each of the eight Scheduled Valuation Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Strike Date, such Valuation Date or such Observation Date, as the case may be, in respect of such Underlying is a Disrupted Day. In that case:

- (a) that eighth Scheduled Valuation Day shall be deemed to be the Strike Date, such Valuation Date or such Observation Date, as the case may be, in respect of such Underlying notwithstanding the fact that such day is a Disrupted Day in respect of such Underlying; and
- (b) the Calculation Agent shall determine:
  - (i) in respect of an Index, the level of such Index on that eighth Scheduled Valuation Day in accordance with the formula for and method of calculating such Index last

in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Valuation Day of each security comprised in the relevant Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Valuation Day, its good faith estimate of the price for the relevant security as of the Valuation Time on that eighth Scheduled Valuation Day).

- (ii) in respect of a Basket of Indices, the level of such Basket of Indices on that eighth Scheduled Valuation Day by determining the level of each Index comprising the Basket in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Valuation Day of each security comprised in the relevant Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Valuation Day, its good faith estimate of the price for the relevant security as of the Valuation Time on that eighth Scheduled Valuation Day);
- (iii) in respect of a Share, the price of one such Share as its good faith estimate of the price of one such Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Valuation Day; and
- (iv) in respect of a Basket of Shares, the value of such Basket of Shares by determining the price of one of each of the Shares comprising the Basket as its good faith estimate of the price of one of each of such Shares that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Valuation Day.

2.2 If any Averaging Date is a Disrupted Day in respect of an Underlying, then, if the consequence specified in the applicable Final Terms in relation to "Averaging Date Market Disruption" is:

- (a) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the performance of such Underlying *provided that*, if through the operation of this provision no Averaging Date would occur in respect of the relevant Underlying during the relevant Averaging Period, then the performance of the Underlying in respect of the relevant Averaging Period will be determined in accordance with Term 2.1 above as if the final scheduled Averaging Date in the relevant Averaging Period was a Valuation Date in respect of such Underlying that was a Disrupted Day;
- (b) "**Postponement**", then Term 2.1 above will apply for purposes of determining the performance of such Underlying on such Averaging Date as if such Averaging Date were a Valuation Date in respect of such Underlying that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date in respect of such Underlying;
- (c) "**Modified Postponement**", then:
  - (i) the Averaging Date for the relevant Underlying affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Underlying (as applicable). If the first succeeding Valid Date in relation to such Underlying has not occurred as of the Valuation Time on the eighth Scheduled Valuation Day immediately following the originally scheduled Averaging Date, then (1) that eighth Scheduled Valuation Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Valuation Day is already an Averaging Date) in relation to the relevant Underlying; and (2) the Calculation Agent shall determine the level, price or value in respect of such Underlying (as applicable) for that Averaging Date in accordance with Term 2.1(b) above; and

- (ii) "**Valid Date**" shall mean a Scheduled Valuation Day in respect of the relevant Underlying that is not a Disrupted Day and on which another Averaging Date in the relevant Averaging Period does not or is not deemed to occur in respect of the Underlying.
- (d) "**Preceding**", then such Averaging Date in respect of the Underlying will be the immediately preceding day that is a Scheduled Valuation Day for such Underlying that is not a Disrupted Day and on which another Averaging Date has not or is deemed to have not occurred.

### 2.3 ***Postponement of Payments***

Notwithstanding the provisions of any other term or condition of the Notes, if the Calculation Agent determines that a Disrupted Day has occurred in respect of any Underlying on any Valuation Date, Observation Date or Averaging Date, payment of any relevant Interest Amount, Final Redemption Amount or Automatic Early Redemption Amount (as applicable) shall be postponed to the later of (i) the Maturity Date, the Interest Payment Date or the Automatic Early Redemption Date (as applicable) and (ii) the date that is three Business Days (or such other period specified in the applicable Final Terms) following such postponed Valuation Date, Observation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Interest Amount, Final Redemption Amount or Automatic Early Redemption Amount in accordance with this Term 2 (*Disruption*).

The Calculation Agent shall, on behalf of the Issuer, give notice to the holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (copied to the Issuer) of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes.

### 3. **Best of/Worst of Provisions**

Where the applicable Final Terms specify that any one or more Underlyings is a Basket, the Final Terms may further specify that, in relation to any one or more determinations of the performance of such Underlying(s), either "Best of Provisions" or "Worst of Provisions" are applicable. If "Best of Provisions" are specified as applicable, the Value or Level of the Basket and/or the Final Value, Final Index Level, Final Downside Value or Final Downside Index Level (as applicable) of the Basket for the purposes of such determination will be calculated on the basis of the Best Performing Share, Best Performing Index or Best Performing Fund Interest, as applicable, in the relevant Basket, as if the Basket is constituted of only such Share, or Index or Fund Interest, as applicable. If "Worst of Provisions" are specified as applicable the Value or Level of the Basket and/or the Final Value, Final Index Level, Final Downside Value or Final Downside Index Level (as applicable) of the Basket for the purposes of such determination will be calculated on the basis of the Worst Performing Share, Worst Performing Index or Worst Performing Fund Interest, as applicable, in the relevant Basket, as if the Basket is constituted of only such Share, Index or Fund Interest, as applicable.

### 4. **Adjustments, Consequences of Certain Events and Currency in respect of Indices**

#### 4.1 ***Index Modification, Index Cancellation, Index Disruption and/or Administrator/Benchmark Event***

If the Calculation Agent determines that, in respect of any Index, an Index Modification, Index Cancellation, Index Disruption and/or Administrator/Benchmark Event has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, the Initial Index Level of any Underlying, Interest Amount and/or any other relevant term of the Index Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer), the Issuer shall (acting on the instructions of the Calculation Agent) either (i) redeem each Index Linked/Multi Underlying Linked Note at its Fair Market Value on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Index Linked/Multi Underlying Linked Notes; and (ii) make any adjustment or adjustments to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, the Initial

Index Level of any Underlying, Interest Amount and/or any other relevant term of the Index Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer) as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Index Linked/Multi Underlying Linked Notes of any such adjustment or redemption (copied to the Issuer).

## 5. **Adjustments in respect of Shares**

### 5.1 ***Adjustments***

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of (i) a Share or (ii) in relation to a Basket, one or more of the Shares in the Basket or that there has been an adjustment to the settlement terms of listed contracts on (i) a Share or (ii) in relation to a Basket, one or more of the Shares in the Basket traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (a) make the corresponding adjustment(s), if any, to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, the Initial Index Level, Initial Share Price or Initial Value (as applicable) of any Underlying, Interest Amount and/or any other relevant term of the Equity Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer) as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (*provided that* no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the relevant Shares traded on that options exchange.

The Calculation Agent shall give notice of such adjustment(s) and determinations to the Issuer and holders of the Equity Linked/Multi Underlying Linked Notes.

### 5.2 ***Consequences of a Merger Event***

If the Calculation Agent determines that a Merger Event has occurred in respect of one or more Shares, the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Equity Linked/Multi Underlying Linked Note at its Fair Market Value as at the Merger Date on such date as the Issuer shall notify to holders of the Equity Linked/Multi Underlying Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Equity Linked/Multi Underlying Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Equity Linked/Multi Underlying Linked Notes of such Merger Event (*provided that* no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Shares or to the Equity Linked/Multi Underlying Linked Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment; and/or (iii) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant "**Shares**" and the relevant "**Share Issuer**", respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Equity Linked/Multi Underlying Linked Notes as the Calculation Agent may determine.

The Calculation Agent shall, on behalf of the Issuer, give notice of such redemption, adjustment or deemed change to holders of the Equity Linked/Multi Underlying Linked Notes (copied to the Issuer).

### 5.3 ***Consequences of a Tender Offer***

If the Calculation Agent determines that a Tender Offer has occurred in respect of one or more shares, then on or after the relevant Tender Offer Date the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Equity Linked/Multi Underlying Linked Note at its Fair Market Value as at the Tender Offer Date on such date as the Issuer (acting on the instructions of the Calculation Agent) may notify to holders of the Equity Linked/Multi Underlying Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Equity Linked/Multi Underlying Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Equity Linked/Multi Underlying Linked Notes of such Tender Offer (*provided that* no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Equity Linked/Multi Underlying Linked Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment.

The Calculation Agent shall, on behalf of the Issuer, give notice of such redemption or adjustment to holders of the Equity Linked/Multi Underlying Linked Notes (copied to the Issuer).

### 5.4 ***Nationalisation, Insolvency or Delisting***

If in respect of one or more of the Shares or a Share Issuer or ETF (as applicable) the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a Delisting, the Issuer shall (if so instructed by the Calculation Agent) (i) make such adjustment, if any, to any one or more of the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, the Initial Index Level, Initial Share Price or Initial Value (as applicable) of any Underlying, Interest Amount and/or any other relevant term of the Equity Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer) as the Calculation Agent determines appropriate to account for the Nationalisation, Insolvency or Delisting, as the case may be, on the effective date of that adjustment (in each case as determined by the Calculation Agent) or (ii) redeem each Equity Linked/Multi Underlying Linked Note at its Fair Market Value as at the date of redemption taking into account the Nationalisation, Insolvency or Delisting on such date as the Issuer shall (acting on the instructions of the Calculation Agent) notify to holders of the Equity Linked/Multi Underlying Linked Notes.

The Calculation Agent, on behalf of the Issuer, shall give notice of any redemption of the Equity Linked/Multi Underlying Linked Notes, determination or adjustment pursuant to this Term to holders of the Equity Linked/Multi Underlying Linked Notes (copied to the Issuer).

### 5.5 ***Change in currencies***

If, at any time after the Issue Date, there is any change in the currency in which any Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Equity Linked/Multi Underlying Linked Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Equity Linked/Multi Underlying Linked Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency of denomination of the Equity Linked/Multi Underlying Linked Notes or any payment obligation arising out of the Equity Linked/Multi Underlying Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any adjustments pursuant to this Term to holders of the Equity Linked/Multi Underlying Linked Notes (copied to the Issuer).

## 6. **Adjustments in respect of Indices, Shares or Funds**

### 6.1 ***Change of Exchange***

If an Exchange is changed, the Issuer shall (acting on the instructions of the Calculation Agent) make such consequential modifications to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, the Initial Index Level, Initial Share Price or Initial Value (as applicable) of any Underlying, Interest Amount and/or any other relevant term of the



Equity Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer) as the Calculation Agent determines appropriate.

The Calculation Agent, on behalf of the Issuer, shall give notice of such modification(s) to holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (copied to the Issuer).

#### 6.2 ***Price Correction***

In the event that any value or level published on any relevant Exchange or (in respect of indices only) by any relevant Index Sponsor in respect of a Share/Index and which is utilised for any calculation or determination made under the Equity Linked/Index Linked/Multi Underlying Linked Notes is subsequently corrected and the correction is published by the relevant Exchange or the relevant Index Sponsor within three Business Days (or such other period specified in the applicable Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will make such adjustments to the terms and conditions of the Equity Linked/Index Linked/Multi Underlying Linked Notes as the Calculation Agent determines to be appropriate to account for such correction.

The Calculation Agent, on behalf of the Issuer, shall give notice of such adjustment(s) to holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (copied to the Issuer).

#### 6.3 ***Currency***

If the Calculation Agent determines that any event occurs affecting the currency of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes, or, in respect of Shares only, the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, the Initial Index Level, Initial Share Price, Initial Value or Initial Fund Value (as applicable) in respect of any Underlying, Interest Amount and/or any other relevant term of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer), the Issuer shall (acting on the instructions of the Calculation Agent) make such adjustment or adjustments to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, the Initial Index Level, Initial Share Price, Initial Value or Initial Fund Value (as applicable) in respect of any Underlying, Interest Amount and/or any other relevant term of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Basket Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes of any such adjustment(s) (copied to the Issuer).

#### 6.4 ***Additional Disruption Events***

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer shall (acting on the instructions of the Calculation Agent) either (i) make such adjustment, if any, to any one or more of the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, the Initial Index Level, Initial Share Price, Initial Value or Initial Fund Value (as applicable) in respect of any Underlying, Interest Amount and/or any other relevant term of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer) as the Calculation Agent determines appropriate to account for such Additional Disruption Event, on the effective date of that adjustment (in each case as determined by the Calculation Agent) or (ii) redeem each Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Note at its Fair Market Value as at the date of redemption taking into account such Additional Disruption Event on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes.

The Issuer (acting on the instructions of the Calculation Agent) shall give notice of any redemption of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes or determination pursuant to this Term to holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (copied to the Issuer) in accordance with Condition 16 (*Notices*).

7. **Physical Delivery**

The provisions of this Term 7 (*Physical Delivery*) shall apply in the following circumstances only:

- (a) "**Equity Linked Physical Settlement**" is specified as applicable in the Final Terms of an Equity Linked Note, and such Note matures on its Maturity Date or on an Automatic Early Redemption Date; or
- (b) "**Downside Only Physical Settlement**" is specified as applicable in the Final Terms of an Equity Linked Note, and at the Final Valuation Redemption Date (i) if Barrier Condition is applicable, the relevant Barrier Condition is not satisfied and the Final Index Level is less than or equal to the Return Threshold, or (ii) if Barrier Condition is specified as not applicable, the Final Index Level is less than the Return Threshold,

7.2 Where the provisions of this Term 7 (*Physical Delivery*) apply:

(a) *Downside Only Physical Settlement*

Where the provisions of this Term 7 (*Physical Settlement*) apply pursuant to sub-paragraph (b) above, the Issuer shall, no later than two Business Days following the Final Redemption Valuation Date, notify Noteholders in accordance with Condition 16 (*Notices*) that the Notes will be physically settled in accordance with this Term 7 (*Physical Delivery*).

(b) *Delivery of a Share Transfer Notice*

(i) Each Noteholder shall, on or before the date five calendar days before the Maturity Date or Automatic Early Redemption Date (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant clearing system to perform their respective obligations in relation to the Notes and notify to the Paying Agents and the Noteholders) send to the relevant clearing system, in accordance with its then applicable operating procedures, and copied to the Principal Paying Agent, a duly completed Transfer Notice.

(ii) A Transfer Notice, once delivered to the relevant clearing system, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Noteholder may not transfer any Note which is the subject of a Transfer Notice following delivery of such Transfer Notice to the relevant clearing system. A Transfer Notice shall only be valid to the extent that the relevant clearing system has not received conflicting prior instructions in respect of the Notes which are the subject of the Transfer Notice.

(iii) If a Noteholder does not provide the Transfer Notice in a timely manner to enable the Issuer and/or the clearing system, if applicable, to effect any required delivery, the Settlement Date shall be postponed accordingly. The Issuer and the relevant clearing system, if applicable, shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, "**delivery**" means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Transfer Amount and "**deliver**" shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of any Share Transfer Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition or transfer of the Share Transfer Amount any interest therein by any Noteholder or any other person.

- (iv) The Principal Paying Agent shall promptly on the local banking day following receipt of a Transfer Notice send a copy thereof to the Issuer or such person as the Issuer may previously have specified.
- (c) *Delivery of the Share Transfer Amount*
  - (i) The Issuer shall discharge its obligation to redeem the Notes at the Final Redemption Amount in accordance with Condition 6.1(a)(i) (*Final Redemption*) or the Automatic Early Redemption Amount in accordance with Additional Term 8 (*Automatic Early Redemption*) (as applicable) by delivering, or procuring the delivery of, the Share Transfer Amount on the Settlement Date, **provided that** no fraction of a Share shall be delivered and Noteholders will be entitled to receive a Cash Residual Amount on the Settlement Date in lieu of such fraction.
  - (d) Each Noteholder shall be required as a condition of its entitlement to delivery of Shares to pay all Transfer Expenses.
  - (e) After delivery to or for the account of a Noteholder of the relevant Share Transfer Amount and for such period of time as the transferor or its agent or nominee shall continue to be registered in any clearing system as the owner of the Shares comprised in such Share Transfer Amount (the "**Intervening Period**"), none of such transferor or any agent or nominee for the Issuer or such transferor shall (i) be under any obligation to deliver to such Noteholder or any other person any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or such transferor, agent or nominee in its capacity as holder of such Shares, (ii) be under any obligation to exercise any rights (including voting rights) attaching to such Shares during the Intervening Period, or (iii) be under any liability to such Noteholder or any other person in respect of any loss or damage which the Noteholder or any other person may sustain or suffer as a result, whether directly or indirectly, of the Issuer or such transferor, agent or nominee being registered in such clearing system during such Intervening Period as legal owner of such Shares.
  - (f) All dividends on Shares to be delivered will be payable to the party that would receive such dividends according to market practice for a sale of the Shares executed on the Notional Sale Date to be delivered in the same manner as such Shares. Any such dividends will be paid to or for credit to the account specified by the Noteholder in the relevant Transfer Notice. No right to dividends on the Shares will accrue to Noteholders prior to the Notional Sale Date.

7.3 If the Calculation Agent determines, in its sole and absolute discretion, that a Settlement Disruption Event has occurred in respect of the Share Transfer Amount (or any portion thereof) (such Shares, the "**Affected Assets**"), it shall notify the Issuer (who shall promptly notify the relevant Noteholder(s) of such Settlement Disruption Event), and the Settlement Date in respect of the Affected Assets shall be postponed to the first following Business Day on which no Settlement Disruption Event is subsisting, **provided that**:

- (a) the Issuer shall attempt to deliver any portion of the Share Transfer Amount which does not comprise Affected Assets on the original Settlement Date;
- (b) the Issuer may elect to satisfy its obligations in respect of the relevant Notes by delivering some or all of the Affected Assets in such manner as it may determine and in such event the relevant Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Share Transfer Amount in such other commercially reasonable manner; and
- (c) in respect of any Affected Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may, on written notice to the Noteholders, elect to satisfy its obligations in respect of the Notes by payment to the relevant Noteholder of its *pro rata* amount of the Disruption Cash Settlement Price on the Disruption Cash Settlement Date.

No Noteholder shall be entitled to any additional amount in the event of any delay in the delivery of the Share Transfer Amount or payment of the Disruption Cash Settlement Price due to the occurrence of a Settlement Disruption Event.

In respect of this Term 7 (*Physical Delivery*):

**"Disruption Cash Settlement Date"** means the fifth Business Day following the date of the notice of the relevant election to pay the Disruption Cash Settlement Price or such other date as may be specified in the relevant notice.

**"Disruption Cash Settlement Price"** means, in respect of the Notes, an amount in the Settlement Currency equal the market value of such Notes (which shall take into account, where some but not all of the Shares comprising the Share Transfer Amount have been duly delivered pursuant to Term 7.2, the value of such Shares) less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes (all as determined by the Calculation Agent).

**"Exchange Rate"** means the prevailing exchange rate at the Valuation Time on the relevant Valuation Date expressed as the number of units of the Share Currency equivalent to one unit of the Settlement Currency.

**"Physical Settlement Barrier"** shall mean  $n$  per cent. of the Initial Share Price or Initial Value, as specified in the applicable Final Terms, *provided that* in respect of Kick Out Notes without Capital at Risk, Upside Notes without Capital at Risk and Range Accrual (Income) Notes without Capital at Risk such percentage shall not be less than 100 per cent.

**"Residual Amount"** means, in relation to a Noteholder, the fraction of a Share rounded down pursuant to Term 7.2, as determined by the Calculation Agent.

**"Residual Cash Amount"** means, in relation to a Noteholder and a Residual Amount, a cash amount in the Settlement Currency determined on the basis of the Final Share Price of the relevant Share (if applicable converted into the Settlement Currency at the Exchange Rate), and if more than one Residual Amount exists in relation to such Noteholder, shall mean the sum of the Residual Cash Amounts calculated in relation to each such Residual Amount.

**"Settlement Cycle"** means, in respect of a Share or a Basket of Shares, the period of Clearing System Business Days following a trade in the relevant Share or each Share comprising the Basket, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of the Shares comprising a Basket, the longest such period).

**"Settlement Disruption Event"** in relation to a Share means an event which the Calculation Agent, in its sole and absolute discretion, determines to be beyond the control of the Issuer or relevant obligor and to be an event as a result of which the relevant clearing system cannot clear the transfer of such Share.

**"Settlement Date"** means the later of (i) the Maturity Date or Automatic Early Redemption Date (as applicable) and (ii) the date that falls one Settlement Cycle after the Exchange Business Day following the relevant Valuation Date, Final Averaging End Date or Automatic Early Redemption Averaging Date, as applicable (the **"Notional Sale Date"**) (or if such day is not a Clearing System Business Day, the next following Clearing System Business Day), or if a Settlement Disruption Event prevents delivery of such Shares on such day, then the Settlement Date shall be determined in accordance with Term 7.2.

**"Share Transfer Amount"** means

- (a) in respect of an Equity Linked Note linked to a single Share, the number of such Shares specified in the relevant Final Terms or if no such number is so specified, the number of such Shares calculated by the Calculation Agent as equal to the fraction of which the numerator is the Calculation Amount and the denominator is the Initial Share Price (if applicable, converted to the Settlement Currency at the Exchange Rate); and

- (b) in respect of an Equity Linked Note linked to a Basket of Shares, the aggregate of the amounts calculated in relation to each Share comprising the Basket, each such amount calculated as the product of (i) a fraction of which the numerator is the Calculation Amount and the denominator is the Initial Share Price in respect of the relevant share (if applicable, converted to the Settlement Currency at the Exchange Rate), and (ii) the weighting in respect of such Share, *provided that* in respect of a Note to which "Worst of Provisions" are specified as applicable in relation to the determination of Final Value, the relevant weighting of the Worst Performing Share shall be 100 per cent. and in respect of all other Shares shall be zero, and in respect of a Note to which "Best of Provisions" are specified as applicable, the relevant weighting of the Best Performing Share shall be 100 per cent. and in respect of all other Shares shall be zero.

"**Transfer Notice**" means, for the purposes of Equity-Linked Notes only, a notice in the form from time to time approved by the Issuer, which must:

- (a) specify the name and address of the Noteholder;
- (b) specify the Series Number and ISIN of the Equity Linked Notes and the number of Equity Linked Notes which are the subject of such notice, or in the case of Equity Linked Notes represented by a Global Note, specify the principal amount of Equity Linked Notes which are the subject of such notice;
- (c) specify the number of the Noteholder's account at the relevant clearing system to be debited with such Notes;
- (d) irrevocably instruct and authorise the relevant clearing system, (A) to debit from the Noteholder's account such Notes on the Settlement Date, if the Issuer elects (or has elected) the Physical Delivery provisions being applicable or otherwise on the Maturity Date or Automatic Early Redemption Date and (B) that no further transfers of the Notes specified in the Transfer Notice may be made;
- (e) contain a representation and warranty from the Noteholder to the effect that the Notes to which the Transfer Notice relates are free from all liens, charges, encumbrances and other third party rights;
- (f) specify the number and account name of the account at the relevant clearing system to be credited with the Shares if the Issuer elects (or has elected) the Physical Delivery provisions being applicable;
- (g) contain an irrevocable undertaking to pay the Transfer Expenses (if any) and an irrevocable instruction to the relevant clearing system to debit on or after the Settlement Date the cash or other account of the Noteholder with the relevant clearing system specified in the Transfer Notice with such Transfer Expenses;
- (h) include a certificate of non-US beneficial ownership in the form required by the Issuer; and
- (i) authorise the production of the Transfer Notice in any applicable administrative or legal proceedings.

"**Transfer Expenses**" means any expenses arising from the delivery and/or transfer of the Shares to a Noteholder.

## 8. **Adjustments in respect of Funds**

### 8.1 ***Consequences of an Extraordinary Fund Event***

If the Calculation Agent determines that an Extraordinary Fund Event has occurred, the Issuer (acting on the instructions of the Calculation Agent) may take the action described below in Term 8.1(a), (b) or (c) *provided that*, if the Calculation Agent determines that an Extraordinary Fund Event has occurred or is continuing on the Delayed Payment Cut-off Date in accordance with Term

8.2, the Issuer (acting on the instructions of the Calculation Agent) shall determine that the action to be taken in respect of the Extraordinary Fund Event is "**Termination**".

(a) *Adjustment*

If the Issuer (acting on the instructions of the Calculation Agent) determines that the action to be taken in respect of the Extraordinary Fund Event is to be "**Adjustment**", then the Calculation Agent may determine, in its sole and absolute discretion, the appropriate adjustment(s), if any, to be made to any one or more Fund, Fund Interest and/or any of the other terms of the Fund Linked/Multi Underlying Linked Notes and/or the applicable Final Terms to take account of the Extraordinary Fund Event and determine the effective date of such adjustment.

(b) *Substitution*

If the Issuer (acting on the instructions of the Calculation Agent) determines that the action in respect of the Extraordinary Fund Event is to be "**Substitution**", the Calculation Agent shall:

- (i) determine the weighted average price at which a Hypothetical Investor can redeem the Fund Interests in the relevant Fund in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as it is reasonably practicable following the Extraordinary Fund Event;
- (ii) for a period of not longer than 14 calendar days following the date on which a Hypothetical Investor would have received proceeds from a redemption order in full submitted by the Hedge Provider as soon as practicable following the occurrence of an Extraordinary Fund Event, use reasonable efforts to substitute the Fund Interests with shares, units or other similar interests in an alternative fund which, in the sole and absolute determination of the Calculation Agent, has similar characteristics to the relevant Fund, including, but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
- (iii) if no alternative fund can be determined pursuant to sub-paragraph (ii) above, use reasonable efforts to substitute the Fund with an index (or a fund tracking such index) selected by the Calculation Agent in its sole and absolute discretion; and
- (iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above, the Issuer may, in its sole and absolute discretion, require the Calculation Agent to make such determinations and/or adjustments to the Fund Linked/Multi Underlying Linked Notes and/or the Final Terms as it determines to be appropriate to take account of such Substitution.

(c) *Termination*

If the Issuer determines (acting on the instructions of the Calculation Agent) that the action to be taken in respect of the Extraordinary Fund Event is to be "**Termination**", the Issuer shall redeem each Equity Linked/Fund Linked/Multi Underlying Linked Note at its Fair Market Value as at the date of redemption taking into account such Extraordinary Fund Event date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Fund Linked/Multi Underlying Linked Notes.

Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary Fund Event, the Calculation Agent may determine which Extraordinary Fund Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary Fund Event, the Calculation Agent may have regard to the combined effect, from the Issue Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Fund Linked/Multi Underlying Linked Notes, determination or adjustment pursuant to this Term to holders of the Fund Linked/Multi Underlying Linked Notes (copied to the Issuer).

8.2 ***Maturity Date/Automatic Early Redemption Date/Early Redemption Extension***

If on the date falling two Business Days prior to the originally designated Maturity Date, Automatic Early Redemption Date or any date designated by the Calculation Agent as a date on which the Issuer shall redeem the Notes, as the case may be, the Hedge Provider has not, after having placed one or more redemption orders in respect of its holding of Fund Interests in accordance with the terms of the relevant Fund Documents, received redemption proceeds in full in respect of such Fund Interests (the "**Redemption Proceeds**") (or, in the case of a Hypothetical Investor, been deemed to have received the Redemption Proceeds), the Calculation Agent may, on giving notice to the holders of the relevant series of Notes (with a copy to the Issuer) stating that the Maturity Date, Automatic Early Redemption Date or other date designated by the Calculation Agent as a date on which the Issuer shall redeem the Notes shall be extended, postpone the Maturity Date, Automatic Early Redemption Date or early redemption of Notes, as the case may be.

On the date falling not more than 10 Business Days following receipt by the Hedge Provider of the Redemption Proceeds (or, in the case of a Hypothetical Investor, the deemed receipt of the Redemption Proceeds) the Calculation Agent shall redeem the Fund Linked/Multi Underlying Linked Notes (such date, the "**Postponed Settlement Date**") by payment to each Holder of the Final Redemption Amount, the Automatic Early Redemption Amount or the Fair Market Value, as the case may be, *provided that*, if the Hedge Provider does not receive the Redemption Proceeds within the period ending on (and including) the Delayed Payment Cut-off Date, the Calculation Agent shall determine that an Extraordinary Fund Event has occurred and is continuing on the Delayed Payment Cut-off Date and the provisions of Term 8.1(c) (*Termination*) shall apply.

9. **Automatic Early Redemption**

If "**Automatic Early Redemption**" is specified as being applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if the Calculation Agent determines that on any Automatic Early Redemption Valuation Date an Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date, and (except to the extent that Term 7 (*Physical Delivery*) is applicable), the Final Redemption Amount payable by the Issuer on such date upon redemption of each Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes or determination pursuant to this Term to holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (copied to the Issuer).

10. **Early Redemption Amount on Early Redemption of Notes**

If all and not some only of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled Maturity Date, the Issuer shall redeem each Note at its Fair Market Value as at the date of redemption of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes or determination pursuant to this Term to holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (copied to the Issuer).

11. **Determinations by the Calculation Agent**

The Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes in good faith and acting in a commercially reasonable manner.



## PART B – INFLATION LINKED NOTES

### REDEMPTION PROVISIONS IN RESPECT OF INFLATION LINKED NOTES

Inflation Linked Notes issued under the Programme may have a redemption amount and/or interest payments which are linked to an inflation linked index (the "**Inflation Index**") over a defined period in accordance with the provisions set out below.

The terms and conditions of Inflation Linked Notes may include one or any of the provisions set out below (or any combination thereof), as specified in the applicable Final Terms.

#### 1. **Inflation Linked Notes without Capital at Risk**

##### A. ***Further Information relating to Inflation Linked Notes without Capital at Risk***

Inflation Linked Notes without capital at risk are Inflation Linked Notes that:

- (a) may, if "Underlying Linked Interest" is specified as applicable in the applicable Final Terms, bear interest at a fixed rate that is adjusted to take account of the change in the level of the Inflation Index between (i) a specified month prior to the Issue date of the Notes, and (ii) a specified month (the "**Reference Month**") prior to each relevant interest payment date; and
- (b) have a Final Redemption Amount that is adjusted to take account of the change in the level of the Inflation Index between (i) a specified month prior to the issue date of the Notes, and (ii) a specified month prior to the maturity date of the Notes, with the Final Redemption Amount being subject to a Minimum Return at least equal to par.

The Notes may (in addition to or instead of the underlying linked interest described above) bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

##### B. ***Formulae for Rate of Interest and Final Redemption Amounts relating to Inflation Linked Notes***

###### *Interest Amount*

If "Underlying Linked Interest" is specified as applicable in the applicable Final Terms, interest determined in accordance with the below will be payable in respect of the Inflation Linked Notes without Capital at Risk.

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the provisions of Condition 7.1 (*Interest on Fixed Rate Notes*) shall apply save that the Rate of Interest for any Interest Period shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Fixed Rate of Interest} \times (\text{Current Inflation Level} / \text{Initial Inflation Level})$$

Where:

"**Fixed Rate of Interest**" has the meaning given to in the applicable Final Terms;

"**Initial Inflation Level**" or "**IIL**" means the Initial Inflation Level as specified in the applicable Final Terms, or if a Reference Month is specified for the Initial Inflation Level, the level of the Inflation Index determined by the Calculation Agent in respect of that Reference Month;

"**Current Inflation Level**" in respect of an Interest Payment Date the level of Inflation Index determined in respect of the Reference Month specified in the Final Terms for such Interest Payment Date.

###### *Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of the Note

on its Maturity Date shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return}, \left( \frac{\text{FIL} - \text{IIL}}{\text{IIL}} \right) \right\} \right]$$

Where:

"**Final Inflation Level**" or "**FIL**" means the level of Inflation Index determined in respect of the Reference Month relating to the Maturity Date as specified in the applicable Final Terms; and

"**Minimum Return**" has the meaning given to it in the Final Terms, if applicable.

*(please note that if a Minimum Return is specified as being Not Applicable in the Final Terms, the Minimum Return shall be zero)*

2. **Inflation (Interest Only) Linked Notes without Capital at Risk**

A. ***Further Information relating to Inflation (Interest Only) Linked Notes without capital at risk***

Inflation (Interest Only) Linked Notes without capital at risk are Inflation Linked Notes that:

- (a) pay an amount of interest determined by the change in the level of the Inflation Index between (i) a specified month prior to the previous Interest Payment Date or, in the case of the first interest payment date, a specified month prior to the issue date of the Notes, and (ii) a specified month (the "**Reference Month**") prior to each relevant Interest Payment Date. Such interest payments may further include an additional fixed amount of interest ("**Margin**") and may be subject to a Minimum Rate of Interest and/or a Maximum Rate of Interest; and
- (b) pay a Final Redemption Amount equal to par (regardless of the performance of the Inflation Index).

The Notes may also bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formulae for Rate of Interest and Final Redemption Amounts relating to Inflation (Interest Only) Linked Notes***

*Interest Amount*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the provisions of Condition 7.1 (*Interest on Fixed Rate Notes*) shall apply save that the Rate of Interest for any Interest Period shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Max} \left[ \text{Minimum Rate of Interest}, \text{Min} \left[ \text{Maximum Rate of Interest}, \left( \frac{\text{CIL} - \text{PIL}}{\text{PIL}} \right) + \text{Margin} \right] \right]$$

*(provided that, if Minimum Rate of Interest or Maximum Rate of Interest is specified as being Not Applicable in the Final Terms, the Minimum Rate of Interest shall be zero and/or the Maximum Rate of Interest shall be unlimited).*

Where:

"**Current Inflation Level**" or "**CIL**" means, in respect of an Interest Payment Date, the level of the Inflation Index determined by the Calculation Agent in respect of the Reference Month specified in the applicable Final Terms for such Interest Payment Date;

**"Initial Inflation Level"** or **"IIL"** means the Initial Inflation Level as specified in the applicable Final Terms, or if a Reference Month is specified for the Initial Inflation Level, the level of the Inflation Index determined by the Calculation Agent in respect of that Reference Month.

**"Margin"** means  $n$  per cent., as specified in the applicable Final Terms;

**"Minimum Rate of Interest"** means  $n$  per cent., as specified in the applicable Final Terms;

**"Maximum Rate of Interest"** means  $n$  per cent., as specified in the applicable Final Terms;

**"Previous Inflation Level"** or **"PIL"** means, in respect of an Interest Payment Date, the level of Inflation Index determined by the Calculation Agent in respect of the Reference Month specified in the Final Terms applicable to the immediately preceding Interest Payment Date, or in relation to the first Interest Payment Date, the Initial Inflation Level.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date will be an amount equal to:

*Specified Denomination x 100 per cent.*

3. **Inflation Linked Notes with Capital at Risk**

A. ***Further Information relating to Inflation Linked Notes with Capital at Risk***

Inflation Linked Notes with Capital at Risk are Inflation Linked Notes that:

- (a) may, if "Underlying Linked Interest" is specified as applicable in the applicable Final Terms, bear interest at a fixed rate that is adjusted to take account of the change in the level of the Inflation Index between (i) a specified month prior to the Issue date of the Notes, and (ii) a specified month (the "**Reference Month**") prior to each relevant interest payment date; and
- (b) have a Final Redemption Amount that is adjusted to take account of the change in the level of the Inflation Index between (i) a specified month prior to the issue date of the Notes, and (ii) a specified month prior to the maturity date of the Notes.

The Notes may (in addition to or instead of the underlying linked interest described above) bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. ***Formulae for Rate of Interest and Final Redemption Amounts relating to Inflation Linked Notes with Capital at Risk***

*Interest Amount*

If "Underlying Linked Interest" is specified as applicable in the applicable Final Terms, interest determined in accordance with the below will be payable in respect of the Inflation Linked Notes with Capital at Risk.

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the provisions of Condition 7.1 (*Interest on Fixed Rate Notes*) shall apply save that the Rate of Interest for any Interest Period shall be an amount determined by the Calculation Agent in accordance with the following formula:

*Fixed Rate of Interest × (Current Inflation Level / Initial Inflation Level)*

Where:

**"Current Inflation Level"** or **"CIL"** means, in respect of an Interest Payment Date, the level of the Inflation Index determined by the Calculation Agent in respect of the Reference Month specified in the applicable Final Terms for such Interest Payment Date;

"**Fixed Rate of Interest**" has the meaning given to it in the applicable Final Terms;

"**Initial Inflation Level**" or "**IIL**" means the Initial Inflation Level as specified in the applicable Final Terms, or if a Reference Month is specified for the Initial Inflation Level, the level of the Inflation Index determined by the Calculation Agent in respect of that Reference Month;

*Instalment Redemption Amount*

If the Final Terms specify that the Instalment Amount is Inflation Linked, the Instalment Amount in respect of an Instalment Date shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Instalment Reduction} \times (\text{Instalment Inflation Level} / \text{Initial Inflation Level})$$

Where:

"**Instalment Inflation Level**" in respect of an Instalment Date, the level of Inflation Index determined in respect of the Reference Month specified in the Final Terms for the corresponding Instalment Date.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} \times (\text{Final Inflation Level} / \text{Initial Inflation Level})$$

"**Final Inflation Level**" or "**FIL**" means the level of Inflation Index determined in respect of the Reference Month relating to the Maturity Date as specified in the applicable Final Terms.

## TERMS FOR INFLATION LINKED NOTES

If the Notes are identified as "Inflation Linked Notes" in the Final Terms, the Conditions applicable to the Notes shall be supplemented by the following Terms for the Inflation Linked Notes. The Conditions apply to all Inflation Linked Notes and, in the event of any inconsistency between any of these Terms and the Conditions, or any statement in or incorporated by reference into the Base Prospectus, these Terms will prevail for the purposes of the Inflation Linked Notes. In the event of any inconsistency between any of these Terms or any statement in or incorporated by reference into the Base Prospectus, and the Final Terms in relation to the Inflation Linked Notes, the Final Terms shall prevail.

### 1. Definitions

For the purposes of these Terms, the following terms shall have the meanings set out below:

**"Additional Disruption Event"** means each of Change in Law and Hedging Disruption;

**"Change in Law"** means that, on or after the Issue Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) it is unable to perform its obligation in respect of the Inflation Linked Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Inflation Linked Notes; or
- (b) it or any of its affiliates would incur a materially increased cost (including, without limitation, in respect of any solvency or capital requirements or any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) in maintaining the Inflation Linked Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Inflation Linked Notes;

**"Cut-Off Date"** means, in respect of a Determination Date, three Business Days prior to such Determination Date;

**"Delayed Inflation Index Level Event"** means, in respect of any Determination Date, that the relevant Index Sponsor fails to publish or announce the level of the relevant Inflation Index (the **"Relevant Level"**) in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer or the Calculation Agent in respect of such Determination Date, at any time on or prior to the Cut-Off Date;

**"Determination Date"** means any date on which the Calculation Agent is required to determine the level of the Inflation Index;

**"Fallback Bond"** means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation Linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation Linked bonds issued on or before the Issue Date and, if there is more than one inflation Linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the

time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge the equity price risk or any other relevant price risk, including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Inflation Linked Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or option contract(s) or any relevant hedge positions relating to the Inflation Linked Notes;

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Inflation Linked Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), *provided that* any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its respective affiliates shall not be deemed an Increased Cost of Hedging;

**"Inflation Index Cancellation"** means a level for the relevant Inflation Index has not been published or announced for two consecutive months and/or the relevant Inflation Index Sponsor cancels the Inflation Index and/or the relevant Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and no Successor Inflation Index exists;

**"Inflation Index Modification"** means the relevant Inflation Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the relevant Inflation Index or in any other way materially modifies the Inflation Index;

**"Inflation Index Sponsor"** means the entity that publishes or announces (directly or through an agent) the level of the relevant Inflation Index which as of the Issue Date of the Inflation Linked Notes is the index sponsor;

**"Inflation Index"** means an index specified in the applicable Final Terms or any Successor Inflation Index thereto;

**"Optional Additional Disruption Event"** means Increased Cost of Hedging, if specified in the applicable Final Terms;

**"Rebased Inflation Index"** has the meaning given to it under Term 4 (*Adjustments*);

**"Reference Month"** means the calendar month for which the level of the relevant Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level was reported;

**"Related Bond"** means the bond specified as such in the applicable Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not applicable" is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the relevant Maturity Date, unless "Fallback Bond: Not applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination;

**"Related Bond Redemption Event"** means, if specified as applicable in the applicable Final Terms, at any time prior to the Maturity Date, (a) the Related Bond is redeemed, repurchased or cancelled, (b) the Related Bond becomes repayable prior to its stated date of maturity for whatever

reason, or (c) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity;

"**Relevant Level**" has the meaning given to it in the definition of Delayed Inflation Index Level Event;

"**Successor Inflation Index**" has the meaning given to it in under Term 3 (*Successor Inflation Index*); and

"**Substitute Inflation Index Level**" means, in respect of a Delayed Inflation Index Level Event, the index level determined by the Issuer in accordance with Term 2 (*Delay in Publication*).

## 2. **Delay in Publication**

If the Calculation Agent determines that a Delayed Inflation Index Level Event in respect of an Inflation Index has occurred with respect to any Determination Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Determination Date (the "**Substitute Inflation Index Level**") shall be determined by the Calculation Agent (subject to Term 4.2 (*Substitute Inflation*) below), as follows:

2.1 if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or

2.2 if (i) Related Bond is specified as not applicable in the applicable Final Terms, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under Term 2.1 above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

$[Substitute\ Inflation\ Index\ Level = Base\ Level \times (Latest\ Level/Reference\ Level)]$ ; or

2.3 otherwise in accordance with any formula specified in the applicable Final Terms,

Where:

"**Base Level**" means the level of the relevant Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined.

"**Latest Level**" means the level of the relevant Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined.

"**Reference Level**" means the level of the relevant Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall promptly give notice to holders of the Inflation Linked Notes (the "**Inflation Linked Noteholders**") in accordance with Condition 16 (*Notices*) of any Substitute Inflation Index Level.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Term 2 (*Delay in Publication*) will be the definitive level for that Reference Month.

## 3. **Successor Inflation Index**

If the Calculation Agent determines that the level of an Inflation Index is not calculated and announced by the relevant Inflation Index Sponsor for two consecutive months and/or the relevant

Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and/or the relevant Inflation Index Sponsor cancels the Inflation Index and/or an Administrator/Benchmark Event has occurred in relation to the relevant Inflation Index, then the Calculation Agent shall determine a successor index (a "**Successor Inflation Index**") (in lieu of any previously applicable Inflation Index) for the purposes of the Inflation Linked Notes as follows:

- 3.1 if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall determine a "**Successor Inflation Index**" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond (*provided that* no Administrator/Benchmark Event has occurred and is continuing in relation to such Inflation Index);
- 3.2 if (x) Related Bond is specified as not applicable in the Final Terms or (y) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Final Terms, and the relevant Inflation Index Sponsor announces that it will no longer publish or announce the Inflation Index but that it will be superseded by a replacement Inflation Index specified by the Inflation Index Sponsor, and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Inflation Index (and no Administrator/Benchmark Event has occurred and is continuing in relation to such replacement Inflation Index), such replacement Inflation Index shall be designated a "**Successor Inflation Index**";
- 3.3 if no Successor Inflation Index has been deemed under (x) or (y) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the "**Successor Inflation Index**"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "**Successor Inflation Index**"; if fewer than three responses are received by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index for such affected payment date, and such index will be deemed a "**Successor Inflation Index**" (*provided that* if any Successor Inflation Index that would otherwise be determined pursuant to this Term 3.3 in relation to which an Administrator/Benchmark Event has occurred and is continuing shall not be a Successor Inflation Index); or
- 3.4 if the Calculation Agent determines that there is no appropriate alternative index, there will be deemed to be no Successor Inflation Index and an Inflation Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Inflation Index shall be deemed to replace the Inflation Index for the purposes of the Inflation Linked Notes. Notice of the determination of a Successor Inflation Index, the effective date of the Successor Inflation Index or the occurrence of an Inflation Index Cancellation will be given to Inflation Linked Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

#### 4. **Adjustments**

##### 4.1 ***Successor Inflation Index***

If a Successor Inflation Index is determined in accordance with Term 3 (*Successor Inflation Index*), the Calculation Agent may make any adjustment or adjustments (without limitation) to any amount payable under the Inflation Linked Notes and/or any other relevant term of the Inflation Linked Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the Inflation Linked Noteholders of any such adjustment in accordance with Condition 16 (*Notices*).

##### 4.2 ***Substitute Inflation Level***

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Term 2 (*Delay in Publication*), the Issuer may make any adjustment or adjustments (without limitation) to (x) the Substitute Inflation Index Level determined in accordance with Term 2 (*Delay in Publication*) and/or (y) any amount payable under the Inflation Linked Notes and/or any other



relevant term of the Inflation Linked Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Inflation Linked Noteholders of any such adjustment in accordance with Condition 16 (*Notices*).

#### 4.3 ***Inflation Index Level Adjustment Correction***

- (a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Inflation Index Sponsor for any Reference Month shall be final and conclusive and, subject to Term 4.5(B) (*Rebasing*) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index (HCPI), revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Inflation Linked Noteholders of any valid revision in accordance with Condition 16 (*Notices*).
- (b) If, within 30 days of publication or at any time prior to a Determination Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Inflation Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any amount payable under the Inflation Linked Notes and/or any other relevant term of the Inflation Linked Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Inflation Linked Noteholders of any such adjustment and/or amount in accordance with Condition 16 (*Notices*).
- (c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Inflation Linked Notes and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (B) request the Issuer to make any adjustment to any amount payable under the Inflation Linked Notes and/or any other relevant term of the Inflation Linked Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Inflation Linked Noteholders of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with Condition 16 (*Notices*).

#### 4.4 ***Currency***

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any amount payable under the Inflation Linked Notes, and/or any other relevant term of the Inflation Linked Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to such amount and/or any other relevant term of the Inflation Linked Notes as the Calculation Agent deems necessary. The Calculation Agent shall give notice to the Inflation Linked Noteholders of any such adjustment in accordance with Condition 16 (*Notices*).

#### 4.5 ***Rebasing***

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Inflation Index**") will be used for purposes of

determining the Relevant Level from the date of such rebasing; **provided, however, that the Calculation Agent may make:**

- (a) if Related Bond is specified as applicable in the applicable Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Inflation Index so that the Rebased Inflation Index levels reflect the same rate of inflation as before the rebasing, and/or
- (b) if Related Bond is specified as not applicable in the applicable Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Inflation Index so that the Rebased Inflation Index levels reflect the same rate of inflation as the Inflation Index before it was rebased and in each case the Issuer may make any adjustment(s) to any amount payable under the Inflation Linked Notes and/or any other term of the Inflation Linked Notes as the Calculation Agent may deem necessary.

If the Calculation Agent determines that neither (a) nor (b) above would produce a commercially reasonable result, the Calculation Agent may redeem each Inflation Linked Note on a date notified by the Issuer to Inflation Linked Noteholders in accordance with Condition 16 (*Notices*) at its Fair Market Value as determined by the Calculation Agent taking into account the rebasing. Notice of any adjustment, redemption of the Inflation Linked Notes or determination pursuant to this paragraph shall be given to Inflation Linked Noteholders in accordance with Condition 16 (*Notices*).

#### 4.6 ***Inflation Index Modification***

- (a) If on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Inflation Index Modification has occurred the Calculation Agent may (A) if Related Bond is specified as applicable in the applicable Final Terms, make any adjustments to the Inflation Index, any Relevant Level and/or any other relevant term of the Inflation Linked Notes (including, without limitation, any amount payable under the Inflation Linked Notes), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (B) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Inflation Linked Notes (including, without limitation, any amount payable under the Inflation Linked Notes), as the Calculation Agent deems necessary for the modified Inflation Index to continue as the Inflation Index and to account for the economic effect of the Inflation Index Modification.
- (b) If the Calculation Agent determines that an Inflation Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Calculation Agent may determine either (i) to ignore such Inflation Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Inflation Index Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of sub-paragraph (a) above will apply, or, (ii) notwithstanding that the Inflation Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with sub-paragraph (a) above.

#### 4.7 ***Consequences of an Additional Disruption Event or an Optional Additional Disruption Event***

If the Calculation Agent determines that an Additional Disruption Event and/or an Optional Additional Disruption Event has occurred, the Issuer may redeem each Inflation Linked Note on the date notified by the Issuer to Inflation Linked Noteholders in accordance with Condition 16 (*Notices*) at its Fair Market Value taking into account the relevant Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be. Notice of any redemption of the Inflation Linked Notes shall be given to Inflation Linked Noteholders in accordance with Condition 16 (*Notices*).

4.8 ***Inflation Index Cancellation***

If the Calculation Agent determines that an Inflation Index Cancellation has occurred, the Issuer may redeem each Inflation Linked Note on the date notified by the Issuer to Inflation Linked Noteholders in accordance with Condition 16 (*Notices*) at its Fair Market Value taking into account the Inflation Index Cancellation. Notice of any redemption of the Inflation Linked Notes pursuant to this paragraph shall be given to Inflation Linked Noteholders in accordance with Condition 16 (*Notices*).

## PART C – COMBINED UNDERLYING LINKED NOTES

### REDEMPTION PROVISIONS IN RESPECT OF COMBINED UNDERLYING LINKED NOTES

For ease of reference the redemption provisions set out below assume that the "Risk Underlying" is a single Share. However, the redemption provisions apply equally where the Risk Underlying is specified to be a single Index, a Basket of Indices or a Basket of Shares in the same manner as where the Risk Underlying is a single Share. Consequently, in these redemption provisions, where applicable, references to "Share" shall be construed as references to "Index", "Fund Interest", "Basket of Shares", "Basket of Indices", or "Basket of Fund Interests" references to "Price" shall be construed as references to "Level" in respect of a single Index or a Basket of Indices, "Value" in respect of a Basket of Shares and "Fund Value" in respect of a single Fund Interest or a Basket of Fund Interests, references to "Initial Share Price" shall be construed as references to "Initial Value" in respect of a Basket of Shares, "Initial Index Level" in respect of a single Index or a Basket of Indices and "Initial Fund Value" in respect of a single Fund Interest or a Basket of Fund Interests and references to "Final Share Price" shall be construed as references to "Final Value" in respect of a Basket of Shares, "Final Index Level" in respect of a single Index or a Basket of Indices and "Final Fund Value" in respect of a single Fund Interest or a Basket of Fund Interests.

The terms and conditions of Combined Underlying Linked Notes shall include the provisions set out below.

#### 1. Combined Underlying Linked Upside Notes with Capital at Risk

##### A. Further Information relating to Combined Underlying Linked Upside Notes with Capital at Risk

Combined Underlying Linked Upside Notes with Capital at Risk are Combined Underlying Linked Notes that:

- (a) may,
  - (i) if "Adjusted Fixed/Floating" is specified, pay an amount of interest determined by reference to a fixed or floating rate of interest adjusted to take account of the change in the level of the Return Underlying between (i) a specified month prior to the issue date of the Notes, and (ii) a specified month (the "Reference Month") prior to each relevant interest payment date; or
  - (ii) if "Spread Interest" is specified, pay an amount of interest determined by the change in the level of the Underlying between (i) a specified month prior to the previous interest payment date or, in the case of the first interest payment date, a specified month prior to the issue date of the Notes, and (ii) a specified month (the "Reference Month") prior to each relevant interest payment date (which change may be subject to gearing). Such interest payments may further include an additional fixed amount of interest ("Spread") and may be subject to a minimum rate of interest and/or a maximum rate of interest; and
- (b) have a Final Redemption Amount that is adjusted to take account of (A) any positive performance of the Return Underlying between (i) a specified month prior to the issue date of the Notes, and (ii) a specified month prior to the maturity date of the Notes and (B) any downside performance of the Risk Underlying.

The Notes may (in addition to or instead of the underlying linked interest described above) bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

##### B. Formulae for Rate of Interest and Final Redemption Amounts relating to Combined Underlying Linked Upside Notes with Capital at Risk

###### *Interest Amount*

Interest determined in accordance with the below will be payable in respect of the Combined Underlying Linked Upside Notes with Capital at Risk on each Interest Payment Date.

- (a) if "Adjusted Fixed/Floating" is specified:

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the provisions of Condition 7.1 (*Interest on Fixed Rate Notes*) shall apply save that the Rate of Interest for any Interest Period shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Rate of Interest} \times \text{Max}(0, [\text{Current Inflation Level} / \text{Initial Inflation Level}])$$

- (b) if "Spread Interest" is specified:

$$\text{MAX} \left[ \text{Minimum Rate of Interest}, \text{Min} \left[ \text{Maximum Rate of Interest}, \text{Gearing 1} \times \left( \frac{\text{CIL} - \text{PIL}}{\text{PIL}} \right) + \text{Spread} \right] \right]$$

(*provided that*, if Minimum Rate of Interest or Maximum Rate of Interest is specified as being Not Applicable in the Final Terms, the Minimum Rate of Interest shall be zero and/or the Maximum Rate of Interest shall be unlimited).

Where:

"**Current Inflation Level**" or "**CIL**" means, in respect of an Interest Payment Date, the level of the Return Underlying determined by the Calculation Agent in respect of the Reference Month specified in the applicable Final Terms for such Interest Payment Date;

"**Gearing 1**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Initial Inflation Level**" means the Initial Inflation Level as specified in the applicable Final Terms in relation to the Return Underlying, or if a Reference Month is specified for the Initial Inflation Level, the level of the Return Underlying determined by the Calculation Agent in respect of that Reference Month;

"**Minimum Rate of Interest**" means *n* per cent., as specified in the applicable Final Terms;

"**Maximum Rate of Interest**" means *n* per cent., as specified in the applicable Final Terms;

"**Previous Inflation Level**" or "**PIL**" means, in respect of an Interest Payment Date, the level of Inflation Index determined by the Calculation Agent in respect of the Reference Month specified in the Final Terms applicable to the immediately preceding Interest Payment Date, or in relation to the first Interest Payment Date, the Initial Inflation Level;

"**Return Underlying**" means the Inflation Index specified as such in the applicable Final Terms;

"**Specified Rate of Interest**" means the Fixed Rate of Interest or Floating Rate of Interest, as specified in the applicable Final Terms; and

"**Spread**" means *n* per cent., as specified in the applicable Final Terms.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date shall be an amount determined by the Calculation Agent as follows:

- (a) if the Final Inflation Level is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Return Threshold and either (i) the Barrier Condition is satisfied or (ii) if the Barrier Condition is not satisfied (or no Barrier Condition is specified), the Final Risk Price is (i) where no Barrier Condition is specified, greater than or equal to, and (ii) where a Barrier Condition is specified, greater than, the Risk Threshold:

$$\text{Specified Denomination} \times [100\% + \text{Gearing 2} \times (\text{Final Inflation Level} / \text{Initial Inflation Level} - 1)]$$

- (b) where a Barrier Condition is specified, if (X) the Final Inflation Level is less than or equal to the Return Threshold and (Y) the Barrier Condition is satisfied or, the Barrier Condition is not satisfied but Final Risk Price is greater than the Risk Threshold:

$$\text{Specified Denomination} \times 100 \text{ per cent}$$

- (c) if the Final Inflation Level is (X) where a Barrier Condition is specified greater than, or (Y) where no Barrier Condition is specified, greater than or equal, the Return Threshold and (i) the Barrier Condition (if any) is not satisfied and (ii) the Final Risk Price is (A) where no Barrier Condition is specified, less than, and (B) where a Barrier Condition is specified, less than or equal to, the Risk Threshold:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ [100\% + \text{Gearing } 2 \times (\text{Final Inflation Level} / \text{Initial Inflation Level} - 1)] + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing } 3 \times \left( \frac{\text{Final Risk Price} - \text{Initial Risk Price}}{\text{Initial Risk Price}} \right), -100\% \right) \right\} \right]$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ [100\% + \text{Gearing } 2 \times (\text{Final Inflation Level} / \text{Initial Inflation Level} - 1)] + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing } 3 \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing } 3 \times \left( \frac{\text{Final Risk Price}}{\text{Initial Risk Price}} - \text{Upper Strike} \right), -100\% \right) \right\} \right]$$

- (d) if the Final Inflation Level is (X) where a Barrier Condition is specified less than or equal to, or (Y) where no Barrier Condition is specified, less than, the Return Threshold and (i) the Barrier Condition (if any) is not satisfied and (ii) the Final Risk Price is (A) where no Barrier Condition is specified, less than, and (B) where a Barrier Condition is specified, less than or equal to, the Risk Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing } 3 \times \left( \frac{\text{Final Risk Price} - \text{Initial Risk Price}}{\text{Initial Risk Price}} \right), -100\% \right) \right\} \right]$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing } 2 \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing } 2 \times \left( \frac{\text{Final Risk Price}}{\text{Initial Risk Price}} - \text{Upper Strike} \right), -100\% \right) \right\} \right]$$

**(provided that**, if any of Gearing 1, Gearing 2, or Gearing 3 are specified as being Not Applicable in the Final Terms, Gearing 1, Gearing 2 and/or Gearing 3 (as applicable) shall be 100 per cent.).

Where:

**"Barrier Condition"** means in relation to the Risk Underlying:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the

prices of the Risk Underlying on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;

- (b) if "**American**" is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Downside Return 1**", if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Inflation Level**" means the level of Inflation Index determined in respect of the Reference Month relating to the Maturity Date as specified in the applicable Final Terms;

"**Final Risk Price**" means the Final Share Price for the Risk Underlying;

"**Gearing 2**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Gearing 3**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Initial Risk Price**" means the Initial Share Price for the Risk Underlying;

"**Lower Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Return Threshold**" means  $n$  per cent. of the Initial Inflation Level as specified in the applicable Final Terms;

"**Risk Threshold**" means  $n$  per cent. of the Initial Risk Price as specified in the applicable Final Terms;

"**Risk Underlying**" means the Share specified as such in the applicable Final Terms; and

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms.

2. **Combined Underlying (Inflation Interest and Equity/Index/Fund Downside) Linked Notes with Capital at Risk**

A. **Further Information relating to Combined Underlying (Inflation Interest and Equity/Index/Fund Downside) Linked Notes with Capital at Risk**

Combined Underlying (Inflation Interest and Equity/Index/Fund Downside) Linked Notes with Capital at Risk that:

- (a) may,
- (i) if "**Adjusted Fixed/Floating**" is specified, pay an amount of interest determined by reference to a fixed or floating rate of interest adjusted to take account of the change in the level of the Return Underlying between (i) a specified month prior to the issue date of the Notes, and (ii) a specified month (the "**Reference Month**") prior to each relevant interest payment date; or
- (ii) if "**Spread Interest**" is specified, pay an amount of interest determined by the change in the level of the Underlying between (i) a specified month prior to the previous interest payment date or, in the case of the first interest payment date, a specified month prior to the issue date of the Notes, and (ii) a specified month (the "**Reference Month**") prior to each relevant interest payment date (which change may be subject to gearing). Such interest payments may further include an additional fixed amount of interest ("**Spread**") and may be subject to a minimum rate of interest and/or a maximum rate of interest; and
- (b) have a Final Redemption Amount that is adjusted to take account of any downside performance of the Risk Underlying.

The Notes may (in addition to the underlying linked interest described above) bear interest at a fixed or floating rate in accordance with Condition 7 (*Interest*).

B. **Formulae for Rate of Interest and Final Redemption Amounts relating to Combined Underlying (Inflation Interest and Equity/Index/Fund Downside) Linked Notes with Capital at Risk**

*Interest Amount*

Interest determined in accordance with the below will be payable in respect of the Combined Underlying (Inflation Interest and Equity/Index/Fund Downside) Linked Notes with Capital at Risk on each Interest Payment Date.

- (a) if "Adjusted Fixed/Floating" is specified:

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the provisions of Condition 7.1 (*Interest on Fixed Rate Notes*) shall apply save that the Rate of Interest for any Interest Period shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Rate of Interest} \times \text{Max} (0, [\text{Current Inflation Level} / \text{Initial Inflation Level}])$$

- (b) if "Spread Interest" is specified:

$$\text{MAX} \left[ \text{Minimum Rate of Interest}, \text{Min} \left[ \text{Maximum Rate of Interest}, \text{Gearing 1} \times \left( \frac{\text{CIL} - \text{PIL}}{\text{PIL}} \right) + \text{Spread} \right] \right]$$

(**provided that**, if Minimum Rate of Interest or Maximum Rate of Interest is specified as being Not Applicable in the Final Terms, the Minimum Rate of Interest shall be zero and/or the Maximum Rate of Interest shall be unlimited).



Where:

"**Current Inflation Level**" or "**CIL**" means, in respect of an Interest Payment Date, the level of the Return Underlying determined by the Calculation Agent in respect of the Reference Month specified in the applicable Final Terms for such Interest Payment Date;

"**Gearing 1**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

"**Initial Inflation Level**" means the Initial Inflation Level as specified in the applicable Final Terms in relation to the Return Underlying, or if a Reference Month is specified for the Initial Inflation Level, the level of the Return Underlying determined by the Calculation Agent in respect of that Reference Month;

"**Minimum Rate of Interest**" means  $n$  per cent., as specified in the applicable Final Terms;

"**Maximum Rate of Interest**" means  $n$  per cent., as specified in the applicable Final Terms;

"**Previous Inflation Level**" or "**PIL**" means, in respect of an Interest Payment Date, the level of Inflation Index determined by the Calculation Agent in respect of the Reference Month specified in the Final Terms applicable to the immediately preceding Interest Payment Date, or in relation to the first Interest Payment Date, the Initial Inflation Level;

"**Return Underlying**" means the Inflation Index specified as such in the applicable Final Terms;

"**Specified Rate of Interest**" means the Fixed Rate of Interest or Floating Rate of Interest, as specified in the applicable Final Terms; and

"**Spread**" means  $n$  per cent., as specified in the applicable Final Terms.

#### *Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date shall be an amount determined by the Calculation Agent as follows:

- (a) if (X) the Final Risk Price is greater than or equal to the Risk Threshold or (Y) where a Barrier Condition is specified, the Barrier Condition is satisfied:

$$\text{Specified Denomination} \times 100 \text{ per cent.}$$

- (a) if (X) the Final Risk Price is less than the Risk Threshold, and (Y) where a Barrier Condition is specified, the Barrier Condition is not satisfied, either:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times \left( \frac{\text{Final Risk Price} - \text{Initial Risk Price}}{\text{Initial Risk Price}} \right), -100\% \right) \right\} \right]$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Min} \left\{ 0, \text{Max} \left( \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 2} \times \left( \frac{\text{Final Risk Price}}{\text{Initial Risk Price}} - \text{Upper Strike} \right), -100\% \right) \right\} \right]$$

**(provided that, if any of Gearing 1 or Gearing 2 are specified as being Not Applicable in the Final Terms Gearing 1 or Gearing 2 (as applicable) shall be 100 per cent.)**

Where:

**"Barrier Condition"** means in relation to the Risk Underlying:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Risk Underlying on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if **"American"** is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

**"Downside Return 1"**, if applicable, means a return determined in accordance with the provisions above;

**"Downside Return 2"**, if applicable, means a return determined in accordance with the provisions above;

**"Final Risk Price"** means the Final Share Price for the Risk Underlying;

**"Gearing 2"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Initial Risk Price"** means the Initial Share Price for the Risk Underlying;

**"Lower Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms;

**"Risk Threshold"** means  $n$  per cent. of the Initial Risk Price as specified in the applicable Final Terms;

**"Risk Underlying"** means the Share specified as such in the applicable Final Terms; and

**"Upper Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Final Terms.

## TERMS FOR COMBINED UNDERLYING LINKED NOTES

If the Notes are identified as a "Combined Underlying Linked Notes" in the Final Terms, the Conditions applicable to the Notes shall be supplemented by the following Terms for the Combined Underlying Linked Notes. The Conditions apply to all Combined Underlying Linked Notes and, in the event of any inconsistency between any of these Terms and the Conditions, or any statement in or incorporated by reference into the Base Prospectus, these Terms will prevail for the purposes of the Combined Underlying Linked Notes. In the event of any inconsistency between any of these Terms or any statement in or incorporated by reference into the Base Prospectus, and the Final Terms in relation to the Combined Underlying Linked Notes, the Final Terms shall prevail.

The Final Terms shall specify a "**Risk Underlying**" and a "**Return Underlying**" in relation to the Notes, and shall further specify (i) in relation the Risk Underlying whether such Risk Underlying is a single Share or a Basket of Shares, an Index or a Basket of Indices, and (ii) in relation to the Return Underlying, the Inflation Index.

### 1. ***Incorporation of Terms***

- 1.1 The following Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes contained in Part B hereof are hereby incorporated into this Part C: Term 1 (*Definitions*), Term 2 (*Disruption*) (with the exception of Term 2.4 (*Postponement of Payments*), Term 3 (*Best of/Worst of Provisions*), Term 4 (*Adjustments, Consequences of Certain Events and Currency in respect of Indices*), Term 5 (*Adjustments in respect of Shares*) and Term 6 (*Adjustments in respect of Indices or Shares*), Term 8 (*Adjustments in respect of Funds*) (with the exception of Term 6.4 (*Additional Disruption Events*) (the "**Equity/Index/Fund Incorporated Terms**"), **provided that** any reference in the Incorporated Equity/Index Terms to "Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes", "Equity Linked Notes", "Index Linked Notes", "Fund Linked Notes" or "Multi Underlying Linked Notes" shall instead be construed as a reference to "Combined Underlying Linked Notes", and any references to "an Underlying", "any Underlying" or "the relevant Underlying" (or any other references to such effect) shall be to the Risk Underlying only.
- 1.2 The following Terms for Inflation Linked Notes contained in Part C hereof are hereby incorporated into this Part C: Term 1 (*Definitions*), Term 2 (*Delay in Publication*), Term 3 (*Successor Index*) and Term 4 (*Adjustments*) (with the exception of Term 4.7 (*Consequences of an Additional Disruption Event or an Optional Additional Disruption Event*) (the "**Incorporated Inflation Terms**" and together with the Incorporated Equity/Index Terms, the "**Incorporated Terms**") **provided that** any reference in the Incorporated Inflation Terms to "Inflation Linked Notes" shall instead be construed as a reference to "Combined Underlying Linked Notes" and any references to "an Underlying", "any Underlying" or "the relevant Underlying" (or any other references to such effect) shall be to the Return Underlying only.
- 1.3 In the event of any inconsistency between the Incorporated Terms and the Terms for Combined Underlyings set out in this Part C, the Terms for Combined Underlyings set out in this Part C shall prevail.

### 2. ***Definitions***

For the purposes of the terms and conditions of the Combined Underlying Linked Notes, the following terms shall have the meanings set out below:

"**Additional Disruption Event**" means a Change in Law, an Insolvency Filing, a Hedging Disruption, an Increased Cost of Hedging, ETF Modification, Strategy Breach, Regulatory Action and/or Cross-contamination as specified in the applicable Final Terms and as determined by the Calculation Agent;

"**Change in Law**" means that, on or after the Issue Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority

or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) it is unable to perform its obligation in respect of the Notes or it has become illegal to hold, acquire or dispose of any Shares or relevant hedge positions in respect of the Combined Underlying Linked Notes; or
- (b) it or any of its affiliates would incur a materially increased cost (including, without limitation, in respect of any solvency or capital requirements or any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) in maintaining the Combined Underlying Linked Notes in issue or in holding, acquiring or disposing of any Shares or relevant hedge positions of the Combined Underlying Linked Notes;

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge the equity price risk or any other relevant price risk, including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Combined Underlying Linked Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or option contract(s) or any relevant hedge positions relating to the Combined Underlying Linked Notes; and

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Combined Underlying Linked Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), *provided that* any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its respective affiliates shall not be deemed an Increased Cost of Hedging.

3. ***Additional Disruption Events***

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer shall (acting on the instructions of the Calculation Agent) either (i) make such adjustment, if any, to any one or more of the Final Redemption Amount, Initial Index Level, Initial Share Price, Initial Value, Initial Fund Value, Initial Inflation Level or Final Inflation Level (as applicable) and/or any other relevant term of the Combined Underlying Linked Notes (including the date on which any amount is payable by the Issuer) as the Calculation Agent determines appropriate to account for such Additional Disruption Event, on the effective date of that adjustment (in each case as determined by the Calculation Agent) or (ii) redeem each Combined Underlying Linked Notes at its Fair Market Value as at the date of redemption taking into account such Additional Disruption Event on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Combined Underlying Linked Notes.

The Issuer (acting on the instructions of the Calculation Agent) shall give notice of any redemption of the Combined Underlying Linked Notes or determination pursuant to this Term to holders of the Combined Underlying Linked Notes (copied to the Issuer) in accordance with Condition 16 (*Notices*).

4. ***Postponement of Payments***

Notwithstanding the provisions of any other term or condition of the Notes, if the Calculation Agent determines that a Disrupted Day and/or a Delayed Inflation Index Level Event has occurred in respect of any Underlying on any Valuation Date, Observation Date or Averaging Date, payment of the Interest Amount or Final Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Maturity Date or the Interest Payment Date and (ii) the date that is three Business Days (or such other period specified in the applicable Final Terms) following the postponed Valuation Date, Observation Date, Averaging Date or Determination Date, as the case

may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Interest Amount and/or Final Redemption Amount or Automatic Early Redemption Amount in accordance with this Term 4 (*Postponement of Payments*).

The Issuer (acting on the instructions of the Calculation Agent) shall give notice of any postponement of payments pursuant to the Term to holders of the Combined Underlying Linked Notes (copied to the Issuer) in accordance with Condition 16 (*Notices*).

5. ***Determinations by the Calculation Agent***

The Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Combined Underlying Linked Notes in good faith and acting in a commercially reasonable manner.

## PART D – ADDITIONAL TERMS OF THE CREDIT LINKED NOTES

If the Notes are specified in the relevant Final Terms as being Credit Linked Notes, the Conditions (and if applicable, the relevant Terms in relation to Equity Linked Notes, Index Linked Notes or Inflation Linked Notes) applicable to the Notes will be supplemented by the additional terms (the "**Additional Terms**") for Credit Linked Notes as set out below.

### 1. GENERAL

1.1 The applicable Final Terms shall specify whether Simplified Credit Linkage or ISDA Credit Linkage applies to each Series of Credit Linked Notes, and shall further specify the percentage portion of the Note to which such credit linkage applies (such percentage the "**Credit Linked Percentage**" and such portion the "**Credit Linked Portion**"). Notes may be fully or partially credit linked.

### 1.2 *Single Name CLNs, Basket CLNs and Index CLNs*

If the Notes are specified to be any of a Single Name CLN, Basket CLN or Index CLN in the applicable Final Terms, the Credit Linked Portion will be credit linked to one or more Reference Entity(ies) specified in the applicable Final Terms, with each Reference Entity having a "**Reference Entity Weighting**" of either:

- (a) if a Reference Entity Weighting is specified in the Final Terms, a percentage equal to the Reference Entity Weighting of such Reference Entity as specified in the applicable Final Terms; or
- (b) if "**Equal Weighting**" is specified to be applicable in relation to the Notes, an equally weighted percentage of the Credit Linked Portion (as at the Issue Date).

The portion of each Note linked to a particular Reference Entity (the "**Relevant Portion**") shall be a percentage portion of the Credit Linked Portion equal to the Reference Entity Weighting of such Reference Entity.

The Redemption Amount payable in respect of a Single Name CLN, Basket CLN or Index CLN will be determined in accordance with the Conditions, as supplemented by these Additional Terms and, for such purposes, the Notional Amount of each Relevant Portion of a Note shall be equal to the product of (i) the Notional Amount of such Note, (ii) the Credit Linked Percentage and (iii) the relevant Reference Entity Weighting.

### 1.3 *Tranched CLNs*

If the Notes are specified to be Tranched CLNs in the applicable Final Terms, the Credit Linked Portion will be credit linked to two or more Reference Entities specified in the applicable Final Terms.

If a Tranched CLN Trigger Event occurs in relation to a Tranched CLN, then:

- (a) on the occurrence of such Tranched CLN Trigger Event, if "**Equal Weighting**" is specified to be applicable in relation to the Notes, an equally weighted percentage portion of the Credit Linked Portion will be credit linked to each of the Remaining Reference Entities (as at the Tranched CLN Trigger Date) (such percentage the "**Equal Weighting Percentage**" and such portion the "**Relevant Portion**"); and
- (b) if "**Fixed CLN Percentage**" is specified to be applicable in relation to the Notes, if a Credit Event Notice or CDS Event Notice, as applicable, is delivered in relation to a Remaining Reference Entity after the occurrence of such Tranched CLN Trigger Event, a fixed percentage portion of the Credit Linked Portion (such percentage the "**Fixed CLN Percentage**" as specified in the applicable Final Terms and such portion the "**Relevant Portion**") will be deemed to have been linked to such Reference Entity immediately preceding the occurrence of the relevant Credit Event (as defined (i) in relation to Tranched CLNs with Simplified Credit Linkage, Additional Term 3, and (ii) in relation to

Tranched CLNs with ISDA Credit Linkage, the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc.).

If a Tranched CLN Trigger Event occurs the Redemption Amount payable in respect of a Tranched CLN will be determined in accordance with the Conditions, as supplemented by these Additional Terms and, for such purposes, the Notional Amount of each Relevant Portion of a Note shall be equal to the product of (i) the Notional Amount of such Note, (ii) the Credit Linked Percentage, and (iii) the Equal Weighting Percentage or Fixed CLN Percentage (as applicable).

## 2. NOTEHOLDER AMENDMENT REQUESTS

2.1 Where "Noteholder Amendment Request" is specified as applicable in the applicable Final Terms, a Noteholder in respect of not less than 100 per cent. of the aggregate principal amount of the outstanding Notes of a Series of Credit Linked Notes may provide to the Issuer an Amendment Request attaching the Proof of Holding (a "**Compliant Amendment Request**").

2.2 Upon receipt of a Compliant Amendment Request, the Issuer shall promptly forward a copy of such Compliant Amendment Request to the Trustee. The Trustee shall, at the expense of the Issuer, (to the extent the Issuer agrees to the Proposed Amendments pursuant to the discretion contained in Additional Term 2.3) approve and concur with the Issuer in the implementation of any Proposed Amendments, **provided however, that** the Trustee shall not be bound to approve or to execute any amendment to any documents under the Programme (a) which, in the opinion of the Trustee, would have the effect of (i) increasing or adding to the obligations or duties of the Trustee; or (ii) removing or amending any protection or indemnity afforded to, or any other provision in favour of, the Trustee under any document issued under the Programme; (b) unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, losses and expenses which it may incur in connection therewith; and (c) unless the Proof of Holding has been provided in a form acceptable to the Trustee.

The Trustee shall, within 15 calendar days of receipt of the Compliant Amendment Request, confirm to the Issuer that (A) the Trustee does not consider that the Proposed Amendments would have the effect of (i) increasing or adding to the obligations or duties of the Trustee; or (ii) removing or amending any protection or indemnity afforded to, or any other provision in favour of, the Trustee under any document issued under the Programme, and (B) that the Proof of Holding has been provided in a form acceptable to the Trustee, or inform the Issuer that it is unable to make such confirmation.

2.3 In respect of any Compliant Amendment Request in relation to which the Trustee has provided its confirmation pursuant to Additional Term 2.2 above, the Issuer may elect, in its sole and absolute discretion, to agree to the Proposed Amendments and shall notify the Noteholder of such agreement by delivering an Amendment Confirmation. For the avoidance of doubt, any Amendment Request in respect of which no Amendment Confirmation is delivered within 30 Business Days following the delivery of such Amendment Request shall be deemed to be rejected by the Issuer. The Requesting Noteholder shall countersign such Amendment Confirmation and return such Amendment Confirmation to the Issuer and the Trustee, together with Proof of Holding (in the same form as provided with the Amendment Request) as of the date of such countersigned Amendment Confirmation. All such documents are to be dated and delivered to the Issuer and the Trustee by no later than 12 noon on a Business Day agreed in advance with the Issuer and the Trustee.

2.4 Upon receipt of the countersigned Amendment Confirmation (together with Proof of Holding described in Additional Term 2.3), the Issuer shall execute the Amendment Documents. The terms and conditions of the Credit Linked Notes shall be amended and restated as set out in the Amendment Documents from the date of execution of such Amendment Documents (the "**Amendment Date**").

2.5 The Issuer shall as soon as practicable after the Amendment Date:

- (a) procure that the Amended and Restated Final Terms shall be filed with Euronext Dublin; and

- (b) give notice of the amendment to the Noteholder in accordance with Condition 16 (*Notices*) (which, if the Notes are represented by a Global Note, shall include a notice through Euroclear and/or Clearstream).

2.6 The Issuer and the Trustee shall be entitled to act and rely solely and without further investigation on any Proof of Holding, Compliant Amendment Request and related Amendment Confirmation, and shall not be liable to any Noteholder (or, in the case of the Trustee, the Issuer) or any other person for any loss, costs, claims or liabilities arising from or in connection with its acting upon any Proof of Holding, Compliant Amendment Request or related Amendment Confirmation.

For the purposes of this Additional Term 2 the following terms shall have the meanings set out below:

**"Amendment Confirmation"** means a notice confirming the amendments and attaching the execution form of any document(s) required to effect the amendments (including the amended and restated Final Terms (the **"Amended and Restated Final Terms"**), and any further document(s) as determined by the Issuer (together the **"Amendment Documents"**)), to be countersigned by the Requesting Noteholder.

**"Amendment Request"** means a notice in the form from time to time provided by the Requesting Noteholder to the Issuer, which:

- (a) specifies (i) the name and address of the Requesting Noteholder, and (ii) if the Requesting Noteholder is not beneficially entitled to the Notes, the name and address of the person or persons who are beneficially entitled to 100 per cent. of the aggregate principal amount of such Notes (each a **"Beneficial Owner"**)) and confirmation that the Noteholder is authorised to act on behalf of such Beneficial Owner(s);
- (b) specifies the ISIN and Series Number of the Credit Linked Notes which are the subject of such Amendment Request;
- (c) contains a representation in favour of the Issuer and the Trustee that, if an Amendment Confirmation is provided in relation to the relevant Amendment Request, the Relevant Noteholder shall not dispose of any holding in the relevant Series of Notes prior to receipt of the notice described in Additional Term 2.5(b) above;
- (d) contains an undertaking in favour of the Issuer and the Trustee to provide to the Issuer and the Trustee any further Proof of Holding by noon (London time) in accordance with Additional Term 2.3 above; and
- (e) specifies the amendments the Requesting Noteholder proposes in relation to such Series of Credit Linked Notes, which may include, without limitation, the removal and/or addition of Reference Entities (and in respect of Credit Linked Notes which are subject to ISDA Credit Linkage, the removal and/or addition of related Reference Obligations) and such other changes related to the removal and/or addition of such Reference Entities and Reference Obligations as the Requesting Noteholder may consider necessary (the **"Proposed Amendments"**).

**"Proof of Holding"** means documentary evidence in form acceptable to the Issuer and the Trustee that the Noteholder delivering the Amendment Request (the **"Requesting Noteholder"**) holds not less than 100 per cent. of the aggregate principal amount of the outstanding Notes of the Series of Credit Linked Notes which are the subject of the Amendment Request, such evidence to include:

- (a) in respect of a Note in global form held through a clearing system, a certificate in respect of such holding;
- (b) in respect of Notes in definitive form, confirmation that the relevant Notes have been delivered and surrendered at the specified office of the Principal Paying Agent; and
- (c) such other evidence that the Issuer or the Trustee may, in its sole discretion, deem necessary.



### 3. SIMPLIFIED CREDIT LINKAGE

3.1 This Additional Term 3 applies only to Credit Linked Notes in relation to which the applicable Final Terms specify that Simplified Credit Linkage applies.

#### 3.2 *Redemption Amount following Credit Event Notice*

- (a) If the Calculation Agent delivers a Credit Event Notice to the Issuer in relation to a Reference Entity linked to a Relevant Portion of a Credit Linked Note (or, in relation to a Tranching CLN if, following the occurrence of a Tranching CLN Trigger Event, the Calculation Agent delivers a Credit Event Notice to the Issuer in relation to a Remaining Reference Entity) prior to the Maturity Date then:
- (i) the Calculation Agent shall determine the Adjusted Fair Market Value of such Relevant Portion as of the Credit Event Notice Date; and
  - (ii) the Final Redemption Amount in relation to such Note shall be calculated and paid in accordance with the following provisions of this Part D (*Additional Terms of the Credit Linked Notes*).
- (b) The Final Redemption Amount in respect of a Note linked to a Reference Entity in relation to which a Credit Event Notice has been delivered (or, in relation to a Tranching CLN, a Note in relation to which a Tranching CLN Trigger Event has occurred, and in relation to which a Credit Event Notice has been delivered after the occurrence of such Tranching CLN Trigger Event) shall be equal to the aggregate of:
- (i) the Credit Event Redemption Amounts in relation to each Relevant Portion of the Note in relation to which a Credit Event Notice has been delivered, calculated in accordance with this Part D (*Additional Terms of the Credit Linked Notes*); and
  - (ii) the Redemption Amounts in relation to (i) any Relevant Portion of the Note in respect of which no Credit Event Notice has been delivered and (ii) any portion of the Note which is not Credit Linked and (iii) where Fixed Recovery is specified in relation to Tranching CLNs, any portion of the Credit Linked Portion which has not become a Relevant Portion prior to the Maturity Date, shall be calculated in accordance with the Terms and applicable Final Terms without regard to the provisions of this Part D (*Additional Terms of the Credit Linked Notes*) **provided that** for the purposes of such calculation the outstanding notional amount of such Notes will be deemed to be reduced in proportion with any Relevant Portion in relation to which a Credit Event Notice has been delivered.
- (c) The Credit Event Redemption Amount shall be determined in accordance with the provisions set out below under Additional Term 3.5 (*Definitions*). If the Credit Event Redemption Amount in relation to a Relevant Portion of a Note has not been determined by the day which is 4 Business Days prior to the scheduled Maturity Date for such Note, then payment of the Final Redemption Amount for the Note will be postponed to the day which is 4 Business Days after the date of determination of the Credit Event Redemption Amount in accordance with Additional Term 3.5 (*Definitions*) below. The holder of the Note shall not be entitled to any interest or other payment in respect of such postponement.
- (d) If, following a Credit Event Notice Date, an Automatic Early Redemption Event occurs in respect of any Credit Linked Note or a redemption in accordance with Condition 9 (*Redemption and Purchase*), references in this Additional Term 3 (*Simplified Credit Linkage*) to "**Maturity Date**" shall be references to the Automatic Early Redemption Date or such other such date fixed for the redemption of the note (as applicable) and references to the Final Redemption Amount shall be references to the Automatic Early Redemption Amount or the Early Redemption Amount (as applicable).

#### 3.3 *Interest*

Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from (but excluding) the Interest Accrual Cessation Date in relation to such Relevant Portion.

### 3.4 *Notice*

The Calculation Agent shall, on behalf of the Issuer, give notice to the holders of the relevant Series of Notes (copied to the Issuer) of:

- (a) in relation to Tranching CLNs only, the occurrence of a Tranching CLN Trigger Event;
- (b) the giving of any Credit Event Notice; and
- (c) the determination of any Credit Event Redemption Amount.

### 3.5 *Definitions*

For the purposes of this Term, the following terms shall have the meanings set out below:

**"Adjusted Fair Market Value"** means

- (a) in relation to any Relevant Portion of a Single Name CLN, Basket CLN or Index CLN (as applicable), as of any date, its fair market value, as of such date, disregarding the effect of any Credit Event on the value of the Relevant Portion, less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes; and
- (b) in relation to any Relevant Portion of a Tranching CLN, zero;

**"Auction"** means, with respect to a Reference Entity and a Credit Event, an auction coordinated by ISDA that relates to the circumstances specified in the relevant Credit Event Notice and that would be applicable to a Notional CDS, as determined by the Calculation Agent;

**"Auction Final Price"** means the relevant auction final price as may be published by ISDA or any administrator of any Auction coordinated by ISDA from time to time and that would be applicable to the Notional CDS, as determined by the Calculation Agent;

**"Bond"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;

**"Bond or Loan"** means any obligation that is either a Bond or a Loan;

**"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

**"Credit Event"** means that, in the determination of the Calculation Agent, acting in good faith and in a commercially reasonable manner:

- (a) a Reference Entity has become Insolvent;
- (b) a Governmental Intervention has occurred in relation to a Reference Entity;
- (c) a Restructuring has occurred in relation to a Reference Entity;
- (d) an Obligation Acceleration has occurred in relation to a Reference Entity;
- (e) an Obligation Default has occurred in relation to Reference Entity;
- (f) a Repudiation/Moratorium has occurred in relation to a Reference Entity; and/or
- (g) a Failure to Pay has occurred in relation to a Reference Entity,

in each case, to the extent it is applicable to the relevant Notes as specified in the applicable Final Terms;

**"Credit Event Redemption Amount"** means, in relation to a Relevant Portion of a Note in respect of which a Credit Event Notice has been delivered, a cash amount equal to the product of:

- (a) the Adjusted Fair Market Value of such Relevant Portion (or Credit Linked Portion, as applicable) as of the Credit Event Notice Date; and
- (b) the Recovery Rate, and
- (c) the Credit Linked FX Factor;

**"Credit Event Notice"** means, in relation to any Reference Entity, a written notice from the Calculation Agent to the Issuer stating that a Credit Event has occurred and describing, in reasonable detail, the facts relevant to the determination that a Credit Event has occurred, (including the date on which such Credit Event has occurred);

**"Credit Event Notice Date"** means the date on which the Calculation Agent delivers a Credit Event Notice to the Issuer;

**"Credit Linked FX Factor"** means the Credit Linked FX Factor specified in the Final Terms, or if Credit Linked FX Factor is specified as Not Applicable in the applicable Final Terms, shall mean 100 per cent.;

**"Debt Obligation"** means each Reference Entity's current, future, conditional or other payment obligations (whether or not subordinated) under (a) agreements having the commercial effect of borrowings (including loan agreements, notes or commercial paper (irrespective of term to maturity) or financing limits, payment obligations regarding deposits or letters of credit) and (b) guarantees or other sureties or commitments which the Reference Entity has provided or provides with respect to the payment obligations of a third party;

**"Default Requirement"** means the amount specified as such in the Final Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, USD 10,000,000 or its equivalent in the relevant Obligation Currency) in either case, as of the occurrence of the relevant Credit Event;

**"Domestic Currency"** means the currency specified as such in the Final Terms and any successor currency thereto or, if no such currency is specified, the lawful currency and any successor currency of:

- (a) the Reference Entity, if the Reference Entity is a Sovereign; or
- (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign;

**"Domestic Law"** means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if such Reference Entity is not a Sovereign;

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

**"Excluded Obligation"** means any obligation of the Reference Entity specified as such or of a type described in the applicable Final Terms;

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the amount specified in the applicable Final Terms (the **"Failure to Pay Amount"**) under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, save that

if an occurrence that would constitute a Failure to Pay (a) is the result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination. If "**Credit Deterioration Requirement**" is specified as applicable in the Final Terms, then, notwithstanding the foregoing, it shall not constitute a Failure to Pay if such failure does not directly or indirectly either result from, or result in, a deterioration in the creditworthiness or financial condition of the Reference Entity (as determined by the Calculation Agent);

"**Fixed Cap**" means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, *provided that* a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and, for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

"**Fixed Recovery Rate**" means the percentage specified as such in the applicable Final Terms;

"**Full Quotation**" means each firm bid quotation obtained from a relevant third party market dealer in respect of a Notional CDS having a notional amount equal to the Quotation Amount, or, if the Calculation Agent determines in its absolute discretion that it is not able to obtain at least one such firm bid quotation, each firm bid quotation obtained from a relevant third party market dealer in respect of the unsecured debt of the Reference Entity of a seniority level equivalent to that specified in the Final Terms (or, if a Reference Obligation Replacement Event has occurred, the Replacement Seniority Level) in an amount equal to the Quotation Amount;

"**General Recovery Rate**" means:

- (a) if:
  - (i) ISDA announces by the date that is 30 calendar days after the Maturity Date that an Auction will be held; and
  - (ii) the relevant Auction Final Price is determined not later than the date that is 60 calendar days after the Maturity Date,the Auction Final Price; and
- (b) if:
  - (i) ISDA announces that no Auction will be held; or
  - (ii) ISDA has not announced by the date that is 30 calendar days after the Maturity Date that an Auction will be held; or
  - (iii) the Auction Final Price is not determined by the date that is 60 calendar days after the Maturity Date; or
  - (iv) ISDA does not make any relevant announcement within 180 days of the Credit Event occurring;the Market Value;

"**Governmental Authority**" means, in relation to any Reference Entity:

- (a) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter governmental or supranational body;

- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of such Reference Entity or some or of all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above;

**"Governmental Intervention"** means that, in relation to any Reference Entity and with respect to one or more obligations for the payment or repayment of borrowed money of such Reference Entity, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to such Reference Entity in a form which is binding:

- (a) any event which would affect creditors' rights so as to cause:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
  - (iv) a change in the ranking in priority of payment of any obligation for the payment or repayment of borrowed money, causing the subordination of such obligation to any other obligation of the Reference Entity;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the relevant obligation;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in (a) to (c) above;

**"Grace Period"** means:

- (a) subject to paragraphs (b) and (c) below the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if **"Grace Period Extension"** is specified as applicable in the applicable Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Redemption Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Redemption Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as the **"Maximum Length of Grace Period"** in the applicable Final Terms or, if no period is specified, thirty calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; *provided that*, unless "Grace Period Extension" is specified as applicable in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Redemption Date;

**"Grace Period Business Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified (a) if the Obligation Currency is the euro, a day on which the TARGET System is open, or (b) otherwise, a day on which commercial banks and foreign exchange markets

are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency;

**"Grace Period Extension Date"** means, if (a) "Grace Period Extension" is specified as applicable in the applicable Final Terms and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Redemption Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay;

**"Scheduled Redemption Date"** means the date specified in the applicable Final Terms ;

**"Initial Weighting"** means, in relation to any Series of Notes, the weighting assigned to a specific Reference Entity specified as such in the applicable Final Terms, or if **"Equal Initial Weighting"** is specified to be applicable, the Initial Weighting for each Reference Entity will be an equally weighted percentage portion of the Credit Linked Portion. The Initial Weighting assigned to an original Reference Entity will apply equally to any Successor;

**"Insolvent"** means, in relation to any Reference Entity:

- (a) it is unable or admits inability to pay its debts as they fall due;
- (b) it suspends making payments on any of its debts;
- (c) after the expiration of any applicable grace period (and after the satisfaction of any conditions precedent to the commencement of such grace period), it fails to make, when and where due, any payment under any one or more obligations, in accordance with the terms of such obligations at the time of such failure;
- (d) a liquidator or administrator or other similar officer has been appointed in relation to such Reference Entity;
- (e) it enters into a company voluntary arrangement or a scheme of arrangement with its creditors; or
- (f) any Insolvency Proceedings are taken in relation to such Reference Entity;

**"Insolvency Proceedings"** means any legal proceedings in relation to any suspension of payments, moratorium of indebtedness, winding up, dissolution or administration of such person (including, without limitation, any bank insolvency procedure or bank administration procedure under the United Kingdom Banking Act 2009) or any analogous procedure in any jurisdiction;

**"Interest Accrual Cessation Date"** means either (i) the Interest Payment Date immediately preceding the Credit Event Notice Date or, in the case of a Credit Event Notice Date occurring during the first Interest Period, the Interest Commencement Date, or (ii) the date on which the Credit Event occurred (as specified in the Credit Event Notice);

**"ISDA Credit Derivatives Definitions"** means the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as may be further supplemented from time to time as of the Issue Date; and as may be further supplemented or amended after the Issue Date in accordance with any industry protocols;

**"Listed"** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange and, if specified as applicable to an Obligation Category, the Listed Obligation Characteristic shall be applicable only in respect of obligations within that Obligation Category that are Bonds;

**"Loan"** means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money;

**"Market Value"** shall be determined by the Calculation Agent, in accordance with the following provisions if the Recovery Rate is Market Value. In such a case, the Calculation Agent shall attempt to obtain Full Quotations from third party market dealers with respect to the Market Value

Determination Date and the "**Market Value**" shall be the amount, expressed as a percentage, equal to:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if multiple Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the Full Quotations having the highest and lowest values (and, if multiple Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if only one Full Quotation is obtained, such Full Quotation;
- (e) if no Full Quotations are obtained on or prior to the fifth Business Day following the applicable Market Value Determination Date, the value (expressed as a percentage of their principal amount) determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, of the unsubordinated debt obligations of the Reference Entity;

**"Market Value Determination Date"** means:

- (a) in the case of sub-paragraph (i) of paragraph (b) of the definition of General Recovery Rate, the first Business Day after the date of the relevant announcement;
- (b) in the case of sub-paragraph (ii) of paragraph (b) of the definition of General Recovery Rate, on the first Business Day falling 30 calendar days after the Maturity Date;
- (c) in the case of sub-paragraph (iii) of paragraph (b) of the definition of General Recovery Rate, the first Business Day falling 60 calendar days after the Maturity Date; and
- (d) in the case of sub-paragraph (iv) of paragraph (b) of the definition of General Recovery Rate, 180 days after the occurrence of the Credit Event;

**"Notional CDS"** means, in relation to any Reference Entity, a notional credit derivative transaction entered into on market standard terms:

- (a) incorporating the ISDA Credit Derivatives Definitions;
- (b) incorporating any supplement incorporated as standard in respect of the relevant Reference Entity and/or the type of transaction (including, but not limited to Additional Provisions for Senior Non-Preferred Reference Obligations published on 8 December 2017);
- (c) where such market standard terms contemplate an election between referencing senior (preferred/non-preferred) or subordinated obligations, then referencing the level of seniority of the obligations of the Reference Entity specified in paragraph 39(i)(i) of the applicable Final Terms (or following the occurrence of a Reference Obligation Replacement Event, referencing the Replacement Seniority Level);
- (d) having a trade date that is the same date as the Issue Date of the Notes and a scheduled termination date that is the same date as the Maturity Date of the Notes; and
- (e) under which any permitted determinations, elections or notices shall be made or deemed sent at the discretion of the Calculation Agent,

as determined by the Calculation Agent;

**"Not Domestic Currency"** means any obligation that is payable in any currency other than the applicable Domestic Currency, *provided that* a Standard Specified Currency shall not constitute a Domestic Currency;

**"Not Domestic Issuance"** means any obligation other than an obligation that was issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity;

**"Not Domestic Law"** means any obligation that is not governed by the applicable Domestic Law, *provided that* the laws of England and the laws of the State of New York shall not constitute a Domestic Law;

**"Not Sovereign Lender"** means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt";

**"Not Subordinated"** means an obligation that is not subordinated to any unsubordinated obligation of the relevant Reference Entity;

**"Obligation"** means any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) described by the applicable Obligation Category and having each of the applicable Obligation Characteristics, if any, in each case, immediately prior to the relevant Credit Event, as selected by the Calculation Agent in its sole discretion unless it is an Excluded Obligation;

**"Obligation Acceleration"** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations;

**"Obligation Category"** means Payment, Borrowed Money, Bond, Loan, or Bond or Loan, only one of which shall be specified in relation to a Reference Entity;

**"Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in relation to a Reference Entity;

**"Obligation Currency"** means the currency or currencies in which an Obligation is denominated;

**"Obligation Default"** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (howsoever described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations;

**"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;

**"Permitted Transfer"** means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee;

**"Potential Failure to Pay"** means failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the amount specified in the applicable Final Terms (the **"Potential Failure to Pay Amount"**) under one or more Debt Obligations in accordance with the terms of such Debt Obligations at the time of such failure, without regard to



any grace period or any conditions precedent to the commencement of any grace period applicable to such Debt Obligations;

**"Potencial Repudiation/Moratorium"** means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium;

**"Qualifying Affiliate Guarantee"** means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity;

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
  - (i) by payment;
  - (ii) by way of Permitted Transfer;
  - (iii) by operation of law;
  - (iv) due to the existence of a Fixed Cap; or
  - (v) due to:
    - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in the relevant Final Terms in respect of the Reference Entity; or
    - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the relevant Final Terms in respect of the Reference Entity.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of "Bankruptcy" in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation;

**"Quotation Amount"** means such amount as the Calculation Agent determines in its absolute discretion, having regard, if applicable, to any hedging arrangements that the Issuer may have entered into in relation to the relevant Series of Notes;

**"Recovery Rate"** means:

- (a) General Recovery Rate;

- (b) Zero Recovery Rate; or
- (c) Fixed Recovery Rate,

as specified in the applicable Final Terms;

**"Reference Entity"** means, in relation to any Series of Notes, an entity specified as such in the applicable Final Terms, or any Successor(s) to such Reference Entity;

**"Reference Entity Weighting"** has the meaning set out in Additional Term 1.2. The Reference Entity Weighting assigned to an original Reference Entity will apply equally to any Successor;

**"Reference Obligation Replacement Event"** means circumstances have arisen which in the opinion of the Calculation Agent would make it impossible or impractical to maintain a credit derivative transaction referencing obligations of the level of seniority initially set out in the Final Terms;

**"Replacement Seniority Level"** means, the level of seniority the Calculation Agent, acting reasonably and taking into account all relevant factors (including any common or established market practice), deems to be most appropriate to replace the originally specified level of seniority following the occurrence of a Reference Obligation Replacement Event;

**"Relevant Guarantee"** means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the related Final Terms, a Qualifying Guarantee;

**"Remaining Reference Entity"** means, in relation to any Series of Notes, each Reference Entity in relation to which no Credit Event Notice has been delivered on the Tranche CLN Trigger Event Date;

**"Repudiation/Moratorium"** means the occurrence of both of the following events: (i) an authorised officer of the Reference Entity or a Governmental Authority (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the amount specified in the applicable Final Terms (the **"Repudiation/Moratorium Amount"**) or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Repudiation/Moratorium Amount and (ii) an Insolvency or a Restructuring, determined without regard to the Repudiation/Moratorium Amount, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**"Repudiation/Moratorium Evaluation Date"** means, if a Potential Repudiation/Moratorium occurs on or prior to the scheduled redemption date of the Notes (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable grace period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; *provided that*, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the scheduled redemption date of the Notes;

**"Restructuring"** means:

- (a) with respect to one or more obligations, any one or more of the following events occurs in a form that binds all holders of such obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such obligation to bind all holders of the obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such obligation (including, in each case, in respect of bonds only, by way of an exchange), and such event

is not expressly provided for under the terms of such obligation in effect as of the date upon which such obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (x) the payment or accrual of interest, or (y) the payment of principal or premium;
  - (iv) a change in the ranking in priority of payment of any obligation, causing the subordination of such obligation to any other obligation; or
  - (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).
- (b) For purposes of paragraph (a) above, the term obligation shall be deemed to include, without limitation, underlying obligations for which the Reference Entity is acting as provider of a guarantee. In the case of a guarantee and an underlying obligation, references to the Reference Entity in (a) above shall be deemed to refer to the underlying obligor.
- (c) If an exchange has occurred, the determination as to whether one of the events described under (i) to (v) above has occurred will be based on a comparison of the terms of the relevant bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange;

**"Solvency Capital Provisions"** means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier;

**"Specified Currency"** means an obligation that is payable in the currency or currencies specified as such in the relevant Final Terms (or, if "Specified Currency" is specified in the relevant Final Terms and no currency is so specified, any Standard Specified Currency), *provided that* if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;

**"Succession Event"** means any event (including a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin off or other similar event) which the Calculation Agent determines has resulted in a third party entity succeeding to all or some the obligations of a Reference Entity whether by operation of law (pursuant to any ring fencing provisions or resolution powers under the Banking Act 2009 of the United Kingdom or otherwise) or pursuant to any agreement;

**"Successor"** means an entity which the Calculation Agent has specified, by written notice to the Issuer, as a successor to the Reference Entity following the occurrence of a Succession Event. In specifying a Successor, the Calculation Agent will act in a commercially reasonable manner and, in doing so, is entitled to take into account any hedging position or arrangement that the Issuer or any of its affiliates may have entered into in connection with the Notes but is not required to take into account the interests of the holders of any Notes; and **provided further that**, in circumstances where the Reference Entity is an authorised deposit taking entity, if there are multiple successors to the Reference Entity's obligations, the Calculation Agent is required, to the extent possible, to specify as the Successor a successor entity which is not carrying on business as an authorised deposit taker, or in the event that this is not possible, the successor entity for which such deposit taking business is the least significant part of its business;

"**Tranched CLN Trigger Event**" means that Credit Event Notices have been delivered in relation to Reference Entities representing, in aggregate and by reference to the Initial Weighting of such Reference Entities, a percentage greater than or equal to the Tranched CLN Trigger Percentage, as determined by the Calculation Agent;

"**Tranched CLN Trigger Event Date**" means the Credit Event Notice Date in relation to the Credit Event Notice giving rise to the occurrence of a Tranched CLN Trigger Event, as determined by the Calculation Agent;

"**Tranched CLN Trigger Percentage**" means the percentage specified as such in the applicable Final Terms; ad

"**Underlying Obligation**" means, with respect to a guarantee, the obligation which is the subject of the guarantee;

"**Underlying Obligor**" means, with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation;

"**Voting Shares**" means those shares or other interests that have the power to elect the board of directors or similar governing body of an entity; and

"**Zero Recovery Rate**" means, in relation to any Reference Entity, zero.

#### 4. **ISDA CREDIT LINKAGE**

(a) This Additional Term 4 applies only to Credit Linked Notes in relation to which the applicable Final Terms specifies that ISDA Credit Linkage applies.

(b) ***Parallel Credit Linkage***

If Parallel Credit Linkage Provisions are specified as being applicable in the relevant Final Terms, then (i) if a Reference Entity is subject to a CDS Event, the provisions of sub-paragraph (c) shall apply as stated and (ii) if a Parallel Reference Entity is subject to the CDS Event, the provisions of sub-paragraph (c) shall be read so that references to the "**Relevant Portion**" shall be references to 100 per cent. of the Credit Linked Portion of the Note and references to the "**Reference Entity**" shall be to the Parallel Credit Reference Entity.

(c) ***Redemption and Settlement following delivery of a CDS Event Notice***

(i) Subject to sub-paragraph (b) (*Parallel Credit Linkage*) above, if the Calculation Agent delivers a CDS Event Notice to the Issuer in relation to a Reference Entity (or, in relation to a Tranched CLN if, following the occurrence of a Tranched CLN Trigger Event, the Calculation Agent delivers a CDS Event Notice to the Issuer in relation to a Remaining Reference Entity) prior to the Maturity Date (as may be extended pursuant to sub-paragraph (iv) (*Maturity Date Extension*) below), then:

(A) if "**Option A**" is specified as applicable in relation to CDS Event Redemption Amount, the Calculation Agent shall determine the Adjusted Fair Market Value of such Relevant Portion as of the Event Determination Date;

(B) if the CDS Event Redemption Date is specified in the applicable Final Terms to be the date falling three Business Days following the Settlement Date under the relevant Notional CDS:

(1) the Issuer shall not redeem such Relevant Portion on the Maturity Date but shall instead redeem such Relevant Portion on its CDS Event Redemption Date at its CDS Event Redemption Amount and the Issuer shall have no other payment obligations

in respect of any Relevant Portion of the Notes in respect of which a CDS Event Notice has been delivered (and, in particular, but without limiting the generality of the foregoing, shall have no obligation to pay the Final Redemption Amount that would otherwise be payable by the Issuer on the Maturity Date in respect of such Relevant Portion); and

- (2) in relation to (i) any Relevant Portion of the Note in respect of which no CDS Event Notice has been delivered and (ii) any portion of the Note which is not Credit Linked, the Final Redemption Amount payable in accordance with Condition 9.1 (*Scheduled Redemption*) shall be calculated in accordance with the Conditions, Terms and applicable Final Terms without regard to the provisions of this Part D (*Additional Terms of the Credit Linked Notes*) **provided that** for the purposes of such calculation, to the extent that the CDS Event Redemption Date in relation to any Relevant Portion in respect of which a CDS Event Notice has been delivered falls after the Maturity Date, the outstanding notional amount of such Notes will be deemed to be reduced in proportion with any such Relevant Portion(s).
- (C) if the CDS Event Redemption Date is specified in the applicable Final Terms to be the Maturity Date then, subject to adjustment in accordance with Additional Term 4(c)(i)(D) below, the Issuer shall redeem the Note on the Maturity Date at its Final Redemption Amount, which will be an amount equal to the aggregate of:
- (1) the CDS Event Redemption Amounts in relation to each Relevant Portion of the Note in relation to which a CDS Event Notice has been delivered, calculated in accordance with this Part D (*Additional Terms of the Credit Linked Notes*); and
  - (2) the Final Redemption Amounts in relation to (i) any Relevant Portion of the Note in respect of which no CDS Event Notice has been delivered, and (ii) any portion of the Note which is not Credit Linked, and (iii) where Fixed Recovery is specified in relation to Tranche CLNs, any portion of the Credit Linked Portion which has not become a Relevant Portion on or prior to the Maturity Date, calculated in accordance with the Conditions, Terms and applicable Final Terms without regard to the provisions of this Part D (*Additional Terms of the Credit Linked Notes*) **provided that** for the purposes of such calculation the outstanding notional amount of such Notes will be deemed to be reduced in proportion with any Relevant Portion in relation to which a CDS Event Notice has been delivered.
- (D) Notwithstanding Additional Term 4(c)(i)(C) above, if the CDS Event Redemption Date is specified in the applicable Final Terms to be the Maturity Date and the Settlement Date under the relevant Notional CDS for any Relevant Portion of the Note has not occurred by the day falling three Business Days prior to the scheduled Maturity Date for such Note (any such Relevant Portion an "**Affected Portion**"), then (i) in relation to any Relevant Portion of the Note which is not an Affected Portion, the Final Redemption Amount will be calculated and paid in accordance with Additional Term 4(c)(i)(C) above, and (ii) in relation to any Affected Portion, the CDS Event Redemption Date (and payment of the related CDS Event Redemption Amount) in relation to such Affected Portion will be postponed to the day falling three Business Days following the Settlement Date under the relevant Notional CDS in relation to such Affected Portion. For the avoidance of doubt, the holder of the Note shall not be entitled to any interest or other payment in respect of any

postponed payment of the CDS Event Redemption Amount in relation to an Affected Portion.

(d) ***Notice***

The Calculation Agent shall, on behalf of the Issuer, give notice to the holders of the relevant Series of Notes (copied to the Issuer) of:

- (A) in relation to Tranching CLNs only, the occurrence of a Tranching CLN Trigger Event;
- (B) the giving of any CDS Event Notice; and
- (C) the determination of any CDS Event Redemption Date (if the CDS Redemption Date is not the Maturity Date) or CDS Event Redemption Amount.

(e) ***Maturity Date Extension***

If the Calculation Agent determines at any time prior to the Maturity Date that an Event Determination Date may occur or may be determined under the Notional CDS following the Maturity Date, it shall give notice (an "**Extension Notice**") to the holders of the relevant Series of Notes (with a copy to the Issuer) stating that the Maturity Date of the Relevant Portion of the Notes shall be extended to the date that is three Business Days following the date the Calculation Agent determines an Event Determination Date will not occur under the Notional CDS.

(f) ***Interest***

Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from (but excluding) the Interest Accrual Cessation Date.

(g) ***Interest Postponement***

If the Calculation Agent determines that the Credit Derivatives Determinations Committee is considering a request as to whether or not a CDS Event has occurred in respect of the Reference Entity and any resolution would be relevant to the Notional CDS and the Credit Derivatives Determinations Committee has not resolved the issue as of an Interest Payment Date under the Notes, payment of interest otherwise due on the Notes on such date will be suspended. If the Calculation Agent subsequently determines that no Event Determination Date occurred under the Notional CDS, such interest amount shall be payable on the Notes on the second Business Day after such determination. If the Calculation Agent determines that an Event Determination Date occurred under the Notes and the CDS prior to the relevant Interest Payment Date, no payment of the suspended interest will be made. No additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest pursuant to this paragraph. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 16 (*Notices*) as soon as is reasonably practicable should any payment of interest be suspended and/or postponed pursuant to this paragraph.

(h) ***Restructuring CDS Event***

If the Calculation Agent determines that any Event Determination Date under the Notional CDS is in relation to a "**Restructuring**" CDS Event under the Notional CDS, the Calculation Agent may deliver multiple CDS Event Notices in relation to such Relevant Portion as if multiple Event Determination Dates had occurred under the Notional CDS. If the Calculation Agent delivers a CDS Event Notice in respect of part only of the Relevant Portion, the Calculation Agent shall specify in such CDS Event Notice the principal amount of such part and the provisions of sub-paragraph (c) (*Redemption and Settlement following CDS Event Notice*) below shall apply only to such part of the

Relevant Portion. The provisions of this Term shall continue to apply to any subsequent CDS Event Notice(s) delivered in respect of such remaining Relevant Portion.

(i) ***Early Redemption***

If, following a CDS Event Notice Date, an Automatic Early Redemption Event occurs in respect of any Credit Linked Note or a redemption in accordance with Condition 9.10 (*Early Redemption Amounts*), references in this Additional Term 4 (*ISDA Credit Linkage*) to "**Maturity Date**" shall be references to the Automatic Early Redemption Date or such other such date fixed for the redemption of the Note (as applicable) and references to the Final Redemption Amount shall be references to the Automatic Early Redemption Amount or the Early Redemption Amount (as applicable).

(j) ***Removal of Reference Entities***

(i) The applicable Final Terms shall specify whether any or all of the Reference Entities will be removed as Reference Entities during the life of the Notes. If a Reference Entity Removal Date is specified in relation to a Reference Entity, on such date the relevant Reference Entity will cease to be a Reference Entity in relation to the Notes.

(ii) If one or more (but not all) of the Reference Entities are removed during the life of the Notes, the Reference Entity Removal Provisions in the Final Terms will specify whether, after the removal of such Reference Entity or Reference Entities, the Relevant Portion or Relevant Portions in relation to such Reference Entity or Reference Entities will be adjusted or unadjusted.

(A) If the Relevant Portion or Portions relating to a Reference Entity or Reference Entities which have been removed is specified to be adjusted, the Reference Entity Weighting in respect of the remaining Reference Entity or Reference Entities will be adjusted (in equal proportions) to include the Relevant Portion or Relevant Portions in relation to the Reference Entity or Reference Entities which have been removed.

(B) If the Relevant Portion or Portions relating to a Reference Entity or Reference Entities which have been removed is specified to be unadjusted, such portion of the Notes will cease to be Credit Linked.

(k) ***Substitution***

On the occurrence of a Substitution Event in relation to a Reference Obligation or a Parallel Reference Obligation, the Issuer may replace the Reference Obligation or Parallel Reference Obligation (as applicable) with a "**Substitute Reference Obligation**" (as determined in accordance with the relevant Notional CDS) on providing written notice to Noteholders in accordance with Condition 16 (*Notices*).

(l) ***Succession***

If the Calculation Agent determines that, in relation to any Reference Entity or Parallel Reference Entity (the "**Affected Reference Entity**"), more than one Successor to such Affected Reference Entity would be determined under the relevant Notional CDS, then:

(i) in relation to Single Name CLNs, Basket CLNs and Index CLNs and Tranched CLNs after the occurrence of a Tranched CLN Trigger Event:

(A) the Affected Reference Entity will no longer be a Reference Entity (unless it is a Successor as described in (B) below);

(B) each of the Successors will be deemed to be a Reference Entity for the purposes of such Single Name CLN, Basket CLN, Index CLNs or Tranched CLN;

- (C) (except in relation to Tranching CLNs in relation to which Fixed CLN Percentage is specified to be applicable) the Reference Entity Weighting or Equal Weighting Percentage (as applicable) applicable to each of the Successors shall be a percentage equal to the Reference Entity Weighting or Equal Weighting Percentage (as applicable) applicable to the original Reference Entity divided by the number of Successors;
  - (D) the Calculation Agent may, at its discretion, make any modifications to the terms of the Credit Linked Notes which may be required to preserve the economic effects of the Credit Linked Notes prior to the relevant succession (considered in the aggregate); and
  - (E) for the avoidance of doubt, a Reference Entity may, as a result of a succession, be represented multiple times in respect to different Relevant Portions.
- (ii) in relation to Tranching CLNs prior to the occurrence of a Tranching CLN Trigger Event:
    - (A) the Affected Reference Entity will no longer be a Reference Entity (unless it is a Successor as described in (B) below);
    - (B) each of the Successors will be a Reference Entity for the purposes of such Tranching CLN, and the Initial Weighting of each such Successor shall be a percentage equal to the Initial Weighting applicable to the original Reference Entity divided by the number of Successors;
    - (C) the Calculation Agent may, at its discretion, make any modifications to the terms of the Credit Linked Notes which may be required to preserve the economic effects of the Credit Linked Notes prior to the relevant succession (considered in the aggregate); and
    - (D) for the avoidance of doubt, a Reference Entity may, as a result of a succession, be represented multiple times in respect to different Relevant Portions.
- (m) **Definitions**

Terms used in these Additional Terms for Credit Linked Notes but not defined in the Conditions shall have the meanings set out below or if not defined below, the 2014 ISDA Credit Derivatives Definitions, (as defined below):

**"Adjusted Fair Market Value"** means

- (i) in relation to any Relevant Portion of a Single Name CLN, Basket CLN or Index CLN (as applicable), as of any date, its fair market value, as of such date, disregarding the effect of any Credit Event (as defined in the 2014 ISDA Credit Derivatives Definitions) on the value of the Relevant Portion, less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes.
- (ii) in relation to any Relevant Portion of a Tranching CLN, zero;

**"Auction Final Price"** means the relevant auction final price as may be published by ISDA or any administrator of any auction coordinated by ISDA from time to time and that would be applicable to the Notional CDS;

**"CDS Event Notice"** means, in relation to any Reference Entity or Parallel Credit Reference Entity (as applicable), a written notice from the Calculation Agent to the Issuer stating that in the determination of the Calculation Agent an Event Determination Date would have occurred under the relevant Notional CDS;



**"CDS Event Notice Date"** means the date on which the Calculation Agent gives a CDS Event Notice to the Issuer;

**"CDS Event Redemption Amount"** means, in relation to a Relevant Portion of a Note in respect of which a CDS Event Notice has been delivered, either:

- (a) if Option A is specified (in paragraph 39(j)(vi) of the applicable Final Terms in relation to a Reference Entity and paragraph 39(k)(vii) of the applicable Final Terms in relation to a Parallel Credit Reference Entity), a cash amount equal to the product of:
  - (i) the Recovery Rate; and
  - (ii) the Adjusted Fair Market Value of such Relevant Portion as of the CDS Event Notice Date; and
  - (iii) the Credit Linked FX Factor; or
- (b) if Option B is specified (in paragraph 39(j)(vi) of the applicable Final Terms in relation to a Reference Entity and paragraph 39(k)(vii) of the applicable Final Terms in relation to a Parallel Credit Reference Entity), the sum of:
  - (i) the product of (i) the outstanding notional amount of such Relevant Portion as of the CDS Event Notice Date, and (ii) the Recovery Rate; and
  - (ii) any gain, loss, expenses, fee or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with such Relevant Portion as of the Credit Event Notice Date;

**"CDS Event Redemption Date"** means, in relation to the Relevant Portion of a Single Named CLN, Basket CLN and/or Index CLN relating to a Reference Entity or Parallel Credit Reference Entity (as applicable), either (i) the date falling three Business Days following the Settlement Date under the relevant Notional CDS, or (ii) the Maturity Date (subject to adjustment in accordance with Additional Term 4(c)(i)(D)), as specified in paragraph 39(j)(vii) of the applicable Final Terms in relation to a Reference Entity and paragraph 39(k)(viii) of the applicable Final Terms in relation to a Parallel Credit Reference Entity;

**"CDS Valuation Date"** means the date that is five Business Days after the Event Determination Date;

**"Credit Derivatives Determinations Committee"** means the relevant committee established by ISDA for the purposes of reaching certain resolutions in connection with credit derivatives transactions that would include the Notional CDS;

**"Credit Linked FX Factor"** means the Credit Linked FX Factor specified in the Final Terms, or if Credit Linked FX Factor is specified as Not Applicable in the applicable Final Terms, shall mean 100 per cent.;

**"Event Determination Date"** shall have the meaning given such term in the Notional CDS;

**"Fixed Recovery Rate"** means in relation to any Reference Entity or Parallel Credit Reference Entity (as applicable) the percentage specified as such in the applicable Final Terms;

**"Full Quotation"** means each firm bid quotation (expressed as a percentage of the outstanding principal balance of the Reference Obligation or Parallel Reference Obligation (as applicable)) obtained from a Relevant Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligations or Parallel

Reference Obligations (as applicable) the case may be, with an outstanding principal balance equal to the Quotation Amount;

**"General Recovery Rate "** means in relation to any Reference Entity or Parallel Credit Reference Entity (as applicable), the Auction Final Price or, if the Calculation Agent determines no relevant Auction will be held, the Final Price (as applicable) that would be applicable under the relevant Notional CDS if Cash Settlement were the applicable Fallback Settlement Method and the Reference Obligation or Parallel Reference Obligation (as applicable) was any one or more Obligations, as selected by the Calculation Agent in its sole and absolute discretion, that would have constituted Deliverable Obligations in respect of the Notional CDS, subject, if applicable, to the Recovery Rate Gearing specified in the Final Terms;

**"Initial Weighting"** means, in relation to any Series of Notes, the weighting assigned to a specific Reference Entity specified as such in the applicable Final Terms, or if **"Equal Initial Weighting"** is specified to be applicable, the Initial Weighting for each Reference Entity will be an equally weighted percentage portion of the Credit Linked Portion;

**"Interest Accrual Cessation Date"** means either (i) the Interest Payment Date immediately preceding the Event Determination Date or, in the case of an Event Determination Date occurring during the first Interest Period, the Interest Commencement Date, (ii) the date specified in the CDS Event Notice as the date on which the Credit Event triggering the relevant Event Determination Date (each term as defined in the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc.) occurred, as specified in the Final Terms or (iii) the CDS Event Redemption Date;

**"ISDA Credit Derivatives Definitions"** means the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), as may be further supplemented from time to time as of the Issue Date; and as may be further supplemented or amended after the Issue Date in accordance with any industry protocols;

**"Market Value"** means, with respect to a Reference Obligation or Parallel Reference Obligation (as applicable) on the CDS Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable CDS Valuation Date the Market Value shall be any Full Quotation obtained from a Relevant Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation

is obtained, the weighted average of any firm quotations for the Reference Obligation or Parallel Reference Obligation (as applicable), as the case may be, obtained from Relevant Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

**"Notional CDS"** means, in relation to any Reference Entity or Parallel Credit Reference Entity, as applicable, a notional credit derivative transaction entered into on market standard terms:

- (a) incorporating the ISDA Credit Derivatives Definitions;
- (b) incorporating any supplement incorporated as standard in respect of the relevant Reference Entity and/or the type of transaction (including, but not limited to Additional Provisions for Senior Non-Preferred Reference Obligations published on December 8, 2017);
- (c) referencing obligations of the Seniority Level specified in paragraph 39(j)(ii) of the applicable Final Terms in relation to a Reference Entity and paragraph 39(k)(iv) of the applicable Final Terms in relation to a Parallel Credit Reference Entity (or following the occurrence of a Reference Obligation Replacement Event, referencing the Replacement Seniority Level);
- (d) having a trade date that is the same date as the Issue Date of the Notes and a scheduled termination date that is the same date as the Maturity Date of the Notes;
- (e) the remaining terms as to credit linkage are consistent with the terms of such Credit Linked Note as it relates to such Reference Entity or Parallel Credit Reference Entity (as applicable); and
- (f) under which any permitted determinations, elections or notices shall be made or deemed sent at the discretion of the Calculation Agent,

as determined by the Calculation Agent;

**"Parallel Credit Reference Entity"** means, in relation to any Series of Notes, an entity specified as such in the applicable Final Terms or any Successor thereto;

**"Parallel Reference Obligation"** means, in relation to any Series of Notes, any obligation specified as such in paragraph 39(k)(ii) of the applicable Final Terms, or if a Substitute Reference Obligation is determined in relation to such Parallel Reference Obligation, such Substitute Reference Obligation;

**"Quotation"** means, in respect of a Reference Obligation or Parallel Reference Obligation (as applicable) each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Relevant CDS Valuation Date in the manner that follows:

- (a) the Calculation Agent shall attempt to obtain Full Quotations with respect to each Relevant CDS Valuation Date from five or more Relevant Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a CDS Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the such CDS Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Relevant Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation;
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth

Business Day following the Relevant CDS Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Relevant Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation or Parallel Reference Obligation (as applicable) obtained from Relevant Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

- (c) The Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation or Parallel Reference Obligation (as applicable) whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination; and
- (b) if any Quotation obtained with respect to an accreting obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the outstanding principal balance of the Reference Obligation or Parallel Reference Obligation (as applicable);

**"Quotation Amount"** means with respect to a Reference Obligation or Parallel Reference Obligation (as applicable), the amount specified in the Final Terms (which may be specified by reference to an amount in a currency or by reference to Representative Amount) or, if no amount is so specified an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent;

**"Recovery Rate"** means:

- (a) General Recovery Rate;
- (b) Specific Recovery Rate;
- (c) Zero Recovery Rate; and
- (d) Fixed Recovery Rate,

so specified in paragraph 39(d) of the applicable Final Terms in relation to a Reference Entity and paragraph 39(k)(iii) of the applicable Final Terms in relation to a Parallel Credit Reference Entity;

**"Recovery Rate Gearing"**, if applicable, the percentage by which the Recovery Rate is multiplied (as specified in paragraph 39(j)(iv) of the applicable Final Terms in relation to a Reference Entity and paragraph 39(k)(vi) of the applicable Final Terms in relation to a Parallel Credit Reference Entity);

**"Reference Entity"** means, in relation to any Series of Notes, each entity specified as such in the applicable Final Terms or any Successor(s) thereto (together being the **"Reference Entities"**);

**"Reference Entity Removal Date"** means the date on which a Reference Entity will be removed, as specified in the applicable Final Terms;

**"Reference Entity Weighting"** has the meaning set out in Additional Term 1.2;

**"Reference Obligation"** means, in relation to any Series of Notes, any obligation specified as such in paragraph 39(j)(i) of the applicable Final Terms, or if a Substitute Reference Obligation is determined in relation to such Reference Obligation, such Substitute Reference Obligation;

**"Reference Obligation Replacement Event"** means circumstances have arisen which in the opinion of the Calculation Agent would make it impossible or impractical to maintain a credit derivative transaction referencing obligations of the level of seniority initially set out in the Final Terms;

**"Replacement Seniority Level"** means, the level of seniority the Calculation Agent, acting reasonably and taking into account all relevant factors (including any common or established market practice), deems to be most appropriate to replace the originally specified level of seniority following the occurrence of a Reference Obligation Replacement Event;

**"Relevant Dealer"** means, a dealer in obligations of the type of the Reference Obligation, as determined by the Calculation Agent;

**"Remaining Reference Entity"** means, in relation to any Series of Notes, each Reference Entity in relation to which no CDS Event Notice has been delivered on the Tranche CLN Trigger Event Date;

**"Specific Recovery Rate"** means in relation to any Reference Entity and a specified Reference Obligation, or a Parallel Credit Reference Entity and a specified Parallel Reference Obligation (as applicable), a percentage determined by reference to the Market Value of such Reference Obligation or Parallel Reference Obligation (as applicable) as determined by the Calculation Agent, subject, if applicable, to the Recovery Rate Gearing specified in the Final Terms;

**"Successor"** means, in relation to a Reference Entity or Parallel Reference Entity, the entity or each of the entities which the Calculation Agent determines would be a successor to such entity under the relevant Notional CDS;

**"Substitution Event"** means the determination by the Credit Derivatives Determinations Committee or the Calculation Agent (as applicable) that any one or more of the following events has occurred:

- (a) the original Reference Obligation or Parallel Reference Obligation (as applicable) is redeemed in whole;
- (b) a substantial reduction of the aggregate amounts due under the original Reference Obligation or Parallel Reference Obligation (as applicable); or
- (c) for any reason, other than due to the delivery of a CDS Event Notice, the original Reference Obligation or Parallel Reference Obligation (as applicable) is no longer an obligation of the Reference Entity or Parallel Credit Reference Entity (as applicable);

**"Tranche CLN Trigger Event"** means that CDS Event Notices have been delivered in relation to a number of Reference Entities which together comprise a percentage of the total number of Reference Entities which is greater than or equal to the Tranche CLN Trigger Percentage, as determined by the Calculation Agent;

**"Tranche CLN Trigger Event Date"** means the CDS Event Notice Date in relation to the CDS Event Notice giving rise to the occurrence of a Tranche CLN Trigger Event;

**"Tranche CLN Trigger Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Weighted Average Quotation"** means, in accordance with the bid quotations provided by the Relevant Dealers, the weighted average of firm quotations obtained from the Relevant Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation or Parallel Reference Obligation (as applicable) with an outstanding principal balance of as large a size as available but less than the Quotation Amount (but of a size equal to USD1,000,000 (or its equivalent in the relevant currency of the Reference Obligation or Parallel Reference Obligation (as applicable))) or, if

quotations of such size are not available, quotations as near in size thereto as practicable) that in the aggregate are approximately equal to the Quotation Amount; and

**"Zero Recovery Rate"** means in relation to any Reference Entity or Parallel Credit Reference Entity (as applicable), zero.

## **USE OF PROCEEDS**

Unless otherwise specified in the Final Terms, the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes (including the establishment of hedging positions in connection with the relevant Notes).

## DESCRIPTION OF INVESTEC BANK LIMITED

### 1. OVERVIEW AND HISTORY

The Investec Group (Investec Ltd and its subsidiaries and Investec plc and its subsidiaries) partners with private, institutional and corporate clients, offering international banking, investments and wealth management services in two principal markets: South Africa and the UK, as well as certain other countries (for more information, see pages 3 to 5 of the 31 March 2020 Investec Bank Limited Annual Report).

Founded as a leasing company in Johannesburg in 1974, the Investec Group acquired a banking licence in 1980 and was listed on the JSE Limited (the "JSE") in South Africa in 1986. In 1992, the Investec Group made its first international acquisition, in the United Kingdom.

The Investec Group has since expanded through a combination of substantial organic growth and a series of strategic acquisitions.

On 22 July 2002, the Investec Group implemented a Dual Listed Companies ("DLC") structure and listed its offshore businesses on the London Stock Exchange (the "LSE"). In terms of the DLC structure, Investec Limited is the controlling company of the Investec Group's businesses in Southern Africa and Mauritius and Investec plc is the controlling company of the majority of the Investec Group's non-Southern African businesses. Investec Limited is listed on the JSE whilst Investec plc has a primary listing on the LSE and a secondary listing on the JSE. As a result of the DLC structure, Investec plc and Investec Limited together form a single economic enterprise. Shareholders have common economic and voting interests as if Investec Limited and Investec plc are a single company. Creditors are, however, ring-fenced to either Investec Limited or Investec plc as there are no cross-guarantees between the companies.

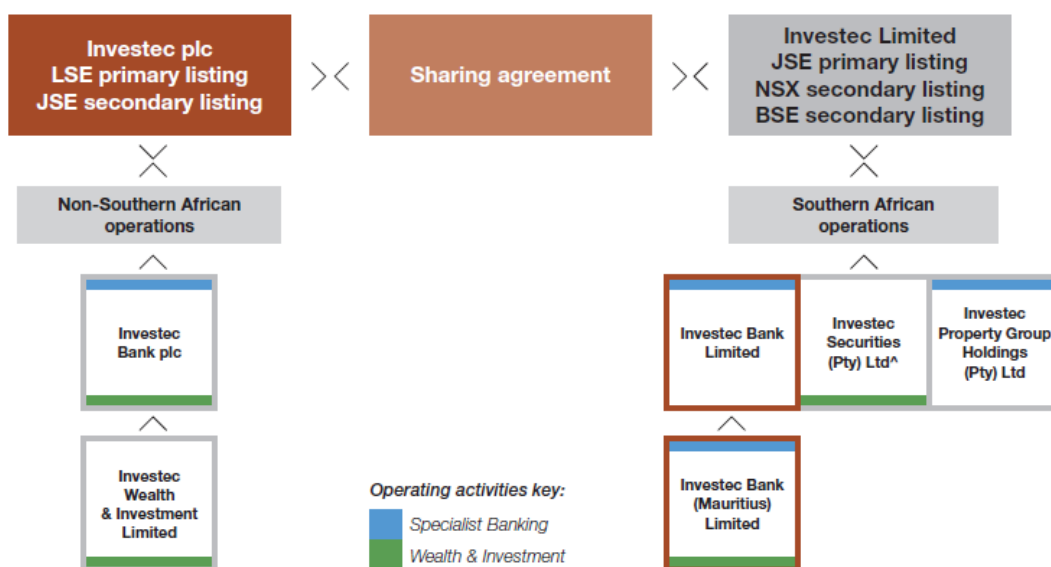
In 2003, Investec Limited concluded a significant empowerment transaction in which its empowerment partners collectively acquired a 25.1% (twenty five point one per cent.) stake in its issued share capital.

On 14 September 2018, following a strategic review, the board of directors of the Investec Group announced the proposed demerger and separate listing of the Investec Asset Management business (thereafter to be known as Ninety One) (the "**Transaction**"). In March 2020, the Investec Group successfully completed the demerger of Ninety One, which became separately listed on 16 March 2020. The Investec Specialist Bank and Investec Wealth & Investment businesses remain part of the Investec Group's DLC structure. Full details of the Transaction are contained in the Investec Shareholder Circular (published on Friday 29 November 2019) as well as other Transaction documents and announcements, which can be found on Investec's website at [www.investec.com](http://www.investec.com).

### 2. THE INVESTEC GROUP AND INVESTEC LIMITED'S ORGANISATION STRUCTURE

Investec Bank Limited ("**Bank**") is a wholly owned subsidiary of Investec Limited and was incorporated on 31 March 1969 with indefinite duration. The relevant legislation under which the Issuer operates as at the Programme Date is listed in its Regulatory Universe documentation, however the principal legislation, is: (i) the Banks Act, 1990; (ii) the Companies Act, 2008; (iii) the Financial Intelligence Centre Act, 2001 (as amended) together with other Anti-Money Laundering, Anti-Terrorist Financing, Sanctions and Anti-Bribery and Corruption laws; (iv) the National Credit Act, 2005 (as amended); (v) the Financial Advisory and Intermediary Services Act, 2002; (vi) the Financial Markets Act, 2012; (vii) the dual listing conditions pursuant to the Exchange Control Regulations, 1961 promulgated pursuant to the Currency and Exchanges Act, 1933; (viii) the Competition Act, 1998; (ix) National Environmental Management: Integrated Coastal Management Act, 2008 and National Environmental Management: Waste Act, 2008; (x) Conduct regulations; and (xi) the JSE's rules and regulations. The Issuer is also subject to the Protection of Personal Information Act, 2013. The telephone number of the Issuer is: +27 (0)11 286 7000. The Company Secretary, Niki van Wyk, registered address is 100 Grayston Drive, Sandown, Sandton, 2196 and contact number is (011) 286 7957. The structure under which the Issuer operates as of the date of this Prospectus is as follows:





^ Houses the Wealth & Investment business.

All shareholdings in the ordinary share capital of the subsidiaries are 100%.

In March 2020, Investec completed the demerger and separate listing of Ninety One (formerly known as Investec Asset Management). The Investec group retained a 25% shareholding in the Ninety One group, with 16% held through Investec plc and 9% held through Investec Limited.






As at 31 March 2020, the major shareholders of Investec Limited, which owns 100% (one hundred per cent.) of the ordinary share capital of the Bank, were as follows:

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	43 483 055	13.6%
2. Allan Gray (ZA)	32 596 675	10.2%
3. Investec Staff Share Scheme (ZA)	31 771 254	10.0%
4. BlackRock Inc (UK & US)	12 960 260	4.1%
5. Sanlam Group (ZA)	12 685 303	4.0%
6. The Vanguard Group, Inc (UK & US)	11 501 794	3.6%
7. AQR Capital Management (US)	8 946 529	2.8%
8. Laurium Capital (ZA)	6 821 535	2.1%
9. Old Mutual Investment Group (ZA)	6 550 511	2.1%
10. Dimensional Fund Advisors (UK)	6 105 115	1.9%
<b>Cumulative total</b>	<b>173 422 031</b>	<b>54.4%</b>

The top 10 (ten) shareholders account for 54.4% (fifty four point four per cent.) of the total shareholding in Investec Limited. This information is based on a threshold of 20,000 (twenty thousand) shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

### 3. THE INVESTEC GROUP'S STRATEGY

The Investec Group strives to be a distinctive bank and investment manager, driven by a commitment to its core philosophies and values. Investec's long-term commitment is to One Investec; a client-focused strategy where, irrespective of specialisation or geography, the Group commits to offering clients the full breadth and scale of its products and services. In order to deliver on its strategy, the Group has identified five key strategic priorities to enhance shareholder returns:

<p><i>Capital discipline</i></p> 	<p>A more disciplined approach to capital allocation, particularly where businesses are non-core to overall long-term growth and capital strategy</p>
<p><i>Growth initiatives</i></p> 	<p>Focus on growing our client base and building new sources of revenue</p>
<p><i>Improved cost management</i></p> 	<p>Heightened rigour in identifying efficiencies in all areas of the business</p>
<p><i>Digitalisation</i></p> 	<p>Enhancing digital capabilities to continue delivering an advanced high-tech, high-touch proposition</p>
<p><i>Greater Connectivity</i></p> 	<p>Enhancing links among and between the Banking and Wealth &amp; Investment businesses, across geographies</p>

#### 4. INVESTEC DISTINCTION

The directors believe that the Investec Group distinguishes itself as follows :

##### 4.1 Client focused approach

- Clients are at the core of the business
- The Group strives to build business depth by deepening existing and creating new client relationships
- High-tech, high-touch approach
- High level service by being nimble, flexible and innovative.

##### 4.2 Specialised strategy

- Serving select market niches as a focused provider of tailored structured solutions
- Enhancing their existing position in principal businesses and geographies through organic growth and select bolt-on acquisitions.

4.3 Sustainable business

- Contributing to society, macro-economic stability and the environment
- Well-established brand
- Managing and positioning the Group for the long term
- Balancing operational risk with financial risk while creating value for shareholders
- Cost and risk conscious.

4.4 Strong culture

- Strong entrepreneurial culture that stimulates extraordinary performance
- Passionate and talented people who are empowered and committed
- Depth of leadership
- Strong risk awareness
- Material employee ownership.

5. **ACTIVITIES OF INVESTEC BANK LIMITED**

The Bank operates as a distinctive bank within Southern Africa.

The Specialist Bank is well positioned to provide solutions to meet private, business, corporate and institutional clients' needs. Each business provides distinctive products and services to defined target markets:

**Focus on helping our clients create and preserve wealth**

**A highly valued partner and advisor to our clients**

High-income and high net worth private clients

**Corporates/government/institutional clients**

<i>Private Banking</i>	<i>Corporate and Institutional Banking</i>	<i>Investec for Business</i>	<i>Investment Banking and Principal Investments</i>
<ul style="list-style-type: none"> <li>- Transactional banking</li> <li>- Lending</li> <li>- Property finance</li> <li>- Savings</li> </ul>	<ul style="list-style-type: none"> <li>- Specialised Lending</li> <li>- Treasury and trading solutions</li> <li>- Institutional research, sales and trading</li> <li>- Specialised investments<sup>^</sup></li> <li>- Life assurance products<sup>^</sup></li> </ul>	<ul style="list-style-type: none"> <li>- Import and trade finance lending</li> <li>- Cash flow lending</li> <li>- Asset finance</li> </ul>	<ul style="list-style-type: none"> <li>- Principal investments</li> <li>- Advisory</li> <li>- Debt and Equity Capital Markets</li> </ul>
<p>Our Private Banking business positions itself as an 'investment bank for private clients', offering both credit and equity services to our select clientele.</p> <p>Through strong partnerships, we have created a community of clients who thrive on being part of an entrepreneurial and innovative environment.</p> <p>Our target market includes high net worth individuals, entrepreneurs, high-income professionals, owner managers in mid-market companies and sophisticated investors.</p>	<p>Our Corporate and Institutional Banking business is a client-centric solution-driven offering concentrating on specialised lending and debt origination activities, and treasury and trading solutions.</p> <p>Our target market includes mid to large size corporates, intermediaries, institutions and government bodies.</p>	<p>Investec for Business (IFB) offers a holistic solution to mid-market corporate clients by combining bespoke lending with Investec's other transactional, advisory and investment offerings.</p> <p>Established to fulfil part of Investec's growth strategy by developing an integrated niche offering to the mid-market.</p>	<p>Our Principal Investment business focuses on co-investment alongside clients to fund investment opportunities or leverage third party capital into funds that are relevant to our client base.</p> <p>We are a leading Corporate Finance house with an international presence, providing advice to clients across sectors.</p>

### Natural linkages between the private client and corporate business

<sup>^</sup> Investec Specialist Investments and Investec Life which house these products are operationally part of Corporate and Institutional Banking although they are both subsidiaries of Investec Limited.

## 6. DIRECTORATE AND CONFLICTS OF INTEREST

A list of the Bank's directors, including their respective biographies, is set out in the Issuer's annual report, which is available on the website of the Issuer for more information, see pages 94 to 97 of the 31 March 2020 Investec Bank Limited Annual Report: <https://www.investec.com/content/dam/investor-relations/financial-information/group-financial-results/2020/IBL-Annual-Report-March-2020.pdf>.

A list of the Bank's directors' principal outside interests is set out below. There are no political conflicts of interest between the duties of any such persons to the Bank and their private interests or other duties. The address of the directors is the registered office of the Bank.

#### **Name of director**

Function within Bank

#### **Other outside directorships (Role)**

**Richard John Wainwright**  
Chief Executive Officer

*Director:*

Investec Limited, Investec Plc, Bud Group Proprietary Limited, Investec Australia Limited, Investec Holdings Australia Limited, Investec Import Solutions Proprietary Limited, Wilcardo Investments Proprietary Limited, The Banking

<b>Name of director</b> Function within Bank	<b>Other outside directorships (Role)</b>
	Association South Africa NPC, Southern Africa PGA Tour, Peaconwood Syndicate No. 302
<b>Khumo Lesego Shuenyane</b> Non-Executive Director/Chairman	<p><i>Director:</i></p> <p>Bonkae Capital Proprietary Limited, , Risible Trading Proprietary Limited, Sceptre Investments Proprietary Limited</p> <p><i>Non-Executive Director:</i></p> <p>Investec Life Limited, Investec Limited, Investec plc, ED Trust INL Investments 1 Proprietary Limited, Vodacom Group Limited, Investec Property Fund Limited</p>
<b>David Martin Lawrence</b> Non-Executive Director/Deputy Chairman	<p><i>Director/Chairman:</i></p> <p>Investec Bank (Mauritius) Limited</p> <p><i>Non-Executive Director:</i></p> <p>Bosman Lodge Share Block Proprietary Limited, JSE Limited, Londolozzi Game Reserve Proprietary Limited, Madikwe Futures Company NPC</p> <p><i>Non-Executive Director/Chairman:</i></p> <p>Paycorp Investments Proprietary Limited</p>
<b>Zarina Bibi Mahomed Bassa</b> Non-Executive Director	<p><i>Chairman:</i></p> <p>YeboYethu Limited</p> <p><i>Director:</i></p> <p>Financial Services Board, Investec Bank (Mauritius) Limited, Investec Bank plc, Investec Life Limited, Investec Limited, Investec plc, Marblesharp 161 Pty Ltd, Nimro 159 Pty Ltd, Oceana Group Limited, Songhai Tourism and Events Proprietary Limited, , Unit 5 Hermanus Beach Club Proprietary Limited, Woolworths (Pty) Ltd, Woolworths Holdings Ltd, Zarina Bassa Investments (Pty) Ltd, Johannesburg Stock Exchange Limited, YES (RF) NPC – Youth Employment Services</p> <p><i>Executive Chairman:</i></p> <p>Songhai Capital Proprietary Limited</p>
<b>David Friedland</b> Non-Executive Director	<p><i>Director:</i></p> <p>Ninety One Fund Managers SA (RF) Proprietary Limited, Lewlef Investments Proprietary Limited, Grawood Investments Proprietary Limited</p>

<b>Name of director</b> Function within Bank	<b>Other outside directorships (Role)</b>
	<i>Non-Executive Director:</i>  Investec Limited, Investec Bank plc, Investec plc, Pick 'n Pay Stores Limited, Pres Les Proprietary Limited, The Foschini Group Limited
<b>Philip Alan Hourquebie</b> Non-Executive Director	<i>Director:</i>  Investec Property Fund Limited, Aveng Limited, Somme Street Investments Proprietary Limited  <i>Non-Executive Director:</i>  Investec Limited, Investec Plc
<b>Morris Mthombeni</b> Non-Executive Director	<i>Non-Executive Director:</i>  Gordon Institute of Business Science, Standard General Insurance Company Limited, Relyant Assurance Company Limited, API Capital Proprietary Limited, Inno-Phemba Proprietary Limited, Nasasa Proprietary Limited
<b>Mvuleni Geoffrey Qhena</b> Non-Executive Director	Currently serves as a Trustee for a couple of Non-Profit Organisations. No external directorships currently held
<b>Fani Titi</b> Executive Director	<i>Alternate Director:</i>  IEP Group (Pty) Limited  <i>Director:</i>  George Avenue Investments 101 Proprietary Limited, Newshelf 1280 (RF) (Pty) Ltd, Investec Limited, Investec plc, IEP Group Proprietary Limited, ED Trust Global Capital Proprietary Limited, DCBA Investments (Pty) Ltd, Anva Investments (Pty) Ltd.
<b>Stuart Charles Spencer</b> Executive Director	<i>Non-Executive Director:</i>  Investec Specialist Investments (RF) Limited, Investec Specialist Investments Fund Managers Proprietary Limited

## 7. CORPORATE GOVERNANCE

The board of directors of the Issuer endorses the code of corporate practices and conduct as set out in the King IV report and confirms that the Issuer is compliant with the provisions thereof. Please refer to the Issuer's annual report, available on the website of the Issuer: <https://www.investec.com/content/dam/investor-relations/financial-information/group-financial-results/2020/King-IV-Statement-of-Compliance-2020.pdf> for a detailed analysis of the Issuer's compliance with King IV.

The board hereby confirms that the Issuer is, and continues to act, in compliance with the provisions of the Companies Act of 2008 and in conformity with its Memorandum of Incorporation.

## 8. SOUTH AFRICAN REGULATORY DEVELOPMENTS

Regulatory developments in the South African financial sector are ongoing. The two new authorities, namely the Financial Sector Conduct Authority ("FSCA") and the Prudential Authority became effective from April 2018. The FSCA has proceeded with its mandate as the conduct regulator responsible for the regulation and supervision of financial institutions, that provide financial products and financial services i.e. financial institutions that are licensed in terms of the financial sector law. The Prudential Authority continues with its mandate to prudentially regulate financial institutions by supervising the financial safety and soundness of financial institutions. The regulatory reform will continue for at least the next couple of years. It is important to note that the South African Reserve Bank has the mandate to manage systemic risk for financial institutions within the South African financial markets.

### *Conduct Risk and Consumer Protection*

The South African regulators have renewed and refocused efforts to ensure that the South African financial sector provides clients with good-value products in order to receive and make payments, save, borrow and insure against daily risks. To this end, a strong market conduct policy is a critical pillar in building a financial sector that delivers these outcomes. The required structural regulatory reform has progressed, with the Financial Sector Regulation Act 9 of 2017 ("**FSR Act**") which came into effect in April 2018. The FSCA is responsible for the regulation and supervision of financial institution that provide financial products and financial services i.e. financial institutions that are licensed in terms of a financial sector law.

The FSCA's key objective is to enhance and support the efficiency and integrity of financial markets, to protect financial customers by promoting their fair treatment by financial institutions and financial inclusion. The FSCA expects all licensed financial institutions to act with integrity and to treat their customers fairly. Furthermore, the FSCA expects financial institutions to have a culture that is conducive to consumer protection and market integrity, supported by a conduct risk framework. On 3 July 2020, the FSCA introduced the Conduct Standard for Banks. This regulatory framework enables the FSCA to critically and urgently supervise the market conduct of the banking sector in South Africa, in accordance with its mandate, as outlined in the FSR Act.

Further, it is also important to note that a key objective of the new framework is to ensure that there is effective co-operation and collaboration among the SARB, the Prudential Authority, the Financial Sector Conduct Authority, the National Credit Regulator ("**NCR**"), the Financial Intelligence Centre and the Competition Commission, which is anticipated to result in additional complexities for financial services and product providers in managing regulatory and conduct risks.

The Financial Markets Act, 2012, which was promulgated on 3 June 2013, introduces an enabling framework for the regulation of over-the-counter ("**OTC**") derivatives trading to give effect to South Africa's G20 commitments. On 9 February 2018, the Minister of Finance enacted into law the final version of the Regulations to the South African Financial Markets Act, 2012 ("**FMA Regulations**"). The FMA Regulations govern the provision of securities services under the Financial Markets Act including in respect of OTC derivatives. Following the enactment of the FMA Regulations, market participants will be required to comply with the new licensing, trade reporting and clearing requirements for OTC derivatives transactions. Investec Bank Limited has recently obtained a OTC Derivatives Provider license in terms of which Investec Bank Limited can continue to issue OTC derivatives in the approved asset classes.

The Financial Sector Laws Amendment Bill was published for comment by National Treasury in October 2018 and was approved by the South African Cabinet in June 2020 for tabling in the South African Parliament. The bill proposes the necessary amendments to various acts including the Insolvency Act, the South African Reserve Bank Act, the Banks Act, the Mutual Banks Act, the Competition Act, the Financial Markets Act and the Insurance Act with a view to strengthening the ability of the South African Reserve Bank to manage the orderly resolution or winding down of a failing systemically important financial institution with minimum disruption to the broader economy. The bill also seeks to introduce an industry-funded deposit insurance scheme to protect

qualifying depositors' funds up to a specified limit. The bill is awaiting promulgation by parliament before it is enacted, but in the interim the relevant regulators are continuously engaging with industry to continue working on the design and finalisation of the outstanding elements of the resolution framework.

Following on the FSR Act, the first draft of the Conduct of Financial Institutions Bill ("**COFI**") was published by the Minister of Finance in December 2018 for public comment until 1 April 2019, with a second draft published in September 2020 for public comment to 30 October 2020. COFI is aimed at significantly streamlining the legal landscape for conduct regulation in the financial services sector and giving legislative effect to the market conduct policy approach, including the Treating Customers Fairly principles.

During August 2019, the National Credit Amendment Act, 2019 was promulgated. The effective date will be proclaimed by the Minister of Trade and Industry in the Government Gazette. The proposed amendments include, among other, a debt intervention measure to assist consumers to whom insolvency measures are not accessible in practice. The process involves the extinguishment of debt where applicable. The NCR will implement the debt intervention process and refer matters to the National Consumer Tribunal to adjudicate on debt intervention applications. Debt counsellors are required to investigate reckless credit agreements and report such to the NCR in respect of consumers who apply for debt review

The Protection of Personal Information Act ("**PoPIA**") introduces certain minimum conditions for the processing of personal information (information that relates to an identifiable person), regulates the flow of personal information across the borders of the Republic of South Africa and provides for the establishment of an Information Regulator. It applies to both natural and juristic persons. The commencement date of PoPIA is 1 July 2020, with the Act to become fully effective in July 2021 after a transitional period. PoPIA will affect the Issuer and its operations, particularly in relation to the processing of personal information. The GDPR (defined below) applies where personal information belonging to individuals who reside in the European Union where processing relates to (i) Offering goods or services (irrespective of whether payment is required from the individual) and/or (ii) Monitoring of their behaviour as far as their behaviour takes place in the Union.

#### *Financial crime*

Financial crime remains a key regulatory focus for Investec Ltd. The economic and social impact of financial crime within South Africa, especially corruption, has led Investec to continuously monitor local and global developments and assimilate these into our Anti-Money Laundering ("**AML**"), Combatting the Financing of Terrorism ("**CFT**"), Sanctions and Anti-Bribery and Corruption practices.

Changes introduced by the Financial Intelligence Centre Amendment Act, 2017 (Act No 1 of 2017) placed more ownership on financial institutions to design control mechanisms commensurate to its risks, which in turn enabled Investec Ltd to focus its efforts on perceived higher risks. Investec Ltd has embraced the use of technology to aid in understanding its client risk profiles and improve its ability to monitor client transactions and behaviour.

#### *International Regulation*

"The European Union ("**EU**") General Data Protection Regulation ("**GDPR**") became effective on the 25th of May 2018 and regulates the processing by an individual, a company or an organisation of personal information relating to individuals in the European Economic Area ("**EEA**"). The aim of the GDPR is to harmonise data privacy laws across Europe, and protect the rights of EU citizens by setting out key principles that must be adhered to when processing personal information.

The GDPR will affect the Issuer and its operations to the extent that the Issuer processes personal information belonging to natural persons who reside in the EEA. Depending on the nature of a breach, fines could be as high as €20million or up to 4% of annual global turnover whichever is higher.



## TAXATION

**The tax laws of the investor's State and of the issuer's State of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.**

### South African Taxation

*The following overview is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in South Africa as at the date of this Base Prospectus (and is subject to any change in law that may take effect after such date), though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including South African tax law, to which they may be subject.*

#### (i) **Income Tax**

Under current taxation law effective in South Africa a "resident" (as defined in section 1 of the South African Income Tax Act, 1962 (the "**Income Tax Act**")) is subject to income tax on his/her worldwide income. Accordingly, all Noteholders who are "*residents*" of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any income (including income in the form of interest) earned pursuant to the Notes. Non residents of South Africa are subject to income tax on all income derived from a South African source (subject to domestic exemptions or relief in terms of an applicable double taxation treaty).

Interest income is from a South African source if that amount constitutes "interest" as defined in section 24J of the Income Tax Act where that interest:

- (a) is attributable to an amount incurred by a person that is a resident, unless the interest is attributable to a permanent establishment which is situated outside of South Africa; or
- (b) is received or accrues in respect of the utilisation or application in South Africa by any person of any funds or credit obtained in terms of any form of interest-bearing arrangement.

The definition of "*interest*" contained in section 24J of the Income Tax Act includes the gross amount of any interest or similar finance charges, discount or premium payable or receivable in terms of or in respect of a financial arrangement.

If the Issuer is a resident of South Africa and if the Notes are not attributable to a permanent establishment of the Issuer outside South Africa, the interest earned by a Noteholder will be from a South African source and subject to South African income tax unless such income is exempt from South African income tax under section 10(1)(h) of the Income Tax Act.

In terms of section 24J of the Income Tax Act, broadly speaking, any discount or premium to the Nominal Amount of a Tranche of Notes will be treated as part of the interest income on the Notes. Interest income which is received by or accrues to the Noteholder is deemed, in accordance with section 24J of the Income Tax Act, to accrue on a day-to-day basis until that Noteholder disposes of the Notes or until maturity. The day to day accrual is determined by calculating the yield to maturity and applying it to the capital sum for the relevant tax period. As mentioned, the interest may qualify for an exemption under section 10(1)(h) of the Income Tax Act.

Under section 10(1)(h) of the Income Tax Act interest received by or accruing to a Noteholder who, or which, is not a resident of South Africa will be exempt from income tax, unless:

- (a) that person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the interest is received or accrues by or to that person; or
- (b) the debt from which the interest arises is effectively connected to a permanent establishment of that person in South Africa.

If a Noteholder does not qualify for the exemption under Section 10(1)(h) of the Income Tax Act, exemption from, or reduction of any South African income tax liability may be available under an applicable double taxation treaty.

Purchasers are advised to consult their own professional advisers as to whether the Notes give rise to interest income and whether any such interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable double taxation treaty.

Under section 24J of the Income Tax Act, any discount or premium to the Nominal Amount of a Note is treated as part of the interest income on the Note. Section 24J of the Income Tax Act deems interest income to accrue to a Noteholder on a day to day basis until that Noteholder disposes of the Note or until maturity unless an election has been made by the Noteholder (if the Noteholder is entitled under Section 24J(9)<sup>10</sup> of the Income Tax Act to make such election) to treat its Notes on a mark-to-market basis. This day to day basis accrual is determined by calculating the yield to maturity and applying it to the capital involved for the relevant tax period. Interest as defined in section 24J of the Income Tax Act (including the premium or discount) may qualify for the exemption under section 10(1)(h) of the Income Tax Act. In terms of section 24JB of the Income Tax Act, specific provisions dealing with the taxation of financial assets and financial liabilities of certain covered persons apply in respect of years of assessment ending on or after 1 January 2014. Noteholders should seek advice as to whether these provisions may apply to them.

The tax treatment of subordinated notes where the Issuer has no obligation to make interest and/or capital payments, the proceeds of which qualify as common equity tier 1 capital or additional tier 1 capital may differ from the section 24J treatment noted above.

Section 8F of the Income Tax Act applies to "hybrid debt instruments", and section 8FA of the Income Tax Act applies to "hybrid interest". Section 8F and 8FA provides that interest incurred on a hybrid debt instrument and hybrid interest are, for purposes of the Income Tax Act, deemed to be a dividend *in specie*. If either of these provisions apply the tax treatment of the interest will differ from what is set out above and such payments may be subject to dividends tax as a result of the deemed classification as dividends *in specie*. These provisions apply from 1 April 2014 in respect of amounts incurred on or after this date.

Both section 8F and 8FA contain exemptions for an additional tier 1 or tier 2 capital instrument referred to in the regulations issued in terms of section 90 of the Banks Act issued by a bank as defined in the Bank Act. To the extent that sections 8F and/or 8FA apply to the Notes, then the abovementioned exemptions should apply to the Notes to the extent that the Notes constitute additional tier 1 or tier 2 capital instruments referred to in the regulations issued in terms of the Banks Act, and to the extent that the Issuer is a bank as defined in the Banks Act.

The South African income tax implications arising for Noteholders in respect of Notes which do not bear interest will differ to what is set out above, and will depend on the terms of the relevant Note. Noteholders are advised to consult their own professional advisers as to whether the acquisition, holding and disposal of Notes which give rise to the receipt or accrual of amounts which do not constitute interest will give rise to South African income tax implications.

The disposal of the Notes may give rise to income tax implications for any Noteholder that is a resident of South Africa. In respect of non-resident Noteholders, income tax implications may arise should the Notes so disposed of be attributable to a South African permanent establishment of such Noteholder. Prospective. Noteholders should seek advice as to whether these provisions may apply to them.

(ii) **Capital Gains Tax**

Capital gains and losses of residents of South Africa which may arise upon the disposal of Notes are subject to capital gains tax. The word "dispose" is defined in the Eighth Schedule to the Income

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<sup>10</sup> The provisions of section 24J(9) of the Income Tax Act will not apply to a company which is a "covered person" as defined in the Income Tax Act during any year of assessment (ending on or after 1 January 2014) and will not apply to any other company during any year of assessment commencing on or after 1 April 2014.

Tax Act to include, inter alia, any action by virtue of which an asset is created, transferred, varied or extinguished. If an asset was acquired, is held and will be disposed of on a speculative basis or as part of a scheme of profit making, the gain should generally be subject to normal tax. Capital gains tax is imposed at lower effective rates in comparison to income tax.

Residents are subject to capital gains tax on all capital gains realised on the disposal of any assets held on a worldwide basis. A non-resident is subject to capital gains tax only in respect of capital gains which are realised from the disposal of (i) "immovable property" (as such term is defined in the Income Tax Act) situated in South Africa or any interest or right of whatever nature of such non-resident to or in immovable property situated in South Africa (as such term is defined in paragraph 2(2) of the Eighth Schedule to the Income Tax Act, being, in essence, equity shares in certain companies, the principal assets of which are "immovable property" located in South Africa), or (ii) assets effectively connected with a permanent establishment of that non-resident in South Africa. A "permanent establishment" is defined (in section 1 of the Income Tax Act) as a permanent establishment as from time to time defined in article 5 of the Model Tax Convention on Income and Capital of the Organisation for Economic Co-operation and Development, with some additions.

The disposal of Notes by residents of South Africa may give rise to capital gains tax implications.

The capital gains tax provisions will not apply to the extent that the holder of the Notes constitutes a "covered person", as defined in section 24JB of the Income Tax Act, and section 24JB of the Income Tax Act (see above) applies to the Notes.

Any discount or premium on acquisition which has already been treated as interest for income tax purposes, under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. Under section 24J(4A) of the Income Tax Act a loss on disposal will, to the extent that it has previously been included in taxable income (as interest), be allowed as a deduction from the taxable income of the holder when it is incurred and accordingly will not give rise to a capital loss.

The capital gains tax provisions would not apply to the extent that the Noteholder constitutes a covered person and section 24JB of the Income Tax Act (refer above) applies to the Note. Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a resident of South Africa unless the Notes disposed of are attributable to a permanent establishment of that person.

Purchasers are advised to consult their own professional advisers as to whether a disposal of Notes will result in a liability to capital gains tax.

(iii) ***Securities Transfer Tax ("STT")***

No STT is payable on the issue or transfer of Notes (bonds) under the South Africa Securities Transfer Tax Act, 2007, because they do not constitute securities for the purposes of that Act. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of Notes will be for the account of holders of the Notes.

(iv) ***Value-Added Tax ("VAT")***

No VAT is payable on the issue or transfer of Notes. Notes (bonds) constitute "debt securities" as defined in section 2(2)(iii) of the South African Value-Added Tax Act, 1991. The issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security is a financial service, which is exempt from VAT in terms of section 12(a) of that Act. Where financial services as contemplated in section 2 are however rendered to non-residents who are not in South Africa at the time the services are rendered, such services will be subject to VAT at the zero rate in terms of section 11(2)(l) of the South African Value-Added Tax Act, 1991.

Commissions, fees or similar charges raised for the facilitation of these services will be subject to VAT at the standard rate (currently 15 per cent.), except where the recipient is a non-resident in which case such commissions, fees or similar charges may be subject to VAT at a zero rate.

Investors are advised to consult their own professional advisors as to whether commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of the Notes will result in a liability for VAT.

(v) ***Withholding tax***

Withholding tax ("**WHT**") on interest payments from a South African source to non-residents at the rate of 15 per cent. came into effect on 1 March 2015. The WHT on interest applies to interest that is paid or that becomes due and payable on or after this date.

To the extent that any interest is paid to Noteholders who are South African tax residents, the WHT on interest will not apply.

There are exemptions which extend to any interest paid by any South African bank, excluding 'back to back' arrangements between non-residents and a South African bank. To the extent that the Issuer is a South African bank, the interest paid by it will not attract WHT. In addition, interest paid in respect of a "listed debt" which is any debt listed on a recognised exchange will also be exempt from the WHT. In terms of paragraph 1 of the Eighth Schedule to the Income Tax Act, the Irish Stock Exchange plc is a recognised exchange. Other exemptions may apply to interest payments made to non-resident Noteholders.

If interest paid to a Noteholder does not qualify for an exemption under the WHT on interest provisions, an exemption from, or reduction of, any WHT on interest liabilities may be available under an applicable double taxation treaty.

Prospective subscribers for or purchasers of Notes are advised to consult their own professional advisors as to whether the payment of any interest in respect of the Notes will result in a liability for the WHT on interest.

The South African withholding tax implications arising for Noteholders in respect of Notes which do not bear interest will differ to what is set out above, and will depend on the terms of the relevant Note. Noteholders are advised to consult their own professional advisers as to whether any South African withholding tax implications will arise in respect of the acquisition, holding and disposal of Notes which give rise to the receipt or accrual of amounts which do not constitute interest.

(vi) ***Definition of Interest***

The references to "interest" above mean "interest" as understood in South African tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the General Terms and Conditions of the Notes or any related documentation.

References to "person" above shall mean "person" within the meaning given in section 1 of the Income Tax Act.

**The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, the participating "**Member States**"). However, Estonia has since ceased to participate.

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

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes 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 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 Notes are advised to seek their own professional advice in relation to the FTT.

#### **Foreign Account Tax Compliance Act (FATCA)**

South Africa has an inter-governmental agreements in place with the USA and has enacted local law/regulation to implement FATCA. This allows South Africa to be treated as participating country and obliges South Africa financial institutions to report information annually on reportable US clients (or non-compliant clients) to the South African Revenue Services (SARS). SARS submits this information to the USA which reciprocates with similar information (on South African tax residents who hold financial accounts in the US).

The CRS became effective in South Africa on 1 March 2016. South Africa opted for the 'wider-wider approach' which means that all South African reporting financial institutions, are required to collect tax-related information on all clients, rather than only in respect of the 102 countries which have currently opted into CRS. Consistent with the FATCA reporting regime, CRS reportable information is submitted to SARS annually. SARS then exchanges this information with relevant countries in return for reciprocal information on South Africans with financial accounts in those countries.

## SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS

*The information below is not intended as legal advice and it does not purport to describe all of the considerations that may be relevant to a prospective purchaser of Notes. Prospective purchasers of Notes who are non-South African residents or emigrants from the Common Monetary Area (defined below) are urged to seek further professional advice in regard to the purchase of Notes.*

Exchange controls restrict the export of capital from South Africa, Namibia and the Kingdoms of Swaziland and Lesotho (collectively the "**Common Monetary Area**"). These exchange controls are administered by the Financial Surveillance Department of the South African Reserve Bank (the "**FSD**") and regulate transactions involving South African residents. The purpose of exchange controls is to mitigate the decline of foreign capital reserves in South Africa. The Issuer expects that South African exchange controls will continue to operate for the foreseeable future. The South African government has, however, committed itself to gradually relaxing exchange controls. It is the stated objective of the South African authorities to achieve equality of treatment between South African residents and non-South African residents in relation to inflows and outflows of capital. This gradual approach towards the abolition of exchange controls adopted by the South African government is designed to allow the economy to adjust more smoothly to the removal of controls that have been in place for a considerable period of time.

Since 1 March 2010 South African banks have been able to acquire direct and indirect foreign exposure up to 25 per cent. of their total liabilities (excluding total shareholder's equity), covering all foreign exposure but excluding foreign exposures directly related to infrastructural development and/or outward foreign direct investment.

The terms of the South African Exchange Control Regulations provide, among other things, that:

- (i) the prior approval of the FSD is required "on a case by case basis of each note issued together with the terms thereof"; and
- (ii) no South African residents and/or their offshore subsidiaries may participate in the Notes issued under the Programme without specific prior approval from the FSD, however, qualifying South African institutional investors who utilise their pre-approved prudential offshore allowances are exempted and may participate in listed Notes issued in accordance with section B.2.(B)(iii) of the Exchange Control Rulings.

Accordingly, the (i) issue of each Tranche of Notes and the applicable Final Terms require the prior written approval of the FSD and (ii) no Resident (as defined in the South African Exchange Control Regulations) and/or their offshore subsidiaries may subscribe for or purchase, or beneficially hold or own, any Notes, other than in strict compliance with the South African Exchange Control Regulations in effect from time to time.

The FSD may (and is currently expected to) impose certain conditions on the issue of each Tranche of Notes under the Programme, for example, with regard to maturity, issue size and listing.

For purposes of this Base Prospectus:

**"South African Exchange Control Regulations"** means the Exchange Control Regulations, 1961 (including the Exchange Control Rulings), promulgated pursuant to the South African Currency and Exchanges Act, 1933, and as amended from time to time.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 17 December 2020 (the "**Programme Agreement**"), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and the Conditions. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes 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 in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form for U.S. federal tax purposes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Notes**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### Prohibition of Sales to EEA and UK Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- (i) the expression "retail investor" means a person who is one (or more) of the following:
  - (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (b) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (c) not a qualified investor as defined in Prospectus Regulation (as defined below); and
- (ii) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State, except that it may make an offer of such Notes to the public in that Relevant State:

- (i) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (ii) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

*provided that* no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

#### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended (the "**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 Notes in circumstances in which Section 21(1) of the FSMA does 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 Notes in, from or otherwise involving the United Kingdom.

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.



## South Africa

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not and will not offer or solicit any offers for sale or subscription or sell any Notes, in each case except in accordance with the South African Exchange Control Regulations, the South African Companies Act, 2008, the South African Banks Act, 1990, the South African Financial Advisory and Intermediary Services Act, 2002 and any other applicable laws and regulations of South Africa in force from time to time. In particular, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not make an "offer to the public" of Notes (as such expression is defined in the SA Companies Act, and which expression includes any section of the public), whether for subscription, purchase or sale in South Africa or to any person who, or which, is a Resident (as defined in the South African Exchange Control Regulations), other than in strict compliance with the South African Exchange Control Regulations in effect from time to time, and, without prejudice to the foregoing, that it will take all reasonable measures available to it to ensure that no Note will be purchased by, or sold to, or beneficially held or owned by, any Resident other than in strict compliance with the South African Exchange Control Regulations in effect from time to time. This Base Prospectus does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act. Information made available in this Base Prospectus should not be considered as "advice" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

## Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Corporations Act**")) in relation to the Notes or the Programme has been, or will be, lodged with or registered by the Australian Securities & Investments Commissions ("**ASIC**") or any other regulatory authority in Australia. Each Dealer has represented and agreed that it:

- (i) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the debt instruments in Australia (including an offer or invitation which is received by a person in Australia); and
- (ii) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive offering memorandum, advertisement or other offering material relating to the Programme or the Notes in Australia,

unless:

- (1) the aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or its equivalent in other currencies, but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act and complies with the terms of any authority granted under the Banking Act of 1959 of Australia;
- (2) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;
- (3) such action complies with all applicable laws, regulations and directives; and
- (4) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

In addition, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will comply with Banking exemption No. 1 of 2018 dated 21 March 2018 promulgated by the Australian Prudential Regulation Authority and which requires all offers and transfers to be in parcels of not less than AUD 500,000 in aggregate principal amount. Banking exemption No. 1 does not apply to transfers which occur outside Australia.

By applying for Notes under the Base Prospectus, each person to whom Notes are issued (an "**Investor**"):

- (i) will be deemed by the Issuer and each of the Dealers to have acknowledged that if any Investor on-sells Notes within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:

- (a) that sale is to an Investor that:
  - (1) falls within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act; and
    - (A) is not a "retail client" within the meaning of section 761G of the Corporations Act,
    - (B) to whom it is lawful to offer Notes in Australia without a prospectus or other disclosure document lodged with ASIC; or
  - (b) the sale offer is received outside Australia; and
- (ii) will be deemed by the Issuer and each of the Dealers to have undertaken not to sell those Notes in any circumstances other than those described in paragraphs (i)(a) and (b) above for 12 months after the date of issue of such Notes.

This Base Prospectus is not, and under no circumstances is to be construed as, an advertisement or public offering of any Notes in Australia.

### **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 16 December 2020. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 549300RH5FFHO48FXT69.

### Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agent for the time being in Luxembourg or at [https://www.investec.com/en\\_za/corporate-investment/institutional-sales-and-structuring/pricing-supplements.html](https://www.investec.com/en_za/corporate-investment/institutional-sales-and-structuring/pricing-supplements.html) and [https://www.investec.com/en\\_za/welcome-to-investec/about-us/corporate-governance.html](https://www.investec.com/en_za/welcome-to-investec/about-us/corporate-governance.html)

- (i) memorandum of incorporation of the Issuer;
- (ii) the latest available audited financial statements of the Issuer, from time to time;
- (iii) the Trust Deed and the Agency Agreement;
- (iv) a copy of this Base Prospectus; and
- (v) any future base prospectuses, prospectuses, information memoranda and supplements to this Base Prospectus and Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area or in the UK nor offered in the European Economic Area or the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of such Notes and identity) and any other documents incorporated herein or therein by reference.

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Euronext Dublin's regulated market and each document incorporated by reference are available on the Euronext Dublin's website at [www.ise.ie](http://www.ise.ie).

### Validity of the Base Prospectus

For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

**Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

**Significant or material change**

There has been no significant change in the financial position or financial performance of the Issuer since 31 March 2020 (the date to which the latest financial statements of the Issuer were prepared) and there has been no material adverse change in the prospects of the Issuer since 31 March 2020 (the date to which the latest audited financial statements of the Issuer were prepared).

**Litigation**

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

**Post-issuance information**

The Issuer does not intend to provide to Noteholders any post-issuance information regarding the Notes.

**Auditors**

The auditors of the Issuer are KPMG Inc. and Ernst & Young Inc., who have audited the Issuer's accounts, without qualification, in accordance with International Standards of Auditing for each of the financial years ended on 31 March 2019 and 31 March 2020. The auditors of the Issuer have no material interest in the Issuer.

The Issuer's auditors are members of the Independent Regulatory Board for Auditors, whose address is Building 2, Greenstone Hill Office Park, Emerland Boulevard, Modderfontein, South Africa.

**Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and their affiliates in the ordinary course of business.

**Issuer's website**

The Issuer's website is <https://www.investec.com>. Unless specifically incorporated into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

**ISSUER**

**Investec Bank Limited**

100 Grayston Drive  
Sandown  
Sandton 2196  
South Africa

**TRUSTEE**

**BNY Mellon Corporate Trustee Services Limited**

One Canada Square  
London E14 5AL  
United Kingdom

**PRINCIPAL PAYING AGENT**

**The Bank of New York Mellon**

One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR, LUXEMBOURG PAYING AND TRANSFER AGENT**

**The Bank of New York Mellon SA/NV, Luxembourg Branch**

Vertigo Building  
Polaris – 2-4 rue Eugène Ruppert, L-2453  
Grand Duchy of Luxembourg

**LEGAL ADVISERS**

*To the Issuer as to English law*

**Clifford Chance LLP**

10 Upper Bank Street  
London E14 5JJ  
United Kingdom

*To the Issuer as to South African law*

**ENSafrica**

35 Lower Long Street  
Foresshore  
Cape Town, 8000  
South Africa

*To the Trustee as to English law*

**Allen & Overy LLP**

1 Bishops Square  
London E1 6AD  
United Kingdom

**AUDITORS**

**KPMG Inc.**

KPMG Crescent  
85 Empire Road  
Parktown 2193  
South Africa

**Ernst & Young Inc.**

Wanderers Office Park  
52 Corlett Drive  
Illovo 2196  
South Africa

**ARRANGER AND DEALER**

**Investec Bank Limited**

100 Grayston Drive  
Sandown  
Sandton 2196  
South Africa

**LISTING AGENT**

**Walkers Ireland Listing Services Limited**

The Exchange

George's Dock

IFSC

Dublin 1

Ireland