



**INVESTEC BANK PLC**

*(incorporated with limited liability in England and Wales with registered number 489604)*

**£2,000,000,000 Impala Structured Notes Programme**

Under this £2,000,000,000 Impala Structured Notes Programme (the "**Programme**"), Investec Bank plc (the "**Issuer**") may from time to time issue notes (the "**Notes**"), including Notes that are linked to the performance of one or more underlying assets (each an "**Underlying**"), being (i) a single share or a basket of shares (such Notes being the "**Equity-Linked Notes**"), (ii) a single index or a basket of indices (such Notes being the "**Index-Linked Notes**") and (iii) a rate of inflation (such Notes being the "**Inflation-Linked Notes**").

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

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC amended by Directive 2008/11/EC, Directive 2010/73/EU and Directive 2010/78/EU (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to Notes issued under the Programme during the period of twelve months after the date hereof.

**Information on how to use this Base Prospectus is set out on pages ii to v and a table of contents is set out on page ix.**

The Issuer has been assigned the following long-term credit ratings: BBB- by Fitch Ratings Limited ("**Fitch**"), Baa3 by Moody's Investors Service Limited ("**Moody's**") and BBB+ by Global Credit Rating Co. ("**Global Credit Rating**"). Each of Fitch and Moody's is a credit rating agency established and operating in the European Union ("**EU**") and registered in accordance with Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Global Credit Rating is not established in the EU and is not certified under the CRA Regulation and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Notes in bearer form for U.S. tax purposes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Notes that are in bearer form for U.S. tax purposes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**"). However, the Notes are being offered and sold outside the United States to non U.S. persons in reliance on Regulation S.

**Investec Bank plc**

*Dealer*

The date of this Base Prospectus is 23 July 2013.

## HOW TO USE THIS BASE PROSPECTUS

### *Introduction – Types of Notes*

This Base Prospectus provides information about the following Notes that may be issued under the Programme:

- i "Equity-Linked Notes" (i.e. Notes whose return is linked to a single share or a basket of shares)
- ii "Index-Linked Notes" (i.e. Notes whose return is linked to a single index or a basket of indices)
- iii "Inflation-Linked Notes" (i.e. Notes whose return is linked to inflation rates)
- iv "Secured Notes with Credit-Linkage" (i.e. Notes which are secured and whose return is linked, in part, to the credit of one or more financial institutions or corporations listed on a regulated exchange or a sovereign entity). Such Notes are secured by security created by the Issuer over a pool of collateral (the "**Collateral Pool**") Each Collateral Pool may secure one Series of Secured Notes with Credit-Linkage only, or more than one Series of Secured Notes with Credit-Linkage, as specified in the applicable Final Terms.

The roadmap indicates which sections are particularly relevant for Notes with each of these respective features.

Notes may also be linked to more than one of these variables above.

### *Roadmap*

Prospective investors are advised to read the sections of the Base Prospectus relevant to the type of Notes they are contemplating investing in, as specified below.

#### ***Investment in:***

#### ***Required reading:***

##### **Any Notes**

- 1) Front cover and "Important Notices" section
- 2) Part A

##### **Equity-Linked Notes**

- 1) Front cover and "Important Notices" section
- 2) Part A
- 3) Part B

##### **Index-Linked Notes**

- 1) Front cover and "Important Notices" section
- 2) Part A
- 3) Part B

##### **Inflation-Linked Notes**

- 1) Front cover and "Important Notices" section
- 2) Part A
- 3) Part C

##### **Any Secured Notes with Credit-Linkage**

- 1) Front cover and "Important Notices" section
- 2) Part A
- 3) Part B (if Notes are Equity-Linked or Index-Linked)
- 4) Part C (if Notes are Inflation-Linked)
- 5) Part D

### ***Definitions***

In this Base Prospectus, "Conditions" means, as applicable, the General Terms and Conditions of the Notes (as set out in Part A of this Base Prospectus) and, when used in relation to Secured Notes with Credit-Linkage, also includes the Additional Terms and Conditions of the Secured Notes with Credit-Linkage (as set out in Part D of this Base Prospectus), and any such condition may be amended, supplemented or specified as "Not Applicable" by the applicable Final Terms. "Terms" means, as applicable, the Terms for Equity-Linked Notes, Index-Linked Notes or Inflation-Linked Notes and, in addition (as applicable), the Additional Terms and Conditions for Secured Notes with Credit-Linkage (as set out, respectively, in Parts B, C and D of this Base Prospectus).

Other than as expressly defined in any other section of this Base Prospectus, terms defined in the Conditions, and the "Summary of Provisions Relating to the Notes while in Global Form" have the same meanings in other all sections of this Base Prospectus.

## *Structure of the Base Prospectus*

This Base Prospectus is divided into sections, each of which is briefly described below.

### **PART A**

|   |          |
|---|----------|
| <b>Important Notices</b> sets out important information about the Issuer's responsibility for this Base Prospectus and provides information about its authorised use by financial intermediaries.   | Page vi  |
| <b>Summary</b> provides an overview of the information included in this Base Prospectus, including information about the Issuer, the Notes and the Programme, which the Issuer believes to be key to an assessment by a prospective investor considering an investment in the Notes and indicates what further information will be provided in the final terms relating to a specific issuance of Notes.  | Page 1   |
| <b>Risk Factors</b> provides details of the principal risks associated with the Issuer and the Notes which may be issued under the Programme.   | Page 22  |
| <b>Documents Incorporated by Reference</b> provides details of documents which form part of this Base Prospectus and which are available in the public domain, but which are not set out in full in this document. Prospective investors are advised to review the information incorporated by reference into this Base Prospectus before deciding to invest in any Notes issued under the Programme.   | Page 50  |
| <b>Description of the Notes</b> provides details of how an investment in the Notes works, including a description of the main features of the Notes and worked examples illustrating how payments under the Notes are calculated.   | Page 51  |
| <b>General Terms and Conditions of the Notes</b> sets out the legal terms and conditions which govern Notes issued under the Programme.   | Page 84  |
| <b>Pro Forma Final Terms</b> sets out a template of the "Final Terms", a document which will be filled out for each particular issuance of Notes and which will contain information additional to the information in the Terms and Conditions of the Notes which is not known at the time of publishing the Base Prospectus but which is relevant to a particular issuance of Notes, including details of the Underlying and how payments under the Notes will be calculated. | Page 113 |
| <b>Summary of Provisions relating to the Notes While in Global Form</b> describes the features of the Notes when issued in Global Form.   | Page 142 |
| <b>Use of Proceeds</b> provides details of what the Issuer intends to do with the subscription monies it receives for the Notes it issues.  | Page 146 |
| <b>Taxation</b> provides a summary of the withholding tax position in relation to the Notes in the United Kingdom and also provides information in relation to the EU Savings Directive.  | Page 147 |
| <b>Subscription and Sale of Notes</b> sets out details of the arrangements between the Issuer and the Dealers as to the offer and sale of Notes under the Programme and contains selling restrictions that may be applicable in respect of the offer and sale of Notes in different jurisdictions.  | Page 150 |
| <b>General Information</b> provides additional, general disclosure on the Programme and the Issuer not included in other sections of the Base Prospectus to be considered by prospective investors.   | Page 154 |
| <b>PART B</b>   |          |
| <b>Equity-Linked Notes/Index-Linked Notes</b> sets out the further information relating to each type of Equity-Linked or Index-Linked Note, including descriptions and  | Page 156 |

explanations of the different type of Note and legal terms and conditions and formulae for calculation of redemption prices and interest relating to Notes issuable under the Programme.

## **PART C**

**Inflation-Linked Notes** sets out the further information relating to each type of Inflation-Linked Note, legal terms and conditions and formulae for calculation of redemption prices and interest relating to Notes issuable under the Programme. Page 223

## **PART D**

**Additional Terms and Conditions of the Secured Notes with Credit-Linkage** sets out the additional legal terms and conditions that apply to Secured Notes with Credit-Linkage. Page 233

**Collateral Credit-Linkage** describes the credit-linkage provisions that apply to Secured Notes with Credit-Linkage. Page 235

**INDEX OF DEFINED TERMS** contains a list of the defined terms used in the Base Prospectus and indicates the page of the Base Prospectus on which the definition for each relevant defined term can be found. Page 244

## IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

### *Use of this Base Prospectus*

This Base Prospectus has been prepared for the purposes of the public offering (including any offering which is a resale or final placement) of Notes to retail investors in the United Kingdom and/or Ireland (the "Public Offer Jurisdictions") in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to in this Base Prospectus as a "Public Offer".

This Base Prospectus may only be used for the purposes for which it has been published.

### *Responsibility for information in the Base Prospectus*

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Neither the dealers (being the Issuer and any other person from time to time to whom Notes are issued and who is appointed by the Issuer as a dealer under the Programme (each, a "Dealer" and together, the "Dealers")), nor Deutsche Trustee Company Limited (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, the Agents or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the Dealers nor 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, 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.

The Issuer accepts responsibility for the content of this Base Prospectus in relation to any person in the above Public Offer Jurisdictions (as defined above) to whom an offer of any Notes is made by any financial intermediary to whom the Issuer has given its consent to use this Base Prospectus, where the offer is made during the period for which that consent is given and is in compliance with all other terms and conditions attached to the giving of the consent, all as mentioned in this Base Prospectus.

The following section explains the circumstances in which the Issuer's consent to such use of this Base Prospectus is given.

### *Issuer's consent to use of this Base Prospectus*

The Issuer gives its express consent, either as a "general consent" or as a "specific consent" as described below, to the use of the prospectus by a financial intermediary that satisfies the Conditions applicable to the "general consent" or "specific consent", and accepts the responsibility for the content of the Base Prospectus, with respect to the subsequent resale or final placement of securities by any such financial intermediary.

**General consent:** Subject to the "Common conditions to consent" set out below, the Issuer hereby grants its consent to the use of this Base Prospectus for the entire term of the Base Prospectus in connection with a Public Offer of any Tranche of Notes by any financial intermediary in the Public Offer Jurisdictions in which it is authorised to make such offers under the Financial Services and Markets Act 2000, as amended, or other applicable legislation implementing Directive 2004/39/EC

(the "Markets in Financial Instruments Directive") and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):

"We, [insert legal name of financial intermediary], refer to the base prospectus (the "Base Prospectus") relating to notes issued under the £2,000,000,000 Impala Structured Notes Programme (the "Notes") by Investec Bank plc (the "Issuer"). We agree to use the Base Prospectus in connection with the offer of the Notes in the public offer jurisdictions specified in the relevant Final Terms in accordance with the consent of the Issuer in the Base Prospectus and subject to the conditions to such consent specified in the Base Prospectus as being the "*Common conditions to consent*"."

*Specific consent:* In addition, subject to the conditions set out below under "*Common conditions to consent*", the Issuer consents to the use of this Base Prospectus in connection with a Public Offer (as defined below) of any Tranche of Notes by any financial intermediary who is named in the relevant Final Terms as being allowed to use this Base Prospectus in connection with the relevant Public Offer.

Any new information with respect to any financial intermediary or intermediaries unknown at the time of the approval of this Base Prospectus or after the filing of the applicable Final Terms and will be published on the Issuer's website ([www.investecstructuredproducts.com](http://www.investecstructuredproducts.com)).

*Common conditions to consent:* The conditions to the Issuer's consent are that such consent (a) is only valid in respect of the relevant Tranche of Notes; (b) is only valid during the Offer Period specified in the relevant Final Terms; and (c) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Notes in the Public Offer Jurisdictions (the "Public Offer Jurisdictions") specified in the relevant Final Terms.

Accordingly, investors are advised to check both the website of any financial intermediary using this Base Prospectus and the website of the Issuer ([www.investecstructuredproducts.com](http://www.investecstructuredproducts.com)) to ascertain whether or not such financial intermediary has the consent of the Issuer to use this Base Prospectus.

An investor intending to acquire or acquiring any Notes from an offeror other than the Issuer will do so, and offers and sales of such Notes to an investor by such offeror will be made, in accordance with any terms and conditions and other arrangements in place between such offeror and such investor including as to price, allocations, expenses and settlement arrangements.

In the event of an offer of Notes being made by a financial intermediary, the financial intermediary will provide to investors the terms and conditions of the offer at the time the offer is made including but not limited to the percentage price for the Notes which shall be determined by the Issuer at the commencement of the offer and will be disclosed in the Final Terms for such offer.

#### *Risk warnings relating to the Base Prospectus*

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes should be considered as a recommendation by the Issuer or 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 person (an "investor") intending to acquire or acquiring any securities from any person (an "Offeror") 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. Prospective 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.

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Base Prospectus and the relevant Final Terms. Prospective investors should consider carefully the risk factors set out under "*Risk Factors*" in this Base Prospectus.

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. In particular, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in a jurisdiction where action for that purpose is required other than in the United Kingdom and/or Ireland. Persons into whose possession this document or any Notes come must inform themselves, about, and observe, any such restrictions. 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), Switzerland, the Channel Islands, the Isle of Man and South Africa (see "*Subscription and Sale*").

#### *Listing*

Application has also been made for the Notes issued under the Programme to be admitted during the twelve months after the date hereof to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange plc (the "London Stock Exchange"). The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading on the London Stock Exchange. Investors should note that there can be a Public Offer of Notes requiring the publication of a prospectus under the Prospectus Directive even if the Notes are not to be listed and/or admitted to trading on the London Stock Exchange.

#### *Interpretation*

All references herein to "Sterling" and "£" are to the lawful currency of the United Kingdom, all references herein to "euro" and "€" are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended from time to time by the Treaty on European Union and all references herein to "U.S.\$" and "U.S. dollars" are to United States dollars.



## CONTENTS

|   | Page |
|---|------|
| PART A – INFORMATION RELATING TO ALL NOTES .....  | 1    |
| SUMMARY .....   | 1    |
| RISK FACTORS .....  | 22   |
| DOCUMENTS INCORPORATED BY REFERENCE .....   | 50   |
| DESCRIPTION OF THE NOTES .....  | 51   |
| GENERAL TERMS AND CONDITIONS OF THE NOTES.....  | 84   |
| PRO FORMA FINAL TERMS .....   | 113  |
| SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM .....                  | 142  |
| USE OF PROCEEDS .....   | 146  |
| TAXATION .....  | 147  |
| SUBSCRIPTION AND SALE .....   | 150  |
| GENERAL INFORMATION.....  | 154  |
| PART B – EQUITY-LINKED NOTES/INDEX-LINKED NOTES .....                                   | 156  |
| FURTHER INFORMATION RELATING TO EQUITY-LINKED NOTES/INDEX-LINKED NOTES .....            | 156  |
| SECTION I: TERMS FOR SINGLE SHARE LINKED NOTES .....                                    | 176  |
| SECTION II: TERMS FOR BASKET SHARE LINKED NOTES .....                                   | 187  |
| SECTION III: TERMS FOR SINGLE INDEX LINKED NOTES .....                                  | 198  |
| SECTION IV: TERMS FOR BASKET INDEX LINKED NOTES.....                                    | 207  |
| PART C – INFLATION-LINKED NOTES .....   | 223  |
| GENERAL DESCRIPTION.....  | 223  |
| STANDARD TERMS FOR INFLATION-LINKED NOTES .....   | 224  |
| FURTHER INFORMATION RELATING TO CERTAIN TYPES OF INFLATION-LINKED NOTES .....           | 230  |
| PART D – ADDITIONAL TERMS AND CONDITIONS OF THE SECURED NOTES WITH CREDIT-LINKAGE ..... | 233  |
| INDEX OF DEFINED TERMS .....  | 244  |

## PART A – INFORMATION RELATING TO ALL NOTES

### SUMMARY

*Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "Not Applicable".*

|     |               | Section A – Introduction and Warnings  |
|-----|---------------|--|
| A.1 | Introduction: | <p>This summary must be read as an introduction to this Base Prospectus in relation to the Notes and any decision to invest in the Notes should be based on a consideration of this Base Prospectus, including the documents incorporated by reference herein, and this summary, as a whole.</p> <p>Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the claimant may, under the national legislation of the Member State, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid Investors when considering whether to invest in the Notes.</p>   |
| A.2 | Consent:      | <p>The Issuer gives its express consent, either as a "general consent" or as a "specific consent" as described below, to the use of the prospectus by a financial intermediary that satisfies the Conditions applicable to the "general consent" or "specific consent", and accepts the responsibility for the content of the Base Prospectus, with respect to the subsequent resale or final placement of securities by any such financial intermediary to retail investors in the United Kingdom and/or Ireland (the "<b>Public Offer Jurisdictions</b>") in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus (any such offer being a "<b>Public Offer</b>").</p> <p><i>General consent:</i> Subject to the "<i>Common conditions to consent</i>" set out below, the Issuer hereby grants its consent to the use of this Base Prospectus for the entire term of the Base Prospectus in connection with a Public Offer of any Tranche of Notes by any financial intermediary in the Public Offer Jurisdictions in which it is authorised to make such offers under the Financial Services and Markets Act 2000, as amended, or other applicable legislation implementing Directive 2004/39/EC (the "<b>Markets in Financial Instruments Directive</b>") and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):</p> <p style="padding-left: 40px;">"We, [insert legal name of financial intermediary], refer to the base prospectus (the "<b>Base Prospectus</b>") relating to notes issued under the £2,000,000,000 Impala Structured Notes Programme (the "<b>Notes</b>") by Investec Bank plc (the "<b>Issuer</b>"). We agree to use the Base Prospectus in connection with the offer of the Notes in the public offer jurisdictions specified in the relevant Final Terms in accordance with the consent of the Issuer in the Base Prospectus and subject to the conditions to such consent specified in the Base Prospectus as being the "<i>Common conditions to consent</i>"."</p> <p><i>Specific consent:</i> In addition, subject to the conditions set out below under "<i>Common conditions to consent</i>", the Issuer consents to the use of this Base Prospectus in connection with a Public Offer (as defined below) of any Tranche of Notes by any financial intermediary who is named in the relevant Final Terms as being allowed to use this Base Prospectus in connection with the relevant Public Offer.</p> <p>Any new information with respect to any financial intermediary or intermediaries unknown at the time of the approval of this Base prospectus or after the filing of the applicable Final Terms will be published on the Issuer's website (<a href="http://www.investecstructuredproducts.com">www.investecstructuredproducts.com</a>).</p> |

Part A – Information Relating to all Notes  
*Risk Factors*

|  |   |
|--|---|
|  | <p><i>Common conditions to consent:</i> The conditions to the Issuer's consent are that such consent (a) is only valid in respect of the relevant Tranche of Notes; (b) is only valid during the Offer Period specified in the relevant Final Terms; and (c) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Notes in the Public Offer Jurisdictions (the "<b>Public Offer Jurisdictions</b>") specified in the relevant Final Terms.</p> <p><i>Accordingly, investors are advised to check both the website of any financial intermediary using this Base Prospectus and the website of the Issuer (<a href="http://www.investecstructuredproducts.com">www.investecstructuredproducts.com</a>) to ascertain whether or not such financial intermediary has the consent of the Issuer to use this Base Prospectus.</i></p> <p><i>An investor intending to acquire or acquiring any Notes from an offeror other than the Issuer will do so, and offers and sales of such Notes to an investor by such offeror will be made, in accordance with any terms and conditions and other arrangements in place between such offeror and such investor including as to price, allocations, expenses and settlement arrangements.</i></p> <p><i>In the event of an offer of Notes being made by a financial intermediary, the financial intermediary will provide to investors the terms and conditions of the offer at the time the offer is made.</i></p> |
|--|---|

| Section B – Issuer |   |  |
|--------------------|---|--|
| <b>B.1</b>         | <b>Legal and commercial name of the Issuer:</b> | The legal name of the issuer is Investec Bank plc (the " <b>Issuer</b> ").   |
| <b>B.2</b>         | <b>Domicile and legal form of the Issuer:</b>   | <p>The Issuer is a public limited company registered in England and Wales under registration number 00489604. The liability of its members is limited.</p> <p>The Issuer was incorporated as a private limited company with limited liability on 20 December 1950 under the Companies Act 1948 and registered in England and Wales under registered number 00489604 with the name Edward Bates &amp; Sons Limited. Since then it has undergone changes of name, eventually re-registering under the Companies Act 1985 on 23 January 2009 as a public limited company and is now incorporated under the name Investec Bank plc.</p> <p>The Issuer is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, <i>inter alia</i>, the Financial Services and Markets Act 2000, for the purposes of which the Issuer is an authorised person carrying on the business of financial services provision. In addition, as a public limited company, the Issuer is subject to the UK Companies Act 2006.</p>   |
| <b>B.4b</b>        | <b>Trends:</b>                                  | <p>The Issuer, in its audited consolidated financial statements for the year ended 31 March 2013, recorded a 89.4% increase in operating profit before tax after non-controlling interests to £97.1 million for the year ended 31 March 2013 mainly attributable to a significant decrease in impairments in the Australian business. The Issuer continued to focus on realigning its business model by building its non-banking revenue streams. The Issuer has maintained a strong capital and liquidity position with a tier 1 capital ratio of 11.1% and cash and near cash balances of £4.5 billion at 31 March 2013. Customer deposits increased 2.9% to £11.4 billion with the ratio of core loans equity improving from 4.5 times to 4.3 times at 31 March 2013. The Issuer's leverage ratios remain low with total assets to equity decreasing to 11.0 times at 31 March 2013 (2012: 11.7 times). The credit loss ratio was lower than the prior year at 1.20%.</p> <p>Regulatory uncertainties remain and the Issuer will continue to maintain excess levels of liquidity and capital until there is further clarity. The Issuer seeks to maintain an appropriate balance between revenue earned from operational risk businesses and revenue earned from financial risk businesses. This ensures that the Issuer is not over reliant on any one part of its business to sustain its activities and that it has a large recurring revenue base that enables it to navigate through varying cycles and to support its long-term growth objectives. The Issuer's current strategic objectives include increasing the proportion of its non-lending revenue base which it largely intends to achieve through the continued strengthening and development of its Wealth Management business.</p> |
| <b>B.5</b>         | <b>The group:</b>                               | The Issuer is the main banking subsidiary of Investec plc, which is part of an international banking group with operations in three principal markets: the United Kingdom, Australia and South Africa. The Issuer holds certain of the Investec group's UK based assets and businesses, as well as holding Investec Holdings (Australia) Limited and individually Investec Bank (Australia) Limited.   |
| <b>B.9</b>         | <b>Profit Forecast:</b>                         | Not applicable.  |
| <b>B.10</b>        | <b>Audit Report Qualifications:</b>             | Not Applicable. There are no qualifications in the audit reports on the audited, consolidated financial statements of the Issuer and its subsidiary undertakings for the financial years ended 31 March 2012 or 31 March 2013.   |
| <b>B.12</b>        | <b>Key Financial Information:</b>               | The selected financial information set out below has been extracted without material adjustment from the audited consolidated financial statements of the Issuer for the years ended 31 March 2012 and 31 March 2013.  |

|      |  | Financial features   | Year Ended    |               |
|------|--|--|---------------|---------------|
|      |  |  | 31 March 2012 | 31 March 2013 |
|      |  | Operating profit before amortisation of acquired intangibles, non-operating items, taxation and after non-controlling interests (£'000)  | 51,284        | 97,116        |
|      |  | Earnings attributable to ordinary shareholders (£'000)   | 18,745        | 42,076        |
|      |  | Costs to income ratio  | 73.1%         | 75.3%         |
|      |  | Total capital resources (including subordinated liabilities) (£'000)   | 2,369,408     | 2,593,359     |
|      |  | Total shareholders' equity (£'000)   | 1,726,246     | 1,914,617     |
|      |  | Total assets (£'000)   | 20,246,249    | 21,068,284    |
|      |  | Net core loans and advances (£'000)  | 7,712,000     | 8,236,777     |
|      |  | Customer accounts (deposits) (£'000)   | 11,103,365    | 11,426,647    |
|      |  | Cash and near cash balances (£'000)  | 4,484,747     | 4,543,000     |
|      |  | Funds under management (£'000)   | 14,219,000*   | 25,054,000    |
|      |  | Capital adequacy ratio   | 16.8%         | 16.3%         |
|      |  | Tier 1 ratio   | 11.5%         | 11.1%         |
|      |  | <p>* Excluding the funds acquired from Evolution Group plc</p> <p>There has been no significant change in the financial or trading position of the Issuer and its group since 31 March 2013, being the end of the most recent financial period for which it has published audited financial information.</p> <p>There has been no material adverse change in the prospects of the Issuer since the financial year ended 31 March 2013, the most recent financial year for which it has published audited financial statements.</p>   |               |               |
| B.13 | Recent Events:                                   | Not Applicable. There have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of its solvency.   |               |               |
| B.14 | Dependence upon other entities within the Group: | <p>The Issuer is a wholly owned subsidiary of Investec plc.</p> <p>The Issuer and its subsidiaries form a UK-based group (the "Group"). The Issuer conducts part of its business through its subsidiaries and is accordingly dependent upon those members of the Group. The Issuer is not dependent on Investec plc.</p>   |               |               |
| B.15 | The Issuer's Principal Activities:               | <p>The principal business of the Issuer consists of Wealth &amp; Investment and Specialist Banking.</p> <p>The Issuer is an international, specialist banking group and asset manager whose principal business involves provision of a diverse range of financial services and products to defined target markets and a niche client base in the United Kingdom, Australia and South Africa. As part of its business, the Issuer provides investment management services to private clients, charities, intermediaries, pension schemes and trusts as well as specialist banking services focusing on corporate advisory and investment activities, corporate and institutional banking activities and private banking activities.</p> |               |               |
| B.16 | Controlling Persons:                             | The whole of the issued ordinary and preference share capital of the Issuer is owned directly by Investec plc. The Issuer is not indirectly controlled   |               |               |
| B.17 | Credit Ratings:                                  | [The long-term senior debt of the Issuer has a rating of BBB- as rated by Fitch. This means that Fitch is of the opinion that the Issuer has a good credit quality and indicates that expectations of default risk are currently low.  |               |               |

Part A – Information Relating to all Notes  
*Risk Factors*

|  |  |   |
|--|--|---|
|  |  | <p>The long-term senior debt of the Issuer has a rating of Baa3 as rated by Moody's. This means that Moody's is of the opinion that the Issuer is subject to moderate credit risk, is considered medium-grade, and as such may possess certain speculative characteristics.</p> <p>The long-term senior debt of the Issuer has a rating of BBB+ as rated by Global Credit Rating. This means that Global Credit Rating is of the opinion that the Issuer [has adequate protection factors and is considered sufficient for prudent investment. However, there is considerable variability in risk during economic cycles).]</p> <p>[The Notes to be issued have not been specifically rated.]</p> |
|--|--|---|

| Section C – Securities |   |  |
|------------------------|---|--|
| C.1                    | <b>Description of Type and Class of Securities:</b>   | <p><b>Issuance in series:</b> The Notes will be issued in series ("Series") which may comprise one or more tranches ("Tranches") issued on different issue dates. The Notes of each tranche of the same series will all be subject to identical terms, except for the issue dates and/or issue prices of the respective Tranches.</p> <p>[The Notes are issued as Series number [•], Tranche number [•]].</p> <p><b>Form of Notes:</b> The applicable Final Terms will specify whether the relevant Notes will be issued in bearer form ("Bearer Notes"), in certificated registered form ("Registered Notes") or in uncertificated registered form ("Uncertificated Registered Notes"). Registered Notes and Uncertificated Registered Notes will not be exchangeable for other forms of Notes and vice versa.</p> <p>[The Notes are issued in [bearer/certificated registered form/uncertificated registered form]]</p> <p>[Uncertificated Registered Notes will be held in uncertificated form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "Regulations"). The Uncertificated Registered Notes will be participating securities for the purposes of the Regulations. Title to the Uncertificated Registered Notes will be recorded on the relevant Operator register of corporate securities (as defined in the Regulations) and the relevant "Operator" (as such term is used in the Regulations) is CRESTCo. Limited ("CRESTCo") or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar and in accordance with the Regulations. Notes in definitive registered form will not be issued either upon issue or in exchange for Uncertificated Registered Notes].</p> <p><b>Security Identification Number(s):</b> The following security identification number(s) will be specified in the Final Terms.</p> <p>ISIN Code: [•]</p> <p>Common Code: [•]</p> <p>Sedol: [•]</p> |
| C.2                    | <b>Currency of the Securities Issue:</b>  | <p>Currency: Subject to any applicable legal or regulatory restrictions, the Notes may be issued in any currency (the "Specified Currency").</p> <p>[The Specified Currency of the Notes is [•]]</p>   |
| C.5                    | <b>Free Transferability:</b>  | <p>Not applicable.</p> <p>The Notes are freely transferable. However, applicable securities laws in certain jurisdictions impose restrictions on the offer and sale of the Notes and accordingly the Issuer and the dealers have agreed restrictions on the offer, sale and delivery of the Notes in the United States, the European Economic Area, Isle of Man, South Africa, Guernsey and Jersey, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes in order to comply with relevant securities laws.</p>   |
| C.8                    | <b>The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:</b> | <p><b>[Status:</b> The Notes are unsecured. The Notes will constitute direct, unconditional, unsubordinated unsecured obligations of the Issuer that 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> <p><b>[Security and Credit-Linkage:</b> The Notes are secured and linked to the credit of one or more financial institutions or corporations listed on a regulated exchange or a sovereign entity (the "Secured Notes with Credit-Linkage"). The Secured Notes with Credit-Linkage constitute direct, unconditional, unsubordinated secured obligations of the Issuer that will rank <i>pari passu</i> among themselves. The Issuer will create security over a pool of collateral ("Collateral Pool") to secure its obligations in respect of the Secured Notes with Credit-Linkage. The Collateral Pool secures [this Series of Notes only / more than one Series of Secured Notes with Credit-Linkage]].</p> <p><b>Denomination:</b> The Notes will be issued in denominations of [•].</p> <p><b>Taxation:</b> All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the United Kingdom unless such withholding or deduction is required by law. In the event that any such deduction is made, [the Issuer will not be required to pay any additional amounts in respect of such withholding or deduction / the Issuer will pay additional amounts in respect of such withholding or deduction, subject to exemptions].</p>   |

|            |   |   |
|------------|---|---|
|            |   | <b>Governing Law:</b> English law   |
| <b>C.9</b> | <b>The Rights Attaching to the Securities (Continued), Including Information as to Interest, Maturity, Yield and the Representative of the Holders:</b> | <p><b>Redemption of the Notes:</b> [The Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or an event of default [or, in the case of Notes linked to one or more Collateral Reference Entity/Entities, following the insolvency of the Collateral Reference Entity or a credit event relating to the Collateral Reference Entity]).]</p> <p>[The Notes will be redeemable at the option of the Issuer in whole (but not in part) upon giving notice to the Noteholders 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.]</p> <p>Interest: The Notes are [interest-bearing / non-interest bearing].</p> <p><b>[Fixed Rate Notes:</b></p> <p>[Fixed Rate Notes bear interest at a fixed percentage rate, being the "<b>Rate of Interest</b>" expressed as [a percentage rate per annum] [a percentage rate for a fixed period].</p> <p>The interest will be paid on the "<b>Interest Payment Dates</b>". The amount of interest or "<b>Interest Amount</b>" payable on each such Interest Payment Date is calculated by applying the Rate of Interest to the outstanding principal amount of the Notes for the period from the previous Interest Payment Date until current Interest Payment Date (or, in the case of the first Interest Payment Date, from the date which is specified as being the "<b>Interest Commencement Date</b>" until the first Interest Payment Date), and each period is referred to as an "Interest Period". The Issuer may specify this interest as "Fixed Coupon Amounts" in the Final Terms.</p> <p>[Since [Fixed Coupon Amounts for the Interest Payment Dates are not specified] [interest needs to be calculated for a period other than an Interest Period [(due to an unscheduled redemption of the Notes)]], interest will be calculated in relation to a specified principal amount of Note (the "<b>Calculation Amount</b>") by applying the Rate of Interest to such Calculation Amount and multiplying the product by a fraction known as a "<b>Day Count Fraction</b>". The Day Count Fraction reflects the number of days in the period for which interest is being calculated.]]</p> <p><b>[Floating Rate Notes:</b></p> <p>[Floating Rate Notes bear interest at a Rate of Interest which is a variable percentage rate [per annum] [per specified period].</p> <p>The Rate of Interest for Floating Rate Notes for a given Interest Period will be calculated by the Calculation Agent by reference to [quotations provided electronically by banks in the "<b>Relevant Financial Centre</b>" (since "Screen Rate Determination" applies)] [a notional interest rate on a swap transaction in the Specified Currency (since "ISDA Determination" applies)] [and the addition of an additional percentage rate per annum].</p> <p>In order to calculate the Interest Amount payable per Note, the Calculation Agent applies the Rate of Interest for such Interest Period to the Calculation Amount and multiply the product by the Day Count Fraction.</p> <p>[As "<b>Minimum Interest Rate</b>" applies, the Rate of Interest will be restricted from falling below a fixed percentage level per annum. Where a "<b>Maximum Interest Rate</b>" is specified in the relevant Final Terms, the Rate of Interest will not exceed a fixed percentage level per annum.]]</p> <p>[The [N Barrier (Income) Equity-Linked/Index Linked Notes with Capital at Risk] [Range Accrual (Income) Equity-Linked/Index Linked Notes with Capital at Risks] [Range Accrual (Income) Equity-Linked/Index Linked Notes without Capital at Risk and Inflation-Linked Notes] pay interest at an amount linked to the performance of an Underlying.]</p> <p>[Reverse Convertible Notes with Capital at Risk will pay a [fixed] [floating] rate of interest, regardless of the performance of the Underlying. The interest is payable [at maturity] [periodically throughout the life of the Notes].]</p> <p>[The Notes are Zero Coupon Notes and do not bear interest. However, an accrual yield of [ ] per cent. per annum (the "<b>Amortisation Yield</b>") is used for calculating the amount payable in respect of the Notes in case of their early redemption.]</p> <p><b>Payments of Principal:</b> Payments of principal in respect of Notes will be calculated by reference to [a single share / a basket of shares / an index / a basket of indices, namely [•]], [[•] inflation] [and, in addition, are credit-linked to [a] specified Collateral Reference Entity/ies, namely [•]]. [The Notes will be redeemed at par.]</p> |



|             |  |  |
|-------------|--|--|
|             |  | <p><b>[Yield:</b></p> <p>The yield of the Notes will be calculated on the Issue Date with reference to the Issue Price. Each such calculation of the yield of the Notes will not be an indication of future yield.</p> <p>The yield of the Notes is [    ].]</p> <p>[If a coupon deferral event occurs (being the suspension, deferral, or cessation of an interest payment, or adjustment in the frequency of interest payments) in relation to the coupon reference obligation, being [•] 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 coupon reference obligation, for so long as the coupon reference obligation is continuing.]</p> <p>Deutsche Trustee Company Limited (the "<b>Trustee</b>") has entered into a trust deed with the Issuer in connection with the programme, under which it has agreed to act as trustee for the Noteholders.</p>   |
| <b>C.10</b> | <b>Derivative Components relating to the coupon:</b> | <p>[The interest payments on the [N Barrier (Income) Equity-Linked/Index Linked Notes with Capital at Risk Notes] [Range Accrual (Income) Equity-Linked/Index Linked Notes with Capital at Risk] [Range Accrual (Income) Equity-Linked/Index Linked Notes without Capital at Risk] [Inflation-Linked Notes] may depend on the performance of [a single share/ a basket of shares/ an index/ a basket of indices/ a rate of inflation (the "<b>Underlying</b>")].</p> <p>[On each interest payment date the Calculation Agent will determine the interest amounts payable to Noteholders on the basis of the additional specified provisions relating to such Notes.]</p> <p>[The Notes will provide for that interest will become payable in respect of each specified period at the end of which the price or level of the Underlying is greater than a specified percentage of the initial level or price of the Underlying. The interest in respect of each specified period is determined independently and paid to the investor on the related interest payment date.]</p> <p>[Interest will be paid at the end of each specified period in respect of the number of days in such specified period during which the price or level of the Underlying is within a specified range of the initial level or price of the Underlying, between the "Range Upper Level" and the "Range Lower Level". The interest in respect of each specified period is determined independently and paid to the investor on the related interest payment date.]</p> <p>[On each specified interest payment date the Notes will pay a fixed rate of interest adjusted to take account of the change in the level of the UK Retail Prices Index between (i) a specified month prior to the issue date of the Notes, and (ii) a specified month (the "<b>Reference Month</b>") prior to each relevant interest payment date.]</p> <p>[On each specified interest payment date the Notes will pay an amount of interest determined by the change in the level of the RPI 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 "<b>Reference Month</b>") prior to each relevant interest payment date. Such interest payments may further include an additional fixed amount of interest ("<b>Margin</b>") and may be subject to a minimum rate of interest or a maximum rate of interest.]</p> |
| <b>C.11</b> | <b>Listing and Trading:</b>                          | <p>This document has been approved by the FCA as a base prospectus in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. Application has also been made for the Notes to be admitted during the twelve months after the date hereof to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange plc (the "<b>London Stock Exchange</b>").</p> <p>[The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading on the London Stock Exchange.]</p> <p>[[No] Application will be made for the Notes to be admitted to listing on the Official List of the FCA [and to] [nor] trading on the London Stock Exchange effective as of [    ].]</p>  |
| <b>C.15</b> | <b>Effect of value of underlying instruments:</b>    | <p>The return on the Notes is linked to the performance of an underlying instrument (being [FTSE® 100 Index, the S&amp;P 500® Index, the EuroSTOXX® Index, the MSCI® Index, the HSCEI Index, the DAX Index, the S&amp;P ASX 200 (AS51) Index, the CAC 40 Index, the Nikkei, the JSE Top40 Index, the Finvex Sustainable Efficient Europe 30 Price Index or the BNP Paribas SLI Enhanced Absolute Return Index] / [single share] / [a basket of [shares/indices]] specified below (the "<b>Underlying</b>"). The value of the Underlying is used to calculate the redemption price of the Notes and accordingly affects the return (if any) on the Notes:</p>   |

|  |   | <table><tr><th>[Share Issuer]</th><th>[Name and short description of Shares (including ISIN Number)]</th><th>[Weighting]</th></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></table>   | [Share Issuer]                                | [Name and short description of Shares (including ISIN Number)] | [Weighting]                                     |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
|--|---|--|---|--|---|---|-----|---|---|----------------------|-----|---|---|----------------------|-----|---|---|----------------------|
| [Share Issuer]                             | [Name and short description of Shares (including ISIN Number)]                              | [Weighting]  |   |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
|  |   |  |   |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
|  |   |  |   |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
|  |   | <table><tr><th>[Index / Exchange]</th><th>[Weighting]</th></tr><tr><td></td><td></td></tr></table>   | [Index / Exchange]                            | [Weighting]  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
| [Index / Exchange]                         | [Weighting]   |  |   |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
|  |   |  |   |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
|  |   | <p>[If on one of the dates specified below (the "<b>Automatic Early Redemption Valuation Date</b>") the performance of the Underlying is greater than the level specified (the "<b>Automatic Early Redemption Level</b>"), the Notes will redeem at the amount specified below (the "<b>Automatic Early Redemption Amount</b>") on a date prior to maturity (the "<b>Automatic Early Redemption Date</b>"):]</p> <table><tr><th>Automatic Early Redemption Valuation Date*</th><th>Automatic Early Redemption Averaging Dates</th><th>Automatic Early Redemption Averaging Start Date</th><th>Automatic Early Redemption Averaging End Date</th></tr><tr><td>[•]</td><td>[•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies]</td><td>[[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date]</td><td>[[•]/Not Applicable]</td></tr><tr><td>[•]</td><td>[•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies]</td><td>[[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date]</td><td>[[•]/Not Applicable]</td></tr><tr><td>[•]</td><td>[•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies]</td><td>[[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date]</td><td>[[•]/Not Applicable]</td></tr></table>  | Automatic Early Redemption Valuation Date*    | Automatic Early Redemption Averaging Dates                     | Automatic Early Redemption Averaging Start Date | Automatic Early Redemption Averaging End Date | [•] | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable] | [•] | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable] | [•] | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable] |
| Automatic Early Redemption Valuation Date* | Automatic Early Redemption Averaging Dates  | Automatic Early Redemption Averaging Start Date  | Automatic Early Redemption Averaging End Date |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
| [•]  | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date]  | [[•]/Not Applicable]                          |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
| [•]  | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date]  | [[•]/Not Applicable]                          |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
| [•]  | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date]  | [[•]/Not Applicable]                          |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
|  |   | <p>[*Provided that if the Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day shall be the Automatic Early Redemption Valuation Date.</p> <p>The market price or value of the Notes at any times is expected to be affected by changes in the value of the Underlying [and the likelihood of the occurrence of [a credit event/insolvency] in relation to [•] (the "<b>Collateral Reference Entities</b>" or "<b>Reference Entity</b>")].</p> <p>[If [one or more of] the Collateral Reference Entity/Entities becomes insolvent, the value of the Notes will be linked to the recovery rate that an investor in [unsecured, [unsubordinated / subordinated] debt obligations of the Collateral Reference Entity/Entities]/[the following obligations of the Collateral Reference Entity/Entities: [•]] would be likely to recover in the insolvency of the relevant Collateral Reference Entity, as determined by the Calculation Agent.]</p> <p>[If [one or more of] the Collateral Reference Entity/Entities becomes subject to a credit event, the value of the Notes will be linked to the recovery rate determined by reference to an auction price for [the unsecured, [unsubordinated / subordinated] debt obligations of the Collateral Reference Entity/Entities]/[the following obligations of the Collateral Reference Entity/Entities: [•]] as determined by the ISDA Determination Committee or the market value of such obligation(s).]</p> |   |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
| C.16                                       | Expiration or maturity date:  | The Maturity Date of the Notes [•] is [•].   |   |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |
| C.17                                       | Settlement procedure:   | The Notes will be cash-settled.  |   |  |   |   |     |   |   |                      |     |   |   |                      |     |   |   |                      |

|      |                       |   |
|------|-----------------------|---|
| C.18 | Return on securities: | <p>The Notes that may be issued under the Programme are:</p> <ol style="list-style-type: none"> <li>1. Kickout Notes with Capital at Risk;</li> <li>2. Kickout Notes without Capital at Risk;</li> <li>3. Upside Notes with Capital at Risk;</li> <li>4. Upside Notes without Capital at Risk;</li> <li>5. N Barrier (Income) Equity-Linked/Index Linked Notes with Capital at Risk;</li> <li>6. Range Accrual (Income) Equity-Linked/Index Linked Notes with Capital at Risk;</li> <li>7. Range Accrual (Income) Equity-Linked/Index Linked Notes without Capital at Risk;</li> <li>8. Reverse Convertible Notes with Capital at Risk; and</li> <li>9. Inflation-Linked Notes.</li> </ol> <p>The return on the Notes may be linked to a share or basket of shares ("<b>Equity-Linked</b>") or to an index or basket of indices ("<b>Index-Linked</b>") or to a particular rate of inflation ("<b>Inflation-Linked</b>"), each such index, share, basket of shares or basket of indices or rate of inflation being the "<b>Underlying</b>".</p> <p><b>Interest Amounts payable on the Notes</b></p> <p>The Notes may bear interest at a fixed rate or a floating rate, may pay interest at an amount linked to the performance of an Underlying in the case of N Barrier (Income) Equity-Linked/Index Linked Notes with Capital at Risk, Range Accrual (Income) Equity-Linked/Index Linked Notes with Capital at Risk, Range Accrual (Income) Equity-Linked/Index Linked Notes without Capital at Risk and Inflation-Linked Notes, or may be non-interest bearing.</p> <p><b>Redemption Amount payable on the Notes</b></p> <p>[The Notes will be redeemed at [•] per cent of the Issue Price.]</p> <p><b>[Kickout Notes:</b> The Notes are either Equity-Linked Notes or Index-Linked Notes. The Notes may be with or without capital at risk.</p> <p>The Notes may mature early (kick out) on a certain date or dates specified in the Final Terms, depending on the level or price of the Underlying at that time. If the Notes kick out early an investor will receive a return of their initial investment plus a fixed percentage payment.]</p> <p><b>[Kickout Notes with Capital at Risk</b></p> <p>If there has been no kick out, the return on the Notes at maturity will be based on the performance of an Underlying, and in certain circumstances this may result in the investor receiving an amount less than their initial investment.</p> <p><i>Scenario A – Upside Return or Digital Return</i></p> <p>If at maturity the level or price of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will either:</p> <ul style="list-style-type: none"> <li>• "<b>Upside Return</b>" being their initial investment plus a percentage based on the difference between the final level or price of the Underlying, and the initial level or price of the Underlying (as applicable); this additional return may be subject to a cap (i.e. maximum amount) or gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied); or</li> <li>• "<b>Digital Return</b>" being their initial investment multiplied by a specified percentage return.</li> </ul> <p><i>Scenario B – No Return</i></p> <p>If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return, provided that the "<b>Barrier Condition</b>"* is satisfied.</p> <p>*The "<b>Barrier Condition</b>" is satisfied where the Underlying has not fallen below a specified percentage of the initial level or price of the Underlying either: (i) at any time during the period specified in the relevant Final Terms or (ii) on a particular date or dates specified in the relevant Final Terms.</p> |
|------|-----------------------|---|

|  |  |
|--|--|
|  | <p><i>Scenario C – Loss of Investment</i></p> <p>If at maturity the level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying (as applicable) and the "Barrier Condition" is not satisfied, an investor's investment will be reduced by either</p> <ul style="list-style-type: none"> <li>• an amount linked to the downside performance of the Underlying; this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("<b>Downside Return 1</b>"); or</li> <li>• an amount linked to the downside performance of the Underlying between certain specified levels (such levels being the "<b>Upper Strike</b>" and the "<b>Lower Strike</b>" respectively); this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("<b>Downside Return 2</b>").]</li> </ul> <p><b>[Kickout Notes without Capital at Risk:</b></p> <p>If there has been no kick out, the return on the Notes at maturity will be based on the performance of an Underlying, however, since the Notes are capital protected, irrespective of the performance of the Underlying, an investor in any Notes which are not Secured Notes with Credit-Linkage, an investor will receive at least a return of their initial investment.</p> <p><i>Scenario A – Upside Return or Digital Return</i></p> <p>If at maturity the level or price of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive either:</p> <ul style="list-style-type: none"> <li>• "<b>Upside Return</b>" being their initial investment plus a percentage based on the difference between the final level or price of the Underlying, and the initial level or price of the Underlying (as applicable); this additional return may be subject to a cap (i.e. maximum amount) or gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied); or</li> <li>• "<b>Digital Return</b>" being their initial investment multiplied by a specified percentage return.</li> </ul> <p><i>Scenario B – Return of Initial Investment</i></p> <p>If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return.</p> <p><b>[Upside Notes with Capital at Risk:</b> The Notes are either Equity-Linked Notes or Index-Linked Notes. The return on these Notes at maturity will be based on the performance of an Underlying and, since the Notes are not capital protected, in certain circumstances this may result in the investor receiving an amount less than their initial investment.</p> <p><i>Scenario A – Greater of Upside Return and Minimum Return</i></p> <p>If at maturity the level or price of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive their initial investment plus the greater of:</p> <p>"<b>Upside Return</b>" being a percentage based on the difference between the final level or price of the Underlying, and the initial level or price of the Underlying (as applicable); this additional return may be subject to a cap (i.e. maximum amount) or gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied"); and</p> <p>"<b>Minimum Return</b>" being a fixed percentage of their initial investment.</p> <p><i>Scenario B – No Return</i></p> <p>If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return, provided that the "Barrier Condition"* is satisfied.</p> <p>*The "<b>Barrier Condition</b>" is satisfied where the Underlying has not fallen below a specified percentage of the initial level or price of the Underlying either: (i) at any time during the period specified in the relevant Final Terms or (ii) on a particular date or dates specified in the relevant Final Terms.</p> |
|--|--|

|  |   |
|--|---|
|  | <p><i>Scenario C – Loss of Investment</i></p> <p>If at maturity the level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying (as applicable) and the "Barrier Condition" is not satisfied, an investor's investment will be reduced by either;</p> <ul style="list-style-type: none"> <li>• an amount linked to the downside performance of the Underlying; this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("<b>Downside Return 1</b>"); or</li> <li>• an amount linked to the downside performance of the Underlying between certain specified levels (such levels being the "<b>Upper Strike</b>" and the "<b>Lower Strike</b>" respectively); this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("<b>Downside Return 2</b>").]</li> </ul> <p>[<b>Upside Notes without Capital at Risk:</b> The Notes are either Equity-Linked Notes or Index-Linked Notes. The return on these Notes at maturity will be based on the performance of an Underlying, however, since the Notes are capital protected, irrespective of the performance of the Underlying, an investor in any Notes which are not Secured Notes with Credit-Linkage, an investor will receive at least a return of their initial investment.</p> <p><i>Scenario A – Greater of Upside Return and Minimum Return</i></p> <p>If at maturity the level or price of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive their initial investment plus the greater of:</p> <p>"<b>Upside Return</b>" being a percentage based on the difference between the final level or price of the Underlying, and the initial level or price of the Underlying (as applicable); this additional return may be subject to a cap (i.e. maximum amount) or gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied); and</p> <p>"<b>Minimum Return</b>" being a fixed percentage of their initial investment</p> <p><i>Scenario B – No Return</i></p> <p>If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return.]</p> <p>[<b>N Barrier (Income) Equity-Linked/Index Linked Notes with Capital at Risk:</b> The Notes are either Equity-Linked Notes or Index-Linked Notes. The return on these Notes at maturity will be based on the performance of an Underlying and, since the Notes are not capital protected, in certain circumstances, this may result in the investor receiving an amount less than their initial investment.</p> <p>An interest payment (an "<b>Interest Amount</b>") will become payable in respect of each specified period at the end of which the price or level of the Underlying is greater than a specified percentage of the initial level or price of the Underlying (the "<b>Interest Amount Level</b>"). The Interest Amount in respect of each specified period is determined independently and paid to the investor on the related interest payment date.</p> <p>At maturity, the final level of the Underlying is used to determine the return of the initial investment.</p> <p><i>Scenario A –Digital Return</i></p> <p>If at maturity the level of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive their initial investment multiplied by a specified percentage return of at least 100% ("<b>Digital Return</b>").</p> <p><i>Scenario B – No Return</i></p> <p>If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return, provided that the "<b>Barrier Condition</b>"* is satisfied.</p> <p>*The "<b>Barrier Condition</b>" is satisfied where the Underlying has not fallen below a specified percentage of the initial level or price of the Underlying either: (i) at any time during the period specified in the relevant Final Terms or (ii) on a particular date or dates specified in the relevant Final Terms.</p> |
|--|---|

|  |   |
|--|---|
|  | <p><i>Scenario C – Loss of Investment</i></p> <p>If at maturity the level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying (as applicable) and the "Barrier Condition" is not satisfied, an investor's investment will be reduced by either:</p> <ul style="list-style-type: none"> <li>•an amount linked to the downside performance of the Underlying; this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("<b>Downside Return 1</b>"); or</li> <li>•an amount linked to the downside performance of the Underlying between certain specified levels (such levels being the "<b>Upper Strike</b>" and the "<b>Lower Strike</b>" respectively); this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("<b>Downside Return 2</b>").]</li> </ul> <p><b>[Range Accrual (Income) Equity-Linked/Index Linked Notes with Capital at Risk:</b> The Notes are either Equity-Linked Notes or Index-Linked Notes. The return on these Notes at maturity will be based on the performance of an Underlying and, since the Notes are not capital protected, in certain circumstances this may result in the investor receiving an amount less than their initial investment.</p> <p>The return on the Notes may include interest payments (each, an "<b>Interest Amount</b>"). The Interest Amount Return will be paid at the end of the relevant specified period in respect of the number of days in such specified period during which the price or level of the Underlying is within a specified range of the initial level or price of the Underlying, between the "<b>Range Upper Level</b>" and the "<b>Range Lower Level</b>". The Interest Amount in respect of each specified period is determined independently and paid to the investor on the related interest payment date.</p> <p>At maturity, the final level of the Underlying is used to determine the return of the initial investment.</p> <p><i>Scenario A –Digital Return</i></p> <p>If at maturity the level of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive their initial investment multiplied by a specified percentage return of at least 100% ("<b>Digital Return</b>").</p> <p><i>Scenario B – No Return</i></p> <p>If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return, provided that the "<b>Barrier Condition</b>"* is satisfied.</p> <p>*The "<b>Barrier Condition</b>" is satisfied where the Underlying has not fallen below a specified percentage of the initial level or price of the Underlying either: (i) at any time during the period specified in the relevant Final Terms or (ii) on a particular date or dates specified in the relevant Final Terms.</p> <p><i>Scenario C – Loss of Investment</i></p> <p>If at maturity the level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying (as applicable) and the "Barrier Condition" is not satisfied, an investor's investment will be reduced by either:</p> <ul style="list-style-type: none"> <li>•an amount linked to the downside performance of the Underlying; this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("<b>Downside Return 1</b>"); or</li> <li>•an amount linked to the downside performance of the Underlying between certain specified levels (such levels being the "<b>Upper Strike</b>" and the "<b>Lower Strike</b>" respectively); this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("<b>Downside Return 2</b>").]</li> </ul> <p><b>[Range Accrual (Income) Equity-Linked Notes without Capital at Risk:</b> The Notes are either Equity-Linked Notes or Index-Linked Notes. The return on these Notes at maturity will be based on the performance of an Underlying, however, since the Notes are capital protected, irrespective of the performance of the Underlying, an investor in any Notes which are not Secured Notes with Credit-Linkage, an investor will receive at least a return of their initial investment.</p> |
|--|---|

|  |  |
|--|--|
|  | <p>The return on the Notes may include interest payments (each, an "<b>Interest Amount</b>"). The Interest Amount will be paid at the end of each specified period in respect of the number of days in such specified period during which the price or level of the Underlying is within a specified range of the initial level or price of the Underlying, between the "<b>Range Upper Level</b>" and the "<b>Range Lower Level</b>". The Interest Amount in respect of each specified period is determined independently and paid to the investor on the related interest payment date.</p> <p>At maturity, the final level of the Underlying is used to determine the return of the initial investment.</p> <p><i>Scenario A – Digital Return</i></p> <p>If at maturity the level of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive their initial investment multiplied by a specified percentage return of at least 100% ("<b>Digital Return</b>").</p> <p><i>Scenario B – No Return</i></p> <p>If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return.</p> <p><b>[Reverse Convertible Notes with Capital at Risk:</b> The Notes are either Equity-Linked Notes or Index-Linked Notes.</p> <p>These Notes will pay either a fixed or floating rate of interest, regardless of the performance of the Underlying. The interest may be payable either at maturity or periodically throughout the life of the Notes.</p> <p>The return on these Notes at maturity will be based on the performance of an Underlying and, since the Notes are not capital protected, in certain circumstances, this may result in the investor receiving an amount less than their initial investment.</p> <p><i>Scenario A – Return of Initial Investment</i></p> <p>At maturity:</p> <ul style="list-style-type: none"> <li>• If the level of the Underlying is greater than or equal to a specified percentage of the initial level or price of the Underlying; or</li> <li>• Where the initial level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying but the "Barrier Condition"* is satisfied,</li> </ul> <p>an investor will receive back their initial investment with no additional return.</p> <p>*The "<b>Barrier Condition</b>" is satisfied where the Underlying has not fallen below a specified percentage of the initial level or price of the Underlying either: (i) at any time during the period specified in the relevant Final Terms or (ii) on a particular date or dates specified in the relevant Final Terms.</p> <p><i>Scenario B – Loss of Investment</i></p> <p>If at maturity the level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying (as applicable) and the "Barrier Condition" is not satisfied, an investor's investment will be reduced by either</p> <ul style="list-style-type: none"> <li>• an amount linked to the downside performance of the Underlying; this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("<b>Downside Return 1</b>"); or</li> <li>• an amount linked to the downside performance of the Underlying between certain specified levels (such levels being the "<b>Upper Strike</b>" and the "<b>Lower Strike</b>" respectively); this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("<b>Downside Return 2</b>").] <p><b>[Inflation-Linked Notes:</b> The Notes are linked to the performance of the UK Retail Prices Index (the "<b>RPI</b>"). The Notes may be linked to the performance of the RPI in relation to (i) interest amounts payable on the Notes; and/or (ii) the return on the Notes payable at maturity.</p> <p>Inflation-Linked Notes will comprise one of the following two options:</p> </li></ul> |
|--|--|

|      |  |   |
|------|--|---|
|      |  | <p><i>Option 1 – Inflation (RPI Principal and Interest) Linked Notes:</i></p> <p>Interest amounts</p> <p>On each specified interest payment date the Notes will pay a fixed rate of interest adjusted to take account of the change in the level of the RPI between (i) a specified month prior to the issue date of the Notes, and (ii) a specified month prior to each relevant interest payment date.</p> <p>Maturity return</p> <p>In addition to the interest amounts set out above, at maturity the return on the Notes will be determined by the change in the level of the RPI 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, subject always to a minimum return at least equal to the investor's initial investment.</p> <p><i>Option 2 – Inflation (RPI Interest only) Linked Notes</i></p> <p>Interest amounts</p> <p>On each specified interest payment date the Notes will pay an amount of interest determined by the change in the level of the RPI 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 prior to each relevant interest payment date. Such interest payments may further include an additional fixed amount of interest ("<b>Margin</b>") and may be subject to a minimum rate of interest or a maximum rate of interest.</p> <p>Maturity return</p> <p>In addition to the interest amounts set out above, at maturity the Notes will pay back the investor's initial investment, regardless of the performance of the RPI.]</p>   |
| C.19 | Exercise price or final reference price of the underlying: | <p>The determination of the performance of [the relevant index/share/basket of indices/basket of shares] will be carried out by the Calculation Agent, being [•] [share/basket of indices/basket of shares] as at the Valuation Time] [,as applicable] [published on [•]].</p> <p>The initial [level/price] of the Underlying will be the [arithmetic average of the] [lowest] [official] [closing] [level/price] [as at the Valuation Time] [on each initial averaging date] [on the Issue Date] [on each scheduled trading day in the period from and including an initial strike date to and including the final strike date].</p> <p>[The final [level/price] of the Underlying] [the level/price of the Underlying used to determine the Interest Amount/whether or not an automatic early redemption is applicable] will be the [arithmetic average of the] [the highest] [official] [closing] [level/price] as at the Valuation Time] [on each [final/interest/automatic early redemption] averaging date] [on each scheduled trading day in the period from and including the final/interest/automatic early redemption averaging start date to and including the final/interest/automatic early redemption averaging end date] [on the final redemption valuation date].]</p> <p>The determination of the redemption amount of the Notes will be carried out by the Calculation Agent, being [•].</p> <p>[The determination of the recovery rate that an investor in the relevant debt obligations of the Collateral Reference Entity/Entities would be likely to recover in the insolvency of the relevant Collateral Reference Entity, will be carried out by the Calculation Agent.]</p> <p>[The determination of the auction price determined by the ISDA Determinations Committee or the applicable market value of the relevant debt obligations of the Collateral Reference Entity/Entities following the occurrence of a credit event relating to the relevant Collateral Reference Entity, will be carried out by the Calculation Agent.]</p> |



|      |                         |  |  |  |  |
|------|-------------------------|--|--|--|--|
| C.20 | Type of the underlying: |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
| OR   |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |
|      |                         |  |  |  |  |

| Section D – Risks |                                   |   |
|-------------------|-----------------------------------|---|
| D.2               | Risks specific to the issuer:     | <p><b>The following are the key risk applicable to the Issuer:</b></p> <p><b>The Issuer's businesses, earnings and financial condition may be affected by the instability in the global financial markets and economic crisis in the eurozone:</b> The performance of the Issuer may be influenced by the economic conditions of the countries in which it operates, particularly the UK and Australia. The outlook for the global economy is uncertain, in particular in European markets due to sovereign debt and speculation around the future of the euro. These market conditions have exerted downward pressure on asset prices and on availability and cost of credit for financial institutions and will continue to impact the credit quality of the Issuer's customers and counterparties. The Issuer may experience increased funding costs and find continued participation in certain markets more challenging. The risk of one or more countries leaving the euro may also have an impact on the Issuer's UK market. Such conditions may cause the Issuer to incur losses, experience reductions in business activity, find continued participation in certain markets more challenging, and experience increased funding costs and funding pressures, lower share prices, decreased asset values, additional write-downs and impairment charges and lower profitability.</p> <p>The precise nature of all the risks and uncertainties the Issuer faces as a result of current economic conditions cannot be predicted and many of these risks are outside the control of the Issuer and materialisation of such risks may adversely affect the Issuer's financial condition and results of operations.</p> <p><b>The Issuer's business performance could be affected if its capital resources and liquidity are not managed effectively:</b> The Issuer's capital and liquidity is critical to its ability to operate its businesses, to grow organically and to take advantage of strategic opportunities.</p> <p>The Issuer is required by regulators in the UK, Australia and other jurisdictions to maintain adequate capital and liquidity ("<b>Basel III</b>"). In the European Union, Basel III will be reflected by amendments to the Capital Requirements Directive (known as "<b>CRD IV</b>") and the application of an EU regulation (known as "<b>CRR</b>") directly in each member state. CRD IV and CRR have been published in final form and will apply from 1 January 2014. Basel III, CRD IV, CRR and proposals of the UK Independent Commission on Banking are likely to impact the management methods of the Issuer in relation to liquidity and capital resources and may also increase the costs of doing business. Any onerous regulatory requirements introduced by regulators could result in inefficiencies in the Issuer's balance sheet structure which may adversely impact the Issuer's profitability and results. Any failure to maintain any increased regulatory capital requirements or to comply with any other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions, which may have a material adverse effect on the Issuer's profitability and results.</p> <p>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, similar to those experienced in the recent global financial crisis and situations arising from a further deterioration in the Eurozone, may cause exceptional changes in the Issuer's markets, products and other businesses. Any exceptional changes 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.</p> <p><b>The Issuer has significant exposure to third party credit risk:</b> The Issuer is exposed to the risk that if third parties which owe the Issuer money, securities or other assets become unable to perform their obligations, the Issuer's funding will be affected. The resulting risk to Investors is that Investors may suffer a loss on their investment if the Issuer is unable to perform its payment obligations under any Notes it issues.</p> |
| D.3               | Risks specific to the securities: | <p>The Notes that may be issued under the Programme are:</p> <ol style="list-style-type: none"> <li>1. Kickout Notes with Capital at Risk;</li> <li>2. Kickout Notes without Capital at Risk;</li> <li>3. Upside Notes with Capital at Risk;</li> <li>4. Upside Notes without Capital at Risk;</li> <li>5. N Barrier (Income) Equity-Linked/Index Linked Notes with Capital at Risk;</li> <li>6. Range Accrual (Income) Equity-Linked/Index Linked Notes with Capital at Risk;</li> </ol>   |

|  |   |
|--|---|
|  | <p>7. Range Accrual (Income) Equity-Linked/Index Linked Notes without Capital at Risk;</p> <p>8. Reverse Convertible Notes with Capital at Risk; and</p> <p>9. Inflation-Linked Notes.</p> <p>The return on the Notes may be linked to a share or basket of shares ("<b>Equity-Linked</b>") or to an index or basket of indices ("<b>Index-Linked</b>") or to a particular rate of inflation ("<b>Inflation-Linked</b>"), each such index, share, basket of shares or basket of indices or rate of inflation being the "<b>Underlying</b>".</p> <p>Below is a description of the risks that may be applicable to some or all of the types of Note issuable under the Programme.</p> <p><b>The following are the key risks applicable to the Notes:</b></p> <p><b>[Capital at Risk:</b> [Kickout Notes, Upside Notes, N Barrier (Income) Equity-Linked/Index Linked Notes, Range Accrual (Income) Equity-Linked/Index Linked Notes, Reverse Convertible Notes] may not be capital protected.</p> <p>The value of the Notes issuable under the Programme prior to maturity depends on a number of factors including the performance of the applicable Underlying. A deterioration in the performance of the Underlying may result in a total or partial loss of the investor's investment in the Notes.</p> <p>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, an investor may lose all of their initial investment.</p> <p>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.]</p> <p><b>[Return linked to performance of the relevant Underlying:</b> The return on the Notes is calculated by reference to the performance of the Underlying. Poor performance of the relevant Underlying could result in investors, at best, forgoing returns that could have been made had they invested in a different product or, at worst, losing some or all of their initial investment.]</p> <p><b>[Downside risk:</b> Since the Notes are not capital protected, if at maturity the level or price of the relevant Underlying is less than or equal to a specified level or price, investors may lose their right to return of all their principal at maturity and may suffer a reduction of their capital in proportion (or a proportion multiplied by a leverage factor) with the decline of the Underlying level or price of the relevant Underlying, in which case investors would be fully exposed to any downside of the relevant Underlying during such specified period].</p> <p><b>Leverage factor:</b> 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, in that the exposure of each Note to the Underlying may be 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.</p> <p>[Since the leverage factor is greater than 100%, [if market conditions change, the value of the Notes will be more volatile than if there was no leverage.]</p> <p>[Since the leverage factor is less than 100%, 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% or more.]</p> <p><b>[Capped return:</b> The return on the Notes is capped. In such circumstances, the exposure to the upside performance of the relevant Underlying is limited. Accordingly, investors could forgo returns that could have been made had they invested in a product without a similar cap.]</p> <p><b>[Maximum rate of interest.</b> The interest payable on the Notes may be subject to a maximum, thereby limiting the return, which could result in the investors forgoing returns that could have been made had they invested in a product with a higher or no predetermined maximum interest payable.]</p> |
|--|---|

|  |   |
|--|---|
|  | <p><b>[Interest linked to Underlying:</b> The return interest payable on Range Accrual Equity-Linked Notes (Income) with Capital at Risk, Range Accrual Equity-Linked Notes (Income) without Capital at Risk, N Barrier Equity-Linked Notes (Income) with Capital at Risk and Inflation-Linked Notes will be dependent on the level or price of the relevant Underlying during the applicable interest period or at the end of the interest period. Noteholders will be exposed to the risk of a prolonged increase or decline in, or volatility of, the relevant Underlying that causes a negative performance in the Underlying, or causes the Underlying level or price of the relevant Underlying to fall outside of the specified range or below the specified level, and this could result in a decrease in the interest payments on the Notes or no interest being payable in relation to the Notes.]</p> <p><b>[Coupon Deferral:</b> If a coupon deferral event occurs Investors in the Notes may not receive the full coupon 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.]</p> <p><b>[Tax:</b> Noteholders will be liable for and/or subject to any taxes, including withholding tax, payable in respect of the Notes.]</p> <p><b>[Key risks specific to Inflation-Linked Notes]</b></p> <p><b>[Volatility of inflation rates:</b> The redemption amount of the Notes payable at scheduled maturity and/or the amount of interest payable in relation to the Notes is determined by reference to levels of, or movements in, specified inflation rates or other rate-dependent variables (each an "<b>Inflation-Related Variable</b>") specified in the Final Terms during the period specified therein. 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.]</p> <p><b>Inflation rates:</b> Investors should be aware that the adjustment to interest and/or principal to account for inflation may be different had a different reference month been specified and may not reflect the inflation rate that is applicable to the investors assets and liabilities.</p> <p><b>[Key risks specific to Secured Notes with Credit-Linkage]</b></p> <p><b>[Security may not be sufficient to meet all payments:</b> Any net proceeds realised upon enforcement of any security granted by the Issuer over a pool of collateral ("<b>Collateral Pool</b>") will be applied in or towards satisfaction of the claims of, among others, the security trustee and any appointee and/or receiver appointed by the trustee in respect of the Secured Notes with Credit-Linkage before the claims of the holders of the relevant Secured Notes with Credit-Linkage. Since the net enforcement proceeds may not be sufficient to meet all payments in respect of the Secured Notes with Credit-Linkage, investors may suffer a loss on their investment.]</p> <p><b>[Collateral Pool may secure more than one series of secured Notes:</b> A Collateral Pool may secure the Issuer's obligations with respect to more than one series of Secured Notes with Credit-Linkage and an event of default under the Notes with respect to any one series of Secured Notes with Credit-Linkage secured by such Collateral Pool may trigger the early redemption of all other series that are secured by the same Collateral Pool in order for the security over the entire Collateral Pool to be enforced. Such cross-default may, among other things, result in losses being incurred by holders of the Secured Notes with Credit-Linkage which would not otherwise have arisen.]</p> <p><b>[Credit-Linkage:</b> The Notes are linked to the credit of the [•] (the "<b>Collateral Reference Entity/Entities</b>") (the "<b>Secured Notes with Credit-Linkage</b>"). If a Collateral Reference Entity becomes [insolvent/subject to a credit event], then the redemption price which would otherwise be payable will be reduced. There is a risk that an investor in the Secured Notes with Credit-Linkage may receive considerably less than the amount paid by such investor, regardless of any positive performance in the Underlying. If all of the Collateral Reference Entities become [insolvent/subject to a credit event], an investor's return on the Secured Notes with Credit-Linkage may be zero.</p> <p><b>Recovery Rate in Secured Notes with Credit-Linkage – Simplified Credit-Linkage:</b> The redemption price payable in respect of the insolvency of a Collateral Reference Entity will be determined by reference to the recovery rate for such Collateral Reference Entity, being the rate or percentage that an investor of unsecured, [subordinated/unsubordinated] debt obligations of the applicable Collateral Reference Entity or specified Collateral Reference Obligations is likely to recover following the bankruptcy or insolvency of such Collateral Reference Entity (the "<b>Recovery Rate</b>") as determined by the Calculation Agent. There is a risk that the return payable to an investor in a Secured Note with Credit-Linkage may be different from the return that investors would have received had they been holding a particular debt instrument issued by the Collateral Reference Entity.]</p> |
|--|---|

|  |  |  |
|--|--|--|
|  |  | <p><b>[Recovery Rate in Secured Notes with Credit-Linkage – ISDA Credit-Linkage:</b> The redemption price payable on the Notes following the occurrence of a credit event in respect of the Collateral Reference Entity will be determined by reference to an auction price for the unsecured, [subordinated/unsubordinated] debt obligations of the applicable Collateral Reference Entity or specified Collateral Reference Obligations as determined by the ISDA Determination Committee or the market value of such obligation(s) ("<b>Recovery Rate</b>"). There is a risk that the return payable to an investor in a Secured Note with Credit-Linkage may be different from the return that investors would have received had they been holding a particular debt instrument issued by the Collateral Reference Entity.]</p> <p><b>[Substitution of Posted Collateral:</b> Collateral posted as security for the Issuer's obligations under the Notes may, at the Issuer's request, be substituted for other items of collateral "<b>Eligible Collateral</b>" provided that on the date of transfer the bid price of the new collateral is equal to or exceeds the bid price of the original collateral. Any such substitution request is subject to (a) verification by the entity appointed as the verification agent (the "<b>Verification Agent</b>") that the new item of collateral is Eligible Collateral; and (b) approval by the Trustee. However, neither the Verification Agent nor the Trustee is obliged to confirm that the bid price of the new item of Eligible Collateral is equal to or exceeds the bid price of the original item of posted collateral. Following any such substitution, the market value of the new item of Eligible Collateral may fall below the value of the original item of posted collateral, and the net proceeds realised upon enforcement of the relevant Collateral Pool may therefore be less than if no such substitution had been made.]</p> |
|--|--|--|

| Section E – Offer |   |  |
|-------------------|---|--|
| <b>E.2b</b>       | <b>Reasons for the Offer and Use of Proceeds:</b> | Not Applicable. The use of proceeds is to make a profit and/or hedge risks.  |
| <b>E.3</b>        | <b>Terms and Conditions of the Offer:</b>         | <p>The Notes will be offered to retail investors in [•].</p> <p>(i) <b>Offer Price.</b> [the Offer price for the Notes is [•] per cent.]</p> <p>(ii) <b>Offer Period:</b> The offer period for the Notes will commence on [•] and end on [•].</p> <p>(iii) <b>Conditions to which the offer is subject:</b> [•].</p> <p>(v) <b>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:</b> [•].</p> <p>(vi) <b>Details of the minimum and/or maximum amount of application:</b> [•].</p> <p>(vii) <b>Details of the method and time limits for paying up and delivering the Notes:</b> [•].</p> <p>(viii) <b>Manner in and date on which results of the offer are to be made public:</b> [The final size will be known (at the end of the Offer Period) / [•]. A copy of the Final Terms will be filed with the Financial Conduct Authority in the UK (the "FCA"). On or before the Issue Date, a notice pursuant to UK Prospectus Rule 2.3.2(2) of the final aggregate principal amount of the Notes will be (i) filed with the FCA and (ii) published in accordance with the method of publication set out in Prospectus Rule 3.2.4(2).] [•]</p> <p>(ix) <b>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</b> [•].</p> <p>(x) <b>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:</b> [•].</p> <p>(xi) <b>Amount of any expenses and taxes specifically charged to the subscriber or purchaser:</b> [•].</p> <p>(xii) <b>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:</b> [•].</p> |
| <b>E.4</b>        | <b>Interests Material to the Issue:</b>           | The Issuer may be the Calculation Agent responsible for making determinations and calculations in connection with the Notes and may also be the valuation agent in connection with the reference asset(s). Such determinations and calculations will determine the amounts that are required to be paid by the Issuer to holders of the Notes. Accordingly when the Issuer acts as Calculation Agent, or Valuation Agent its duties as agent (in the interest of holders of the Notes) may conflict with the interest as issuer of the Notes.  |
| <b>E.7</b>        | <b>Estimated Expenses:</b>                        | Not applicable. Expenses in respect of the offer or listing of the Notes are not charged by the Issuer or Dealers to the Investor.   |

## RISK FACTORS

### Guidance on this Risk Factors section

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider the risk factors associated with any investment in the Notes, together with all other information contained in this Base Prospectus.

This Risk Factors section contains information about the risks involved in an investment in any Notes issued under the Programme, which the Issuer considers to be the principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes and/or risk factors that are material for the purposes of assessing the market risk associated with the Notes. This section is divided into a number of sub-sections, details of which are set out in the table below.

| <i>Name of sub - section</i>                          | <i>Page</i> | <i>Applicable to</i>                       | <i>Explanation</i>   |
|---|-------------|--|--|
| 1) Risks related to the Issuer                        | 23          | All Notes                                  | This sub-section will be relevant for all issues of Notes, as it details the risk factors which the Issuer deems to be material in respect of itself as issuer of Notes and its ability to perform the obligations owed to holders of any Notes. |
| 2) Risks related to the Underlying                    | 23          | All Notes that are linked to an Underlying | This sub-section describes how risks related to the Underlying affect the return on the Notes.   |
| 3) Risks related to specific features of Notes        | 28          | Certain Notes (with specific features)     | This sub-section describes how risks related to the Underlying affect the return on Notes with specified features.   |
| 4) Risks related to Equity-Linked/Index-Linked Notes  | 31          | Equity-Linked/Index-Linked Notes only      | This sub-section will be relevant for issues of Notes which are linked to an underlying share, basket of shares, index or basket of indices.   |
| 5) Risks related to Inflation-Linked Notes            | 37          | Inflation-Linked Notes only                | This sub-section will be relevant for issues of Notes which are linked to an underlying inflation rate.  |
| 6) Risks related to Secured Notes with Credit-Linkage | 38          | Secured Notes with Credit-Linkage          | This sub-section will be relevant for all issues of Notes which are secured by collateral and other forms of security and which have a credit-linkage feature.   |
| 7) Risks related to the market                        | 45          | All Notes                                  | This sub-section will be relevant for all issues of Notes, as it details the risk factors which the Issuer   |

|  |  |  |   |
|--|--|--|---|
|  |  |  | deems to be material in respect of the market in which the Notes are issued and traded. |
|--|--|--|---|

Prospective investors should note that the risks relating to the Issuer, the industry in which it operates and the Notes summarised in the section of this Base Prospectus headed "Summary" are the risks that the Issuer believes to be those risks which are key to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Notes are subject to and which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Base Prospectus headed "Summary" (and set out in more detail below) but also, among other things, the other risks and uncertainties described below.

The list of risks which follows below is not intended to be an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer or the Notes that are not currently known to the Issuer, or that the Issuer currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer, the value of the security or index underlying the Notes or the Notes themselves, and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances. The Notes are designed for investors who are or have access to a suitably qualified independent financial adviser or who have engaged a suitably qualified discretionary investment manager, in order to understand the characteristics and risks associated with structured financial products.

Unless specified otherwise, words and expressions defined in the terms and conditions of the Notes (the "**Terms and Conditions**") have the same meanings in this section.

**1) Risks related to the Issuer**

Risks relating to the Issuer's ability to fulfil its obligations with respect to the Notes can be found on pages 4 to 16 of the registration document dated 11 June 2013 (the "**Registration Document**") in the section headed "**Risk Factors**" which has been incorporated by reference on page 50 of this Base Prospectus. In particular, investors should be aware that payments and return of initial investment in relation to the Notes will, together with the factors outlined below, depend on the solvency of the Issuer.

**2) Risks related to the Underlying**

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 on a Note, and accordingly its value will depend on the performance of a single share, basket of shares, index or basket of indexes, or performance of the UK Retail Prices Index, to which the Note is linked (the "**Underlying**"). Therefore, any reduction in the level or price of the Underlying can be expected to result in a corresponding reduction in 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 or price of the Underlying may change during the term of the Notes. The frequency and amount of any changes in the level or price of the Underlying 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 or price of the Underlying.

**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*

If the size or frequency of market fluctuations in the level or price of the Underlying increases or decreases, the value of the Notes may be affected. Where the Underlying is an index, the volatility of such index will affect the value of the Notes. **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) *Path dependency*

The return of the Notes may be dependent on the movements in (and the calculation of) the level or price of the Underlying over the term of the Notes.

The Notes may have a return that is linked in whole or in part to the average level or price of the Underlying 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 or price of the Underlying has exceeded or fallen below a specified value or level (i.e. breached a specified barrier) on or prior to a specified date. Accordingly, if the Underlying is experiencing a prolonged period of poor performance, the return on the Notes may be affected by such poor performance and investors may be unable to benefit from any single instance of improved performance and may therefore receive **a lower return than investors in a product where the return is calculated only by reference to the value or level of an underlying on a specific date.**

The return on the Notes may be affected by how the performance of the Underlying is calculated, namely the times, dates and methods used for determining the level or price of the Underlying.

For example, in the case of Notes whose redemption price is linked to the level or price of the Underlying exceeding or falling below a specified level or price (i.e. a barrier breach), whether the occurrence of such breach is to be determined at a specific point in time (for example, where the Underlying is an index, at the scheduled closing time of such index) or whether the occurrence of such breach is to be determined on an ongoing basis (for example, at any time during a specified period or as an average) could lead to greatly divergent valuations of the performance of the Underlying and accordingly the return on the Notes.

If the final level or price of the Underlying is calculated over a period of time, rather than on a single date, investors will be exposed to the performance of the

Underlying on days other than the maturity date. **Accordingly, the return on the Notes may be lower if the Underlying is experiencing a temporary period of poor performance.**

If the level or price of the Underlying 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 in respect of the calculation of such level or value. **Accordingly, the return on the Notes may be lower if the Underlying experiences a single atypical instance of poor performance or higher than expected if the Underlying experiences a single atypical instance of positive performance on such specific date than it would be if the performance of the Underlying was measured over several days.**

(v) *Past performance*

Prospective investors should understand that the **historical performance of the Underlying or any component of the Underlying 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 the Underlying could affect the trading price of the Notes.

(vi) *Interest rates*

The value of the Notes may, in addition to being affected by the level or price of the Underlying, be indirectly affected by changes in interest rates. Depending on the Underlying 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 the 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.**

(vii) *Time remaining to maturity*

The Notes may trade at a value above that which would be expected based on interest rates and the level or price of the Underlying. Any such difference will reflect a "time premium" resulting from expectations concerning the Underlying 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 prevailing at the time.**

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

A change in the level or price of the Underlying 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 or price of the Underlying.**

Investors should not invest in any Notes before fully understanding how the value of the Notes is linked to the level or price of the Underlying.

(ix) *Currency fluctuations*

Currency fluctuations may affect the level or price of the Underlying in complex ways. If the level or price of the Underlying 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 or price of the Underlying 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 (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) *Index disclaimer risk*

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. An index sponsor has made no representation 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.

Neither the Issuer nor 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. 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, the Issuer 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.**

(d) ***Hedging activities of the Issuer and affiliates***

The Issuer and/or its affiliates may carry out hedging activities related to the Notes, including purchasing the Underlying, components of the Underlying and/or debt obligations of a Collateral Reference Entity (as defined below), but will not be obliged to do so. Any of these activities could potentially affect the level or price of the Underlying and the debt obligations of the Collateral Reference Entity (as applicable) and, accordingly, the value of the Notes. In addition, the disruption of such hedging arrangements or material increase in cost of such hedging arrangements may lead to an early redemption of a portion of each Note (the "**Relevant Portion**") in whole (but not in part). **Accordingly, investors may receive a lower return than they would have done had they invested in a product whose Issuer did not engage in similar hedging activities.**

(e) ***Conflicts of interest***

The Issuer and/or its affiliates may also purchase and sell the Underlying, components of the Underlying and/or debt obligations of the Collateral Reference Entities on a regular basis as part of their securities businesses. Any of these activities could potentially affect the level or price of the Underlying and the debt obligations of such Collateral Reference Entities (as applicable) and, accordingly, the value of the Notes.

The Issuer and/or its affiliates may from time to time advise the issuers of or obligors in respect of a Collateral Reference Obligation, an Underlying or any component of an Underlying and/or any Collateral Reference Entity regarding transactions to be entered into by them, or engage in transactions involving any Underlying and/or Collateral Reference Entity for their proprietary accounts and for other accounts under their management. Any such transactions may have a positive or negative effect on the value or level of such Underlying and/or the value of such Collateral Reference Entity's debt obligations generally and therefore on the value of the Notes.

In addition, the Issuer may be the Calculation Agent responsible for making determinations and calculations in connection with the Notes. Accordingly, **certain conflicts of interest may arise between the interests of the Issuer and the interests of holders of Notes.**

Investors are subject to the risk that such conflicts of interest may cause the Issuer and/or its affiliates to make determinations and/or take or refrain from taking actions, with a consequential adverse effect on the value and/or amounts payable under the Notes.

(f) ***No Ownership Rights***

An investment in the Notes is not the same as an investment in the Underlying (or any component of the Underlying) and does not confer any legal or beneficial interest in any Underlying (or any component of the Underlying) (or, in relation to Secured Notes with Credit-Linkage (as defined below), any Collateral Reference Entity(y/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 Secured Notes with Credit-Linkage (as defined below), any Collateral Reference Entity(y/ies)) would have. Accordingly, **an investor in the Notes may not benefit from the same rights as a person investing directly in the Underlying** (or, in relation to Secured Notes with Credit-Linkage (as defined below), **any Collateral Reference Entity(y/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) or corporation(s) listed on a regulated exchange or Sovereign(s) named as a Collateral Reference Entity)).

The Notes are unsubordinated and (other than Secured Notes with Credit-Linkage) unsecured obligations of the Issuer. Save when the Underlying or debt obligations of the Collateral Reference Entity forms part of the collateral in respect of Secured Notes with Credit-Linkage, 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.**

(g) ***Information risk***

(i) ***Underlying***

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(y/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(y/ies) and this Base Prospectus contains no information regarding such company(y/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 or price 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.**

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.**

3) **Risks related to specific features of Notes**

(a) ***Notes with Capital at risk***

Kickout Notes, Upside Notes, N Barrier (Income) Equity-Linked/Index Linked Notes, Range Accrual (Income) Equity-Linked/Index Linked Notes, Reverse Convertible Notes which are not capital protected may be issued under the Programme.

The value of the Notes issuable under the Programme prior to maturity depends on a number of factors including the performance of the applicable Underlying. **A deterioration in the performance of the Underlying 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, **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.

(b) ***Unsecured Notes***

Investors investing in unsecured Notes 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 or any other security/collateral and, in a worst case scenario, investors **may not receive any payments under the Notes.**

(c) ***Interest rate risks***

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.**

(d) ***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,**

(e) ***Variable rate Notes, and other Notes, with a multiplier or other leverage factor***

Notes with variable interest rates can be volatile investments. In particular, if they or any Notes linked to an Underlying are structured to include multipliers or other leverage factors/gearing, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

(f) ***Capped Return – Notes which include a cap on return***

The return and/or interest on the Notes may be capped. In such circumstances, the exposure to the upside performance of the relevant Underlying will be limited. **Accordingly, investors could forgo returns and/or interest could have been made had they invested in a product without a similar cap.**

(g) ***Notes subject to optional early redemption***

An optional early redemption feature in favour of the Issuer of Notes (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 Noteholder Put Option (i.e. an optional redemption feature in favour of the Noteholders) 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.

(h) ***Risk of early redemption***

Notes may be mandatorily redeemed prior to their scheduled maturity date for a number of reasons, such as taxation events, or following an event of default specified in the relevant Conditions and Terms for those Notes. **Early redemption may result in investors receiving a lower return on investment and in some circumstances may result in a loss of part or all of their initial investment.** Prospective investors should consider reinvestment risk in light of other investments available at that time. Investors should take particular note of the following circumstances resulting in early redemption:

(i) Early redemption upon Hedging Event

The Issuer will be entitled to redeem the Notes in whole but not in part upon the occurrence of any Hedging Event, i.e. event or circumstance that would make it impossible or impracticable for the Issuer or any counterparty of the Issuer to enter or maintain any hedging arrangement that the Issuer deems necessary in respect of the Notes, or that increases the cost to the Issuer or such counterparty (as compared to the cost at the Issue Date) of entering into or maintain such hedging arrangement. Such an early redemption right of the Issuer could arise due to any reason, including but not limited to, any change in applicable law or regulation.

The European Market Infrastructure Regulation ("**EMIR**"), a new Regulation of the European Parliament and of the Council on derivative transactions, central counterparties and trade repositories entered into force on 16 August 2012. This regulation introduces a mandatory requirement to centrally clear certain specified types of derivative transaction and mandates certain risk mitigation requirements in respect of non-cleared trades. If EMIR has the effect of increasing the costs to the Issuer or the Issuer's counterparty in respect of any hedging arrangements in respect of the Notes or makes such arrangements impossible or impracticable in the opinion of the Issuer or the Calculation Agent, an early redemption of the Notes may occur. Unless Redemption upon Hedging Event is specified as not applicable in the applicable Final Terms, and a Hedging Event occurs, then the Notes may be redeemed at par (plus any accrued interest) or at their fair market value, as specified in the applicable Final Terms.

(ii) Early redemption upon Illegality Event

The Issuer will be entitled to redeem the Notes in whole but not in part upon the occurrence of any Illegality Event, i.e. event or circumstance that would make it unlawful or impracticable for the Issuer to enter or maintain a Series of Notes, or that increases the cost to the Issuer (as compared to the cost at the Issue Date) of entering into or maintain such Series of Notes, in each case, 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.

(i) ***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 relevant 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.**

**4) Risks related to Equity-Linked/Index-Linked Notes**

(A) If this section is being read by an investor in Notes which are linked to a share, basket of shares or basket of indices (rather than linked to a single index) any reference to "**index**" shall be construed by that investor as being a reference to "**share**", "**basket of indices**" or "**basket of shares**" (as applicable to the relevant investor).

(B) Consequently, references to:

- "**level**" in respect of a single index shall be construed as a reference to "**level**" in respect to a basket of indices; "**price**" in respect of a single share; and "**value**" in respect of a basket of shares (as applicable to the relevant investor);
- "**Initial Index Level**" in respect of a single index shall be construed as "**Initial Index Level**" in respect of a basket of indices; "**Initial Share Price**" in respect of a single share; and "**Initial Value**" in respect of a basket of shares (as applicable to the relevant investor); and
- "**Final Index Level**" in respect of a single Index shall be construed as references to "**Final Index Level**" in respect of basket of indices; "**Final Share Price**" in respect of a single share; and "**Final Value**" in respect of a basket of shares (as applicable to the relevant investor).

(a) ***Upside limits – all Notes***

The amount of upside or positive return on all Notes, payable in the event that at maturity the level of the relevant index is greater than a certain specified level (the "**Return Threshold**"), will depend in part on the type of formula used to calculate the upside return specified in the Final Terms. Accordingly, the return on the Notes may either be:

- (i) an amount equal, solely or in part (depending on the type of Note), to a digital return, being the initial investment multiplied by a specified digital return percentage of at least 100%; or
- (ii) an amount equal, solely or in part (depending on the type of Note), to the initial investment plus an amount equal to the increase in the performance of the index, which may be multiplied by a leverage factor and/or subject to a cap.

**In these circumstances, although investors will not experience a loss on their investment, they 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% or a digital return, the investors' exposure to the positive performance of the relevant index 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.**



(b) ***Leverage / Gearing – Notes which include leverage in the return***

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, in that the exposure of each Note to the 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%, 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% or more.

(c) ***Value of baskets in relation to Equity-Linked Notes and Index-Linked Notes***

Where the Underlying is a basket of shares, an equity index or a basket of equity indices, the level or price of the Underlying may be affected by the number of companies represented in such basket or index. Generally, the value of a basket of shares or an equity index that includes shares from a number of companies which gives relatively equal weight to the shares of each of such companies will be less affected by changes in the value of any particular shares included therein than a basket of shares or an index that includes the shares of fewer companies or that gives greater weight to the shares of some of the companies included therein. In addition, if the shares included in a basket of shares or index are of companies in a particular industry sector, 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 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 or index may result in investors receiving a lower return on the Notes than would have been payable on a single share or a basket or index composed of different shares or having different weightings.**

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

Where the applicable Final Terms specify that the Underlying is a basket and that the "Best of" feature is applicable, the value of the basket will depend on the level or price of the Underlying 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 Underlying comprising the basket over a specified period of time. Conversely, where the applicable Final Terms specify that the "Worst of" feature is applicable, the value of the basket will depend the level or price of the underlying asset 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 Underlying comprising the basket over a specified period of time. As the best-performing underlying assets, or the worst-performing Underlying of a basket, as applicable, 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.

Accordingly, investors in Notes which have a 'worst of' feature may suffer a greater loss than they would have suffered had they invested the initial investment in a product where the return was based on the performance of the best performing of several Underlyings or on the performance of only one Underlying.

**Investors in Notes which have a "Worst of" feature and which automatically redeem prior to maturity if the level or price of the worst performing Underlying is greater than a specified level, although they will not experience a loss on their investment, will not benefit from any earlier return that they may have received had they invested the initial investment in a similar product where the automatic early redemption is based on the performance of the best performing of several indices or on the performance of only one index.**

(e) ***Effect of Barrier Condition***

The return Equity-Linked/Index-Linked Notes that have capital at risk (namely Kick-out Notes with Capital at Risk, Upside Notes with Capital at Risk, N-Barrier (Income) Equity Linked/Index Linked

Notes with Capital at Risk, Range Accrual (Income) Equity-Linked/Index-Linked Notes with Capital at Risk and Reverse Convertible Notes with Capital at Risk) will be dependent on whether or not a condition is satisfied in relation to the relevant underlying (the "**Barrier Condition**").

The Barrier Condition will be a condition that the level of the relevant Underlying 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) is higher than 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 linked to the downside performance of the relevant Underlying, as further described for each type of Note below, 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 or price of an Underlying on a particular retention date, during an observation period, or on particular observation dates may have been satisfied had the determination been made by reference to the level or price 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.

(f) ***Kick-Out Notes with Capital at Risk***

(i) *Downside risk*

If at maturity the level of the index is less than or equal to a specified level (the "**Return Threshold**") and 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, an amount linked to the downside performance of the index, which 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 (or a proportion multiplied by a gearing percentage) 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;** or

B. where the Final Terms specify that Downside Return 2 is applicable, an amount linked to the downside performance of the index between certain specified levels (such levels 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 of the index level 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 of the relevant index and, as a result, may lose all of their initial investment.**

(ii) *Upside limits*

If the level of the relevant index 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%). 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. In addition, the risks set out in paragraph (a) (***Upside Limits - all notes***) are applicable to kick-out Notes with Capital at Risk

(g) ***Kick-Out Notes without Capital at Risk***

*Upside limits*

If the level of the relevant index 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%). **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.**

In addition, the risks set out in paragraph (a) (*Upside Limits - all notes*) are applicable to Kick-Out Notes without Capital at Risk.

(h) ***Upside Notes with Capital at Risk***

(i) *Downside risk*

If at maturity the level of the index is less than or equal to the Return Threshold and the 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, an amount linked to the downside performance of the index, 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 (or a proportion multiplied by a gearing percentage) 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; or**

B. where the Final Terms specify that Downside Return 2 is applicable, an amount linked to the downside performance of the index between certain specified levels (such levels 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 of the index level 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 of the relevant index and, as a result, may lose all of their initial investment.**

(i) ***Upside Notes without Capital at Risk***

Although investors will not experience a loss on their investment, they may not benefit from the full upside as described in paragraph (a) (*Upside Limits – All Notes*).

(j) ***N Barrier (Income) Equity-Linked Notes with Capital at Risk***

(i) *Downside risk*

If at maturity the level of the index is less than or equal to the Return Threshold and the 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, an amount linked to the downside performance of the index, and may be subject to gearing. **In these circumstances, the return (subject to any interest amounts received) 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 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 (subject to any interest amounts received); or**

B. where the Final Terms specify that Downside Return 2 is applicable, an amount linked to the downside performance of the index between certain specified levels (such levels being the upper strike and the lower strike respectively), and may be subject to gearing, plus any interest amount which has become due in respect of each specified date or period. **In these circumstances, the return (subject to any interest return received) 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 of the index level 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 of the relevant index and, as a result, may lose all of their initial investment (subject to any interest return received).**

An investor may also receive interest in relation to specified interest periods where the level of the index was greater than a certain threshold. If the level of the index is not greater than the threshold at such time, no interest will be payable for the relevant period. Investors will therefore be exposed to the risk of a prolonged decline in the relevant **index that causes the index level to fall below the specified threshold(s).**

(ii) *Upside limits*

Interest will become due respect of a specified period or date only where the level of the index 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.** In addition, the notes set out in paragraph (a) (*Upside Limits – all notes*) are applicable to No Barrier (Income) Equity-Linked Notes with Capital at Risk.

(k) ***Range Accrual (Income) Equity-Linked Notes with Capital at Risk***

(i) *Downside risk*

If at maturity the level of the index is less than or equal to the Return Threshold and the 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, an amount linked to the downside performance of the index, and may be subject to gearing. **In these circumstances, the return (subject to any interest received) 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 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 (subject to any interest received); or**

B. where the Final Terms specify that Downside Return 2 is applicable, an amount linked to the downside performance of the index between certain specified levels (such levels being the upper strike and the lower strike respectively), and may be subject to gearing. **In these circumstances, the return (subject to any interest received) 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 of the index level 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 of the relevant index and, as a result, may lose all of their initial investment (subject to any interest received).**

An investor may also receive interest in relation to specified interest periods on the basis of the number of days the level of the relevant index is within the specified range(s). An increase in the number of days on which the level of the relevant index is outside such range(s) will cause the return to investors to decrease. **Investors will therefore be exposed to the risk of a prolonged increase or decline in, or volatility of, the relevant index that causes the index level to fall outside of the specified range(s).**

(ii) *Upside limits*

Interest will become due in respect of a specified period only where the index level 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 index 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.** In addition, the notes set out in paragraph (a) (*Upside Limits – all notes*) are applicable to Range Accrual (Income) Equity-Linked Notes with Capital at Risk.

(l) ***Range Accrual (Income) Equity-Linked Notes without Capital at Risk***

(i) *Downside risk*

Since the interest is linked to the number of days the level of the relevant index is within the specified range(s), an increase in the number of days on which the level of the relevant index is outside such range(s) will cause the return to investors to decrease. **Investors will therefore be exposed to the risk of a prolonged increase or decline in, or volatility of, the relevant index that causes the index level to fall outside of the specified range(s).**

(ii) *Upside limits*

Interest will become due in respect of a specified period only where the index level is within a range specified for such period for one or more days during such period. The 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 interest period and the range within which the index 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.** In addition the risks set out in paragraph (a) (*Upside Limits – all notes*) are applicable to Range Accrual (Income) Equity-Linked Notes without Capital at Risk.

(m) ***Reverse Convertible Notes with Capital at Risk***

*Downside risk*

If at maturity the level of the index is less than or equal to both the Return Threshold and the 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, an amount linked to the downside performance of the index, 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 (or a proportion multiplied by a gearing percentage) 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; or**

B. where the Final Terms specify that Downside Return 2 is applicable, an amount linked to the downside performance of the index between certain specified levels (such levels 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 of the index level 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 of the relevant index and, as a result, may lose all of their initial investment.**

#### *Upside Limits*

In addition the risks set out in paragraph (a) (*Upside Limits – all notes*) are applicable to Reverse Convertible Notes with Capital at Risk.

### **5) Risks related to Inflation-Linked Notes**

#### ***Volatility of inflation rates***

The redemption amount of the Notes payable at scheduled maturity and/or the amount of interest payable in relation to the Notes may be determined by reference to levels of, or movements in, specified inflation rates or other rate-dependent variables (each an "**Inflation-Related Variable**"), as specified in the Final Terms during the period specified therein.

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.**

#### ***Disruption Event***

Prospective investors in the Inflation-Linked Notes should note that, following the occurrence of a Disruption Event (as defined in Part C - Inflation-Linked Notes), the Notes will be redeemed by payment of the Early Redemption Amount which will occur as soon as the Calculation Agent determines that it is practical to calculate the Early Redemption Amount and to effect payment of it, which may be subject to delays and may result in a loss to the investors.

#### ***Inflation-Linked Notes***

Inflation-Linked Notes are Notes which may be scheduled to provide either (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 shall 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.

The redemption amount of the Inflation-Linked Notes will be either (a) at par, or (b) inflation-linked, as specified in the applicable Final Terms. In case of (b), the amount payable at maturity in respect of the Inflation-Linked Notes shall be linked to the change in the levels of the underlying inflation index between an initial level and the level for a specified reference month.

**Investors should be aware that the adjustment to interest and/or principal to account of inflation may be different had a different reference month been specified and may not reflect the inflation rate that is applicable to the investors assets and liabilities.**

Only if either the interest amount or the final redemption amount is specified as linked to an inflation index, would the risks set out in the section entitled "*Risk Factors related to Inflation-Linked Notes*" be applicable.

6) **Risks related to Secured Notes with Credit-Linkage**

(a) ***A Collateral Pool may not be sufficient to meet all payments in respect of the Secured Notes with Credit-Linkage***

Certain Notes ("**Secured Notes with Credit-Linkage**") have the benefit of security granted by the Issuer over a pool of collateral (a "**Collateral Pool**") (which may be comprised of cash and/or government bonds and/or senior or subordinated debt obligations of specified entities). The collateral in the Collateral Pool is valued periodically and the Issuer may be required to transfer further collateral or may withdraw collateral depending on the amount of the Issuer's obligations secured by the Collateral Pool and the value of the collateral.

Such security may be enforced if the Issuer defaults on certain obligations under the Notes and, in such circumstances, any net proceeds realised upon enforcement of the security will be applied in or towards satisfaction of the claims of, among others, the security trustee (the "**Trustee**") and any appointee and/or receiver appointed by the Trustee in respect of the relevant Secured Notes with Credit-Linkage before the claims of the holders of the relevant Secured Notes with Credit-Linkage. Accordingly, whilst investors in Secured Notes with Credit-Linkage have recourse to any proceeds realised upon enforcement of the security and may therefore recover some of their initial investment and may as a result suffer a lesser loss on their investment than investors in unsecured Notes or other unsecured products, there is **no guarantee that investors in Secured Notes with Credit-Linkage will recover the full amount of their initial investment** if the net proceeds are insufficient to satisfy the claims of all persons who benefit from such security.

The deed creating the security over a Collateral Pool (the "**Supplemental Trust Deed**") may provide for payment of a specified amount (an "**Independent Amount**"), in which case the Issuer will be required to maintain in the Collateral Pool at all times an additional amount equal to the Independent Amount. The Independent Amount is intended to address, in part, any claims that may rank ahead of the claims of the relevant holders of the Secured Notes with Credit-Linkage. However, any required periodic valuations of the Collateral Pool will not value or otherwise take into account any such prior ranking claims, and the Independent Amount, if any, will not be changed from time to time. To the extent that the amounts payable in respect of prior ranking claims exceed the Independent Amount (if any) applicable to that Collateral Pool, the net proceeds realised from that Collateral Pool may be insufficient to meet in full the claims of the holders of the relevant Secured Notes with Credit-Linkage.

The Supplemental Trust Deed may also provide for a specified minimum amount (the "**Minimum Transfer Amount**"), in which case the Issuer will not be required to post additional collateral following a periodic valuation if the amount of additional collateral that needs to be posted is below the Minimum Transfer Amount. Accordingly, if the security in relation to such Collateral Pool were enforced, the net proceeds realised from the Collateral Pool may be less than it otherwise would have been had there been no Minimum Transfer Amount.

Furthermore, changes in the market value of the collateral posted in the Collateral Pool arising after the date on which Secured Notes with Credit-Linkage become due and payable following an event of default under the Notes may mean that the net proceeds realised upon enforcement of the security over a Collateral Pool are insufficient to meet in full the claims of the holders of the relevant Secured Notes with Credit-Linkage.

(b) ***Collateral Pool may secure more than one Series of Secured Notes with Credit-Linkage***

A Collateral Pool may secure the Issuer's obligations with respect to more than one series of Secured Notes with Credit-Linkage and an event of default under the Notes with respect to any one series of Secured Notes with Credit-Linkage secured by such Collateral Pool may trigger the early redemption of all other series that are secured by

the same Collateral Pool in order for the security over the entire Collateral Pool to be enforced. Such cross-default may, among other things, result in losses being incurred by holders of the Secured Notes with Credit-Linkage which would not otherwise have arisen.

(c) ***Substitution of Posted Collateral***

The Issuer may request that certain items of posted collateral be substituted for other items of permitted collateral ("**Eligible Collateral**") provided that certain conditions are met, including, among others, that the bid price of the new item of Eligible Collateral on the date of transfer is equal to or exceeds the bid price of the original item of posted collateral. Any such substitution request is subject to (a) verification by the Verification Agent (Deutsche Bank AG, London branch or any successor appointed pursuant to the terms of the Agency Agreement) that the new item of collateral is Eligible Collateral; and (b) approval by the Trustee. However, neither the Verification Agent nor the Trustee is obliged to confirm that the bid price of the new item of Eligible Collateral is equal to or exceeds the bid price of the original item of posted collateral. **Following any such substitution, the market value of the new item of Eligible Collateral may fall below the value of the original item of posted collateral, and the net proceeds realised upon enforcement of the relevant Collateral Pool may therefore be less than if no such substitution had been made.**

(d) ***Custody arrangements***

If the Issuer's financial position were to deteriorate so that it become insolvent or otherwise unable to perform any of its obligations under the Notes, such that the security over any cash posted as collateral and held in the custody of an independent entity (the "**Custodian**") becomes enforceable, claims of any holders of Secured Notes with Credit-Linkage will be satisfied from the proceeds realised upon enforcement of such security. However, if at or prior to the time of such enforcement the financial position of Custodian were also to deteriorate so that it also becomes insolvent, such cash amounts will not be protected from any claims of persons to whom the Custodian owed obligations. **Accordingly, such security may not be realisable in order to fully or even partially satisfy the claims of the holders of the relevant Secured Notes with Credit-Linkage. In such circumstances, investors in Secured Notes with Credit-Linkage may be in no better position than investors in unsecured Notes.**

Furthermore, the Custodian may appoint sub-custodians to hold such posted collateral in its place in a manner that does not provide the Issuer or Trustee with any contractual rights against the sub-custodians. Accordingly, in the event that the Trustee attempts to enforce the security over any Collateral Pool, it will have no direct rights against any sub-custodian and will need to rely on the rights that it has with respect to the Custodian. Therefore, if the Custodian becomes unable to perform its obligations, the Trustee and Issuer may have no recourse to the posted collateral and accordingly **investors in the Secured Notes with Credit-Linkage may be left unprotected.**

(e) ***Valuation Agent conflicts of interest***

Investec Bank plc, in its capacity as Valuation Agent, will be responsible for carrying out periodic valuations of the posted collateral in the Collateral Pool required under the terms of the Notes. Such valuations will determine, among other things, the amount of additional collateral (if any) that Investec Bank plc, in its capacity as the Issuer, will need to post to secure its obligations with respect to the relevant series of Secured Notes with Credit-Linkage. As a result of the fact that a determination that additional collateral is required to be posted will have a detrimental impact on the financial position of the Issuer, this arrangement carries the risk that the valuation given may be lower due to the Valuation Agent and the Issuer being the same entity and therefore sharing financial interests. Accordingly, certain conflicts of interest may arise between Investec Bank plc in its capacity as Valuation Agent and the holders of the Secured Notes with Credit-Linkage.



If no or insufficient additional collateral is posted as a result of a deliberately inaccurate valuation, there may be insufficient proceeds realised from any enforcement of security over such Collateral Pool and accordingly **holders of the Secured Notes with Credit-Linkage may suffer greater losses than envisaged.**

(f) ***Fixed charges may take effect under English law as floating charges***

The Issuer will grant a security interest (expressed to be a fixed charge) over the Collateral Pool in favour of the Trustee to be held for the benefit of the holders of the Secured Notes with Credit-Linkage. However, the law in England and Wales relating to the characterisation of fixed charges is not settled and the Issuer cannot exclude the possibility that the fixed charges expressed to be granted by it may take effect under English law as floating charges only. If, contrary to the Issuer's intention, such fixed charges were to take effect as floating charges, then certain claims may be satisfied out of the net proceeds realised upon enforcement of the security over such Collateral Pool ahead of the claims of the holders of the relevant Secured Notes with Credit-Linkage. Accordingly, **the net proceeds may be insufficient to pay the holders of the relevant Secured Notes with Credit-Linkage in full or in part.**

In addition, if the Issuer were to go into administration pursuant to the provisions of the UK Insolvency Act 1986 (as amended by the Enterprise Act 2002), then the Trustee may not be able to enforce the security for the duration of any moratorium or stay imposed in connection with the administration procedure. This may lead to delays in the enforcement of any security and may, among other things, result in losses being incurred by the holders of the relevant Secured Notes with Credit-Linkage.

(g) ***Collateral Reference Entities***

"**Collateral Reference Entities**" will be one or more financial institutions or corporations listed on a regulated exchange 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 (a "**Sovereign**"), about which there is available public information. No investigation has been or will be made regarding any of the Collateral Reference Entities. Prospective investors in Secured Notes with Credit-Linkage should consider the risks relating to Collateral Reference Entities as if they were investing directly in the debt obligations of the Collateral Reference Entities. In addition, investors should understand that the historical performance of any specific debt obligation or the debt obligations of such Collateral Reference Entities generally is not predictive of future performance. The Collateral 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 Collateral Reference Entity can be obtained, however, there is a risk that such information will not contain all material events or information regarding the Collateral Reference Entities.**

(h) ***Multiple credit exposure***

Secured Notes with Credit-Linkage are linked to the credit or solvency of one or more specified Collateral Reference Entities, with each Collateral Reference Entity having the Collateral Reference Entity Weighting specified in the applicable Final Terms.

Secured Notes with Credit-Linkage 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. Secured Notes with Credit-Linkage are not capital protected and investors may lose all or a substantial portion of their initial investment.**

As the redemption amount payable in respect of each Secured Note with Credit-Linkage is determined by reference to the credit or solvency of one or more specified Collateral Reference Entities, investors will be exposed to the credit risk of those Collateral Reference Entities. Therefore, **investors in Secured Notes with Credit-Linkage will**

**also be exposed to the credit of the specified Collateral Reference Entity/ties. Accordingly, in such circumstances, the redemption amount payable in respect of the Relevant Portion of the Notes will be reduced, and may be substantially reduced.** However, exposure to the credit of the Issuer is reduced to the extent of the value of the security.

- (i) ***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 Collateral Reference Entities becomes insolvent, then the Calculation Agent may give notice of the occurrence of such event (a "**Credit Event Notice**") and the portion of the Notes linked to that particular Collateral Reference Entity, (the "**Relevant Portion**") may be redeemed as if such Relevant Portion were a separate Note, in accordance with the provisions of Condition 21(b).

**If one or more Collateral Reference Entities become insolvent, 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, if all of the relevant Collateral Reference Entities (or, in the case of a Note referencing a single Collateral Reference Entity, that Collateral Reference Entity) becomes insolvent, investors in such Notes may lose all of their investment.**

The redemption amount payable in respect of a Secured Note with Credit-Linkage following the giving of a Credit Event Notice (in the case of Simplified Credit-Linkage) will be determined by the Calculation Agent, acting in a commercially reasonable manner, by reference to the Adjusted Fair Market Value of the Relevant Portion and the Recovery Rate for such Collateral Reference Entity, as the case may be. The Recovery Rate for a Collateral Reference Entity is either: (a) the General Recovery Rate or (b) the Specific Recovery Rate in respect of such Collateral Reference Entity, as specified in the applicable Final Terms.

The General Recovery Rate is the rate or percentage that an investor of unsecured, subordinated or unsubordinated (as specified in the applicable Final Terms) structured debt obligations of the Collateral Reference Entity would be likely to recover following the insolvency or bankruptcy of such Collateral Reference Entity as determined by the Calculation Agent.

Investors should note that the General Recovery Rate in respect of a Collateral Reference Entity is not determined by reference to any one specific debt obligation of the Collateral Reference Entity, but by the Calculation Agent by reference to the unsecured, subordinated or unsubordinated (as specified in the applicable Final Terms) structured debt obligations of the Collateral Reference Entity generally. **Accordingly, the redemption amount payable in respect of the Relevant Portion of each Secured Note with Credit-Linkage linked to the credit or solvency of one or more Collateral Reference Entities (where General Recovery Rate is specified in the applicable Final Terms) may be different from the return that investors would have received had they been holding a particular debt instrument issued by the specified Collateral Reference Entity.**

The Specific Recovery Rate is the rate or percentage that an investor in the collateral reference obligation (specified in the applicable Final Terms) of the Collateral Reference Entity would be likely to recover following the insolvency or bankruptcy of such Collateral Reference Entity as determined by the Calculation Agent.

Investors should note that the Specific Recovery Rate in respect of a Collateral Reference Entity is determined by reference to a specific debt obligation (being the Collateral Reference Obligation specified in the applicable Final Terms) of the Collateral Reference Entity by the Calculation Agent. **Accordingly, the redemption amount payable in respect of the Relevant Portion of each Secured Note linked to the credit or solvency of one or more Collateral Reference Entities (where Specific Recovery Rate is specified in the applicable Final Terms) may be different from the return that investors would have received had they been holding a different debt instrument or if General Recovery Rate were specified as applicable.**

**In either case, if the Recovery Rate is less than 100 per cent., an investor will get back less than their initial investment in relation to the Relevant Portion.**

*Postponement of payment of Final Redemption Amount following Credit Event (Simplified Credit-Linkage)*

Each Series of Secured Notes with Credit-Linkage that is specified as Simplified Credit-Linkage may be redeemed following the occurrence of a Credit Event with respect to the relevant Collateral Reference Entity. If the applicable Final Terms specifies General Recovery Rate in respect of the Credit Event Redemption Amount, then payment of the redemption amount may be delayed for some time and could be delayed until 30 days after the date that the Calculation Agent determines that holders of unsecured, subordinated or unsubordinated (as specified in the applicable Final Terms) structured debt obligations of the Collateral Reference Entity ("**general unsecured creditors**") actually received or are likely to receive final payment with respect to such debt. If the applicable Final Terms specifies Specific Recovery Rate in respect of the Credit Event Redemption Amount, then payment of the redemption amount may be delayed for some time and could be delayed until 30 days after the date that the Calculation Agent determines that holders of specified Collateral Reference Obligation of the Collateral Reference Entity ("**specific creditors**") actually received or are likely to receive final payment with respect to such debt.

Accordingly, any delay in the payment of such debt to the general unsecured creditors or the specific creditors, as applicable, will cause a delay in payment of the Relevant Portion of the Note. The date on which general unsecured creditors or the specific creditors, as applicable, actually receive or are likely to receive final payment in respect of such debt or Collateral Reference Obligation (as applicable) and the date when payment of the Relevant Portion of the Note is to be made by the Issuer may fall after the Note's scheduled maturity date. **No interest is payable to Noteholders during this period of delay, which may be considerable and may extend years beyond the scheduled maturity date of the relevant Notes.**

(ii) *ISDA Credit-Linkage*

If a credit event (broadly speaking, a bankruptcy event, a failure to pay amounts due on obligations or a restructuring of debt obligations in a manner that is detrimental to creditors) occurs in relation to a Collateral Reference Entity, then the redemption amount payable in respect of the Note will be determined by reference to the Adjusted Fair Market Value of the Relevant Portion and the Recovery Rate.

The Recovery Rate, in this case, 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 Collateral

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 (as specified in the Final Terms) of the Collateral Reference Entity as determined by the Calculation Agent.

**In either case, if the Recovery Rate is less than 100 per cent., an investor will get back less than their initial investment in relation to the Relevant Portion.** Following a credit event in relation to a Collateral Reference Entity, the redemption date of the Relevant Portion of the Note will also potentially change so that it falls on a date that a seller of credit protection in respect of the Collateral Reference Entity under a market standard document would be obliged to settle its obligations.

If one or more Collateral Reference Entities suffers a Credit Event an investor in such Notes may receive considerably less than the amount paid by such investor for such Notes, irrespective of the performance of any Underlying, and **if all of the relevant Collateral Reference Entities (or, in the case of a Note referencing a single Collateral Reference Entity, that Collateral Reference Entity) suffer a Credit Event, investors in such Notes may lose all of their investment.**

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 Secured Note with a Credit-Linkage feature (in the case of ISDA Credit-Linkage) may be different from the return that investors would have received had they been holding a particular debt instrument issued by the specified Collateral Reference Entity.

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 Secured Note with Credit-Linkage (in the case of ISDA 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 Collateral Reference Entity.

(j) ***Extension of Maturity (ISDA Credit Linkage only)***

At any time prior to the Maturity Date of Secured Notes with Credit-Linkage that is specified as ISDA Credit-Linkage, Noteholders may receive notice (in accordance with Condition 13 (*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 Collateral 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 Collateral Reference Entity prior to maturity. **Accordingly, investors may not receive the redemption payment relating to the Relevant Portion of the Note linked to the Collateral 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 Collateral Reference Entity.**

(k) ***Cessation of accrual of Interest***

Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from (but excluding) the Credit Event Notice Date (in the case of Secured Notes with a Credit-Linkage feature that is specified as Simplified Credit-Linkage) or the Event Determination Date (in the case of Secured Notes with Credit-Linkage that is specified

as ISDA Credit-Linkage). Cessation of accrual of interest may impact any Notes that pay an interest amount and an investor in these Notes may receive a lower return.

(l) ***Interest Postponement (ISDA Credit Linkage only)***

At any time, Noteholders of Secured Notes with Credit-Linkage that is specified as ISDA Credit-Linkage may receive notice (in accordance with Condition 13 (*Notices*)) that a payment of interest scheduled to be paid on any date in respect of any Relevant Portion of a Note is to be suspended, where the Calculation Agent determines that a credit event has or may have taken place in relation to the relevant Collateral 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.**

(m) ***Correlation risk***

The likelihood of a credit event or insolvency occurring in respect of any Collateral Reference Entity will generally fluctuate with, among other things, the financial condition of such Collateral 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 Secured Notes with Credit-Linkage which are linked to more than one Collateral Reference Entity, such Collateral 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 Collateral Reference Entity may be strongly correlated with the credit deterioration of the other Collateral Reference Entities. If one Collateral Reference Entity is negatively affected by certain market conditions, such market conditions are likely to also affect the other Collateral Reference Entities and/or the Issuer. **This may result in substantial decreases in the return payable on such Secured Note with Credit-Linkage over a short period of time as more than one Collateral Reference Entity and possibly also the Issuer is affected by the same market conditions. Furthermore, the occurrence of a credit event or insolvency in relation to one Collateral Reference Entity may exacerbate market conditions and contribute to the credit deterioration of the other relevant Collateral Reference Entities and/or the Issuer.**

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

With respect to Secured Notes with Credit-Linkage, the Issuer may but is not required under the terms of the deed relating to such Secured Notes with Credit-Linkage ("**Trust Deed**") to purchase debt securities of the relevant Collateral 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 Collateral Reference Entities and accordingly the Collateral Pool for such Secured Notes with Credit-Linkage may not in fact include debt instruments of one or more of the relevant Collateral Reference Entities. **Following the delivery of a Credit Event Notice with respect to any Collateral Reference Entity, the return payable to an investor in the Secured Notes with Credit-Linkage 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.**

(o) ***Collateral Reference Obligations may consist of subordinated debt***

Any Collateral Reference Obligations specified in the applicable Final Terms for Secured Notes with Credit-Linkage 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 Collateral Reference Obligation.

## **7) Risks related to the market generally**

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

### ***The secondary market generally***

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.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, commissions paid by the Issuer or the Dealer and the financial condition of the Issuer. Although application has been made for Notes issued under the Programme to be admitted to the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted, that an active trading market will develop or that any listing or admission to trading will be maintained.

### ***Similar public offerings***

If a large number of public offerings of similar notes or securities similar to the Underlying (or a component thereof) are made in the United Kingdom or elsewhere, the Notes may attract fewer investors. In addition, factors affecting the economy of the country or countries in which the companies whose shares comprise the Underlying (or components thereof) conduct their operations may affect the value of the Underlying and may make the Underlying, and accordingly the Notes, less attractive to investors. Accordingly, the trading price of the Notes may be adversely affected.

### ***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.

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.

### ***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, the additional factors discussed above or other factors that may affect the value of the Notes. Investors should be aware that any rating of the Notes reflects the independent opinion of the relevant rating agency and is not a guarantee of the Notes' credit quality. 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.

### ***Credit ratings of Issuer***

The value of the Notes may be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the Issuer's outstanding securities by standard statistical rating services, such as Moody's Investors Service Inc., Standard & Poor's (a division of the McGraw-Hill Companies, Inc) and Fitch Ratings Limited. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer, by one of these rating agencies could result in a reduction in the trading value of the Notes. Investors should be aware that any rating of the Issuer reflects the independent opinion of the relevant rating agency and is not a guarantee of the Issuer's credit quality. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

## **8) Risks related to legal framework of the Notes**

### **(a) *Modification, waivers and substitution***

The conditions of the Notes contain provisions for calling meetings to consider matters generally affecting the interests of holders of the relevant Notes (the "**Noteholders**"). Defined majorities are capable of binding all Noteholders with respect to matters considered at such meetings, including Noteholders who did not attend or 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 or (ii) determine without the consent of the Noteholders that any actual or potential event of default shall not be treated as such or (iii) the substitution of a company other than the Issuer as principal debtor under any Notes. **Accordingly, Noteholders are exposed to the risk that their rights in respect of the Notes are varied against their will, which may result in an investment in any Notes becoming less advantageous to a particular Noteholder depending on individual circumstances.**

### **(b) *Taxation in relation to the Notes***

In certain circumstances described in detail below, U.S. taxation rules may give rise to an obligation to report payments made in respect of any Notes to relevant authorities which, if not satisfied, may require U.S. tax to be withheld. **Accordingly, investors in the Notes may suffer a loss on their investment if amounts are required to be deducted from any returns received to satisfy withholding tax obligations or may compromise their individual tax position by complying with any reporting obligations.**

Whilst the Notes are in global form and held within Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme (together, the "ICSDs"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depository or common safekeeper for the ICSDs (as bearer or registered holder (as applicable) of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

### **(c) *No Gross Up***

Unless the Final Terms specify that Condition 7A (Taxation - No Gross Up) is not applicable and that Condition 7B (Taxation - Gross Up) is applicable, the Issuer will not be obliged to gross up, or pay any

additional amounts in respect of, any payments in respect of the Notes and Receipts in respect of which any withholding or deduction has been required to be made in respect of any tax. Accordingly, investors may receive a lower return than would be received on an investment where no withholding tax is payable or where the relevant issuer has an automatic obligation to gross up any payments.

(d) ***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

**Accordingly, certain investors may receive a lower return than would be received on an investment where no withholding tax is payable.**

(e) ***EU Crisis Management Directive***

The European Commission has published proposals for a crisis management directive which is intended to enable a range of actions to be taken by relevant regulatory authorities in relation to credit institutions and investment firms which are considered to be at risk of failing. The full scope of the directive and its impact on the Issuer is currently unclear but the implementation of the directive or the taking of any action under it could materially affect the value of any debt or derivative securities issued by the Issuer.

On 6 June 2012, the European Commission published a draft legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Crisis Management Directive**" or "**CMD**"). The stated aim of the draft CMD is to provide resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' contributions to bank bail-outs and/or exposure to losses. The powers provided to authorities in the draft CMD are divided into three categories: (i) preparatory steps and plans to minimise the risks of potential problems (preparation and prevention); (ii) in the event of incipient problems, powers to arrest a firm's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (iii) if insolvency of a firm presents a concern as regards the general public interest, a clear means to reorganise or wind down the firm in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses.

The draft CMD currently contains four resolution tools and powers:

- (i) sale of business – enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;
- (ii) bridge institution - enables resolution authorities to transfer of all or part of the business of the firm to a "bridge bank" (a public controlled entity);



- (iii) asset separation - enables resolution authorities to transfer impaired or problem assets to an asset management vehicle to allow them to be managed and worked out over time; and
- (iv) bail-in - gives resolution authorities the power to write-down the claims of unsecured creditors of a failing institution and to convert debt claims to equity (subject to certain parameters as to which liabilities would be eligible for the bail-in tool).

The draft CMD currently contemplates that it will be implemented in Member States with effect from 1 January 2015, except for the bail-in tool, which is contemplated to be implemented by 1 January 2018.

The powers currently set out in the draft CMD would impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. However, the proposed directive is not in final form and changes may be made to it in the course of the legislative process. In addition, many of the proposals contained in the draft CMD have already been implemented in the Banking Act 2009 and it is currently unclear to what extent, if any, the provisions of the Banking Act 2009 may need to change once the draft CMD is implemented. Accordingly, it is not yet possible to assess the full impact of the draft CMD on the Issuer and there can be no assurance that, once it is implemented, the fact of its implementation or the taking of any actions currently contemplated in it would not adversely affect the rights of holders of any notes or other Notes, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes issued by it.

***The expected implementation of a bail-in tool under the CMD as of 1 January 2018 could affect Notes issued by the Issuer under the Programme.***

A bail-in tool (which comprises a general power for resolution authorities to write-down the claims of certain unsecured creditors (which may include holders any notes or other debt or derivative securities) of a failing institution or to convert such debt claims to equity, which may itself be subject to write-down) is expected to be implemented under the CMD as of 1 January 2018. The bail-in tool can be used to recapitalise an institution that is failing or about to fail, allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring. If the CMD is implemented in its current form, such bail-in tool could be used to impose losses on holders of any notes or other debt or derivative securities where the relevant notes or other debt or derivative securities mature after 1 January 2018. This may result in holders of any notes or other debt or derivative securities losing some or all of their investment. The exercise of any such power or any suggestion or anticipation of such exercise could, therefore, materially adversely affect the value of any notes or other debt or derivative securities (including retrospectively, if and to the extent the draft CMD is implemented retrospectively so as to apply to such any notes or other debt or derivative securities). However, the draft CMD is not in final form and changes may be made to it in the course of the legislative process. Until fully implemented, the Issuer cannot predict the precise effects of the bail-in tool and its use in relation to any notes or other debt or derivative securities.

**(f) *Notes where denominations involve integral multiples: definitive Notes***

In relation to any issue of Notes which have denominations consisting of a minimum specified denomination (the "**Specified Denomination**") plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in 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 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.**

**(g) *Change of law***

The conditions of the Notes are based on English 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 or administrative practice after the date of this Base Prospectus.

**Accordingly, Noteholders are exposed to the risk that their rights in respect of the Notes may be varied, which may result in an investment in any Notes becoming less advantageous.**

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents shall be incorporated in, and to form part of, this Base Prospectus, save that any documents incorporated by reference in any of the documents set forth below do not form part of this Base Prospectus:

1. the registration document (the "**Registration Document**") of the Issuer dated 11 June 2013;
2. the annual report (including the auditors' report and audited consolidated annual financial statements) for the financial year ended 31 March 2012 of the Issuer, which has previously been published and filed with the Financial Services Authority ("**FSA**"); and
3. the annual report (including the auditors' report and audited consolidated annual financial statements) for the financial year ended 31 March 2013 of the Issuer, which has previously been published and filed with the FCA.

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

The documents incorporated by reference in this Base Prospectus shall not include any documents which are themselves incorporated by reference in such incorporated documents ("daisy chained" documents). Such daisy chained documents shall not form part of this Base Prospectus. Where only part of the documents listed above have been incorporated by reference, only information expressly incorporated by reference herein shall form part of this document and the non-incorporated parts are either not relevant for the investor or covered elsewhere in this Base Prospectus.

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from (i) the registered office of the Issuer at 2 Gresham Street, London EC2V 7QP and from the specified offices of the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB and (ii) the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare and publish a supplement to this Base Prospectus or prepare and publish a new base prospectus for use in connection with any subsequent issue of Notes.

## DESCRIPTION OF THE NOTES

This section provides details of how an investment in the Notes works and how payments under the Notes are calculated.

### **Introduction**

Under the Programme, the Issuer may from time to time issue "**Fixed Rate Notes**", "**Floating Rate Notes**", "**Equity-Linked Notes**", "**Index-Linked Notes**" or "**Inflation-Linked Notes**".

The Fixed Rate Notes and Floating Rate Notes are Notes in relation to which the interest payable is at a fixed rate or a floating rate respectively.

The Equity-Linked Notes are Notes in relation to which the interest payable and/or redemption amount payable at maturity is determined by the performance of a single share in a company which is listed on a stock exchange or a basket of shares. Index-Linked Notes are Notes in relation to which the interest payable and/or redemption amount payable at maturity is determined by the performance of an index, being the FTSE® 100 Index, the S&P 500® Index, the EuroSTOXX® Index, the MSCI® 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 or the BNP Paribas SLI Enhanced Absolute Return Index plus other indices listed on the email or a basket of indices. Inflation-Linked Notes are notes in relation to which the interest payable and/or redemption amount payable at maturity is determined by reference to an inflation rate.

The underlying index, share, basket of indices or basket of shares or inflation rate used to determine the interest and/or redemption amount payable on the Equity-Linked Notes, Index-Linked Notes or Inflation-Linked Notes is referred to as the "**Underlying**".

A document known as a "**Final Terms**" will be prepared for each issue of Notes. The Final Terms will give further details of the Underlying and any Fixed Rate or Floating Rate of interest, and details of how payments in respect of the Notes will be calculated.

### **Amounts payable on redemption of the Notes**

Unless it has been redeemed (i.e. repaid) early, a Note will be redeemed at the end of its term on the "**Maturity Date**".

Kick-Out Notes may be "kicked out" (i.e. repaid early) on certain specified dates before the Maturity Date depending on the performance of the Underlying.

The redemption amount of the Notes will depend on the performance of the relevant Underlying and on which one of a number of redemption provisions ("**Redemption Provisions**") apply to such Note. These determine the amount payable upon redemption of the Note and will be provisions for one of the following:

1. Kickout Notes with Capital at Risk;
2. Kickout Notes without Capital at Risk;
3. Upside Notes with Capital at Risk;
4. Upside Notes without Capital at Risk;
5. N Barrier (Income) Equity-Linked/Index Linked Notes with Capital at Risk;
6. Range Accrual (Income) Equity-Linked/Index Linked Notes with Capital at Risk;
7. Range Accrual (Income) Equity-Linked/Index Linked Notes without Capital at Risk;

8. Reverse Convertible Notes with Capital at Risk; and
9. Inflation-Linked Notes.

Details of the amounts which will be payable depending on which Redemption Provision applies are set out below, together with some worked examples illustrating how calculations are made in practice.

#### **Interest Amounts payable on the Notes**

The Notes may bear interest at a fixed rate or a floating rate, may pay interest at an amount linked to the performance of an Underlying in the case of N Barrier (Income) Equity-Linked/Index Linked Notes with Capital at Risk, Range Accrual (Income) Equity-Linked/Index Linked Notes with Capital at Risks, Range Accrual (Income) Equity-Linked/Index Linked Notes without Capital at Risk and Inflation-Linked Notes, or may be non-interest bearing.

Set out below is a more detailed description of the various types of Note, together with worked examples of how interest and redemption amounts are calculated in relation to certain Notes.

#### *Interest Payments on Fixed Rate Notes*

If "Fixed Rate Note provisions" are specified as applicable in the relevant Final Terms, the Notes will bear interest at a fixed percentage rate. This is referred to in the Final Terms as the "Rate of Interest" and will either be expressed as a percentage rate per annum or a percentage rate for another fixed period.

The interest on such Notes will be paid on the dates specified in the relevant Final Terms as being the "Interest Payment Dates". The amount of interest or "Interest Amount" payable on each such Interest Payment Date will be calculated by applying the Rate of Interest to the outstanding principal amount of the Notes for the period from the previous Interest Payment Date until current Interest Payment Date (or, in the case of the first Interest Payment Date, from the date which is specified in the relevant Final Terms as being the "Interest Commencement Date" until the first Interest Payment Date), and each period is referred to as an "Interest Period". The Issuer may specify this interest as "Fixed Coupon Amounts" in the Final Terms.

If Fixed Coupon Amounts for the Interest Payment Dates are not so specified, or if interest needs to be calculated for a period other than an Interest Period (such as where there is an unscheduled redemption of the Notes), interest will be calculated in relation to a specified principal amount of Note (the "Calculation Amount") by applying the Rate of Interest to such Calculation Amount and multiplying the product by a fraction known as a "Day Count Fraction". The Day Count Fraction reflects the number of days in the period for which interest is being calculated.

#### *Interest Payments on Floating Rate Notes*

If "Floating Rate Note provisions" are specified as applicable in the relevant Final Terms, the Notes will bear interest at a Rate of Interest which is a variable percentage rate per annum or such other period as specified in the relevant Final Terms.

The Rate of Interest for Floating Rate Notes for a given Interest Period will be calculated by the Calculation Agent by reference either to:

- (i) where "Screen Rate Determination" is specified as applicable in the relevant Final Terms, quotations provided electronically by banks in the "Relevant Financial Centre" specified in the relevant Final Terms; or
- (ii) where "ISDA Determination" is specified as applicable in the relevant Final Terms, a notional interest rate on a swap transaction in the Specified Currency and,

in either case, where specified in the relevant Final Terms, the addition of an additional percentage rate per annum (known as the "**Margin**").

In order to calculate the Interest Amount payable per Note, the Calculation Agent will apply the Rate of Interest for such Interest Period to the Calculation Amount and multiply the product by the relevant Day Count Fraction.

Where "Minimum Interest Rate" is specified in the relevant Final Terms, the Rate of Interest will be restricted from falling below a fixed percentage level per annum (i.e. a so-called "floor"). Where a "Maximum Interest Rate" is specified in the relevant Final Terms, the Rate of Interest will not exceed a fixed percentage level per annum (i.e. a so-called "cap").

#### *Interest payments linked to an Underlying*

If the Notes are N Barrier (Income) Equity-Linked/Index Linked Notes with Capital at Risk, Range Accrual (Income) Equity-Linked/Index Linked Notes with Capital at Risk, Range Accrual (Income) Equity-Linked/Index Linked Notes without Capital at Risk or Inflation-Linked Notes, the interest payments on the Notes may depend on the performance of an Underlying.

On each Interest Payment Date the Calculation Agent will determine the interest amounts payable to Noteholders on the basis of the additional provisions relating to such Notes as completed by the relevant Final Terms. Details of the interest amounts which will be payable depending on the type of Note are set out below, together with some worked examples illustrating how calculations are made in practice.

#### **Measuring the level or price of the Underlying that is a single share, an index, a basket of shares or a basket of indices**

The calculations which are required to be made to calculate the amounts payable in relation to each type of Note will be based on the level or price of the relevant Underlying at certain specified times.

Such level or price will be determined by reference either to a single date (known as the "**Valuation Date**") or several dates (known as "**Averaging Dates**"), or by reference to the lowest level or price during a particular period, (this is referred to as the "**Best Strike**") as specified in the relevant Final Terms, as follows:

- if Averaging Dates are specified, the level or price will be the arithmetic mean of the levels or prices on the relevant Averaging Dates;
- if "Best Strike" is specified as applicable in the relevant Final Terms, the initial level or price will be the lowest level or price during a period from a specified "Strike Start Date" until a specified "Strike End Date"; and
- otherwise, the level or price will be determined as of the single date or dates specified as being the Valuation Date(s) in the relevant Final Terms.

#### **Collateral Credit-Linkage**

In addition to the return on the Notes having the payout features discussed above, the Notes may be secured and linked to the credit of one or more entities referred to as a "**Collateral Reference Entity**", being a specified financial institution or corporation listed on a regulated exchange 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 (a "**Sovereign**") (such Notes being "**Secured Notes with Credit-Linkage**").

In this way Secured Notes with Credit-Linkage (whether incorporating Simplified Credit-Linkage or ISDA Credit-Linkage) are linked to the performance of the Underlying in the same way as other Notes that may be issued but, in addition, the risk to the return of the investors initial investment is also dependent on the solvency of the applicable Collateral Reference Entity(ies).

Secured Notes with Credit Linkage may be linked to more than one Collateral Reference Entity, with a specified portion (the "**Relevant Portion**") of the Note being linked to each Collateral Reference Entity. If there is only one Collateral Reference Entity the Relevant Portion will be 100% and accordingly, in addition to the Underlying, the risk to the return of the investor's entire investment will be dependent on whether or not a credit event has occurred in relation to the single named Collateral Reference Entity.

If there is more than one Collateral Reference Entity the Note will be split between the total number of Collateral Reference Entities in the proportions specified in the relevant Final Terms. For example, if there are five Collateral Reference Entities, the Relevant Portion for each Collateral Reference Entity may be specified as 20% and accordingly, if a credit event occurs in relation to one of the Collateral Reference Entities, a 20% portion of the investor's initial investment will be at risk.

*Simplified Credit-linkage*

Where Simplified Credit-linkage is applicable, if a Collateral Reference Entity goes bankrupt or insolvent, then the portion of the Note linked to such Collateral Reference Entity (the "**Relevant Portion**") may be reduced by multiplying the outstanding principal amount relating to that portion by the "Recovery Rate".

The Recovery Rate is either:

- (i) If "General Recovery Rate" is specified in the applicable Final Terms, the rate or percentage that an investor in unsecured, unsubordinated or subordinated (as specified in the applicable Final Terms), structured debt obligations issued by the Collateral Reference Entity would be likely to recover in its bankruptcy or insolvency; or
- (ii) If "Specific Recovery Rate" is specified in the applicable Final Terms, the rate or percentage that an investor in the a specified debt obligation (specified in the Final Terms) of the Collateral Reference Entity would be likely to recover following the insolvency or bankruptcy of such Collateral Reference Entity.

In either case, if the Recovery Rate is less than 100 per cent., an investor will get back less than their initial investment in respect of the Relevant Portion.

Following the insolvency of a Collateral Reference Entity the redemption date of the Relevant Portion of the Note may change so that it falls 30 days after the date determined to be the date on which investors in either (in the case of General Recovery Rate) unsecured, unsubordinated, structured debt obligations issued by the Collateral Reference Entity or (in the case of Specific Recovery Rate) investors in the a specified debt of the Collateral Reference Entity receive final payments in respect of their investments from the Collateral Reference Entity.

*ISDA Credit-linkage*

If a credit event (broadly speaking, a bankruptcy event, a failure to pay amounts due on obligations or a restructuring of debt obligations in a manner that is detrimental to creditors) occurs in relation to a Collateral Reference Entity, then the Relevant Portion may be reduced by multiplying the outstanding principal amount relating to that portion by the "Recovery Rate".

The Recovery Rate, in this case, is either:

- (i) If "General Recovery Rate" is specified in the applicable Final Terms, a rate or percentage determined in accordance with the "Auction Process" as described below; or
- (ii) 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 (as specified in the Final Terms) of the Reference Entity, determined in accordance with the "Market Value" as described below.

In either case, if the Recovery Rate is less than 100 per cent., an investor will get back less than their initial investment in relation to the Relevant Portion. Following a credit event in relation to a Collateral Reference Entity, the redemption date of the Relevant Portion of the Note will also potentially change so that it falls on a date that a seller of credit protection in respect of the Collateral Reference Entity under a market standard document would be obliged to settle their obligations.

**Auction Process** (applicable when "General Recovery Rate" is specified as applicable in the relevant Final Terms)

Following a credit event in relation to a Collateral Reference Entity, the relevant Credit Derivatives Determinations Committee\* may decide that an auction of the debt of the Collateral Reference Entity is to take place. If such an auction is held, the auction results are expected to reflect the value, after the

occurrence of the credit event, of the Collateral Reference Entity's debt obligations that has the lowest market value. The auction results are expressed as a percentage of the outstanding principal amount of the relevant obligations the subject of the auction and are, as of the date of this Prospectus, published on the website [www.creditfixings.com](http://www.creditfixings.com). The Recovery Rate will be a rate or percentage determined with reference to this amount.

If an auction is not held, the General Recovery Rate will be determined with reference to the "Final Price" of the obligations of the Reference Entity with the lowest market value. The Final Price will be determined by obtaining quotations from dealers in the relevant obligation and using the highest quotation obtained. In the event that less than two quotations are available, the Final Price will be the value of any dealer quotation received in respect of the relevant obligation.

In the case of a "Restructuring" credit event, the Credit Derivatives Determinations Committee may decide that more than one auction will be held, with each auction being based on obligations of the Reference Entity having specific maturity limitations. If this concept is applicable, broadly speaking, each auction will be based on a "bucket" of obligations of the Collateral Reference Entity having a limited maturity date, for example, falling between 2.5 years to 5 years, 5 years to 7.5 years, etc. following the date of the relevant restructuring. The relevant Auction Final Price for a particular market standard credit derivative will be the price generated by the auction for the relevant bucket having a maturity limitation range that relates to the termination date of the relevant credit derivative. This multiple auction approach will only apply if a market credit derivative referencing the particular Reference Entity would specify that this approach applies.

*\*The Credit Derivatives Determinations Committee is a 15-member committee established by the International Swaps and Derivatives Association, Inc. ("ISDA") for the purposes of making determinations in connection with market standard documents for credit protection, and in particular whether or not an auction for the obligations of a particular Collateral Reference Entity should take place. Decisions of this committee are published from time to time on ISDA's website, currently [www.isda.org](http://www.isda.org).*

**Market Value** (applicable when Specific Recovery Rate is specified as applicable in the relevant Final Terms)

Following a credit event in relation to a Collateral Reference Entity the Specific Recovery Rate will be determined with reference to the "Market Value" of a specified debt obligation (as specified in the Final Terms) of the Collateral Reference Entity. The Market Value will be determined by obtaining firm quotations from dealers in the relevant debt obligation and using the average of the quotations provided. In the event that no firm quotations are available, the Market Value will be the value of any dealer quotation received in respect of the specified debt obligation.

Further details of how such credit-linkage works, together with a worked example illustrating how the relevant calculations are made in practice, are set out below.

#### **Explanations of the Amounts payable under different types of Notes**

Set out below are explanations of how the payments of the various types of Notes work, together with worked examples.

As described above the redemption amount of each Note will in all cases reflect the performance of the Underlying. The overviews and worked examples assume that there are no "disrupted days" (e.g. days on which the relevant stock exchange is not open for business).

The following table sets out for each type of Note details of where the following can be found in this Base Prospectus:

- (i) an explanation of the payments under such Note and a related worked example; and
- (ii) the technical formula that will be used for calculating the redemption amount of such Note.



Part A – Information Relating to all Notes  
*Description of the Notes*

| <b>Type of Note</b>  | <b>Explanation of payments and worked example</b> | <b>Technical Formula for redemption amount of related Notes</b> |
|--|---|---|
| Kickout Notes with Capital at Risk   | Pages 57 to 59                                    | Pages 158 to 160  |
| Kickout Notes without Capital at Risk  | Pages 60 to 62                                    | Pages 161 to 162  |
| Upside Notes with Capital at Risk  | Pages 62 to 64                                    | Pages 163 to 164  |
| Upside Notes without Capital at Risk   | Pages 64 to 66                                    | Page 165  |
| N Barrier (Income) Equity-Linked/Index Linked Notes with Capital at Risk                                   | Pages 66 to 69                                    | Pages 166 to 168  |
| Range Accrual (Income) Equity-Linked/Index Linked Notes with Capital at Risk                               | Pages 70 to 73                                    | Pages 169 to 171  |
| Range Accrual (Income) Equity-Linked/Index Linked Notes without Capital at Risk                            | Pages 73 to 75                                    | Pages 172 to 173  |
| Reverse Convertible Notes with Capital at Risk   | Pages 75 to 77                                    | Pages 174 to 175  |
| Reverse Convertible Notes with Capital at Risk (with Simplified Credit-linkage and General Recovery Rate)  | Pages 78 to 79                                    | Pages 235 to 238  |
| Reverse Convertible Notes with Capital at Risk (with Simplified Credit-linkage and Specific Recovery Rate) | Pages 79 to 81                                    |   |
| Inflation-Linked Notes   | Pages 81 to 83                                    | Pages 230 to 232  |

1. **Kick Out Notes with Capital at Risk – Overview**

These Notes have the potential for early maturity (kick out) on a certain date or dates specified in the Final Terms, depending on the level or price of the Underlying at that time. If the Notes kick out early an investor will receive a return of their initial investment plus a fixed percentage payment.

If there has been no kick out, the return on the Notes at maturity will be based on the performance of an Underlying, and in certain circumstances this may result in the investor receiving an amount less than their initial investment.

The potential payouts at maturity for Kick Out Notes with Capital at Risk are as follows:

*Scenario A – Upside Return or Digital Return*

If at maturity the level or price of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will either:

- **"Upside Return"** being their initial investment plus a percentage based on the difference between the final level or price of the Underlying, and the initial level or price of the Underlying (as applicable); this additional return may be subject to a cap (i.e. maximum amount) or gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied, known as **"Gearing"**); or
- **"Digital Return"** being their initial investment multiplied by a specified percentage return.

*Scenario B – No Return*

If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return, provided that the **"Barrier Condition"**\* is satisfied.

*Scenario C – Loss of Investment*

If at maturity the level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying (as applicable) and the "Barrier Condition" is not satisfied, an investor's investment will be reduced by either

- an amount linked to the downside performance of the Underlying; this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) (**"Downside Return 1"**); or
- an amount linked to the downside performance of the Underlying between certain specified levels (such levels being the **"Upper Strike"** and the **"Lower Strike"** respectively); this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) (**"Downside Return 2"**).

\*The **"Barrier Condition"** is satisfied where the Underlying has not fallen below a specified percentage of the initial level or price of the Underlying either: (i) at any time during the period specified in the relevant Final Terms or (ii) on a particular date or dates specified in the relevant Final Terms.

***Kick Out Notes with Capital at Risk worked example***

**Overview**

The example below is of a five year Note linked to the performance of the FTSE® 100 index (the "**Index**") and assumes an initial investment of GBP1,000 and an "**Initial Index Level**" (i.e. starting level) of 6,000.

In this example, Digital Return and Downside Return 1 are applicable.

The Note has the potential to "kick out" at the end of years 1, 2, 3 or 4 depending on the performance of the Index. This means the Note may mature early, returning the investor's initial investment plus a fixed payment, in this case 11.5% per annum.

If the Note does not kick out early and continues to the end of year 5, the Final Index Level will be used to determine the return on the Note. The "**Final Index Level**" is the average of the closing levels of the Index on five specified days at the end of year 5.

If the Final Index Level is greater than 6,000 (i.e. 100% of the Initial Index Level, being the "**Return Threshold**"), the investor will receive their initial investment multiplied by 157.5% (157.5% being the "**Digital Return**").

If at any point during the term of the Note (the entire term of the Note being the "**Observation Period**") the Index falls to less than 3,600 (i.e. 60% of the Initial Index Level, being the "**Barrier Level**"), such drop to less than the Barrier Level will mean that the Barrier Condition is not satisfied. If the Barrier Condition is not satisfied and the Final Index Level is lower than the Return Threshold, an investor's investment will be reduced by 1% for every 1% fall in the Index at maturity, including partial percentages.

If the Barrier Condition is satisfied but the Final Index Level is lower than the Return Threshold, then the investor will receive back their initial investment with no additional return.

The above scenarios are now described in further detail:

**Early Maturity (kick out)**

If at the end of years 1, 2, 3 or 4 the average of the closing levels of the Index on the relevant anniversary of the Note and the four previous specified days is above 6,000, the Note will mature early (kick out) and an investor will receive back their initial investment plus 11.5% per annum.

Accordingly, **if the Note kicks out at the end of year 2, the investor will receive:**

$$\text{GBP1,000} \times 123\% = \text{GBP1,230}$$

If the Note does not kick out at the end of years 1, 2, 3 or 4 (i.e. the level of the Index is equal to or below 6,000 on each of these dates), the Note will continue to maturity.

**Maturity after 5 Years**

*Scenario A – Digital Return*

The Final Index Level is 6,600 and therefore higher than the Return Threshold.

In this case an investor will receive back 157.5% of their initial investment; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 157.5\% = \text{GBP1,575}$$

*Scenario B – No Return*

The Final Index Level is 5,000 and therefore lower than the Return Threshold but the Barrier Condition is satisfied (i.e. the level of the Index has not fallen to less than 3,600 during the Observation Period).

In this case an investor will receive back their initial investment with no additional return; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 100\% = \text{GBP1,000}$$

*Scenario C – Loss of Investment*

The Final Index Level is 5,400 and therefore lower than the Return Threshold and the Barrier Condition is not satisfied (i.e. the level of the Index has fallen to less than 3,600 during the Observation Period).

In this case an investor will receive their initial investment reduced by 1% for every 1% fall of the Index at maturity, **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 5,400 / 6,000 = \text{GBP900}$$

**Table of further illustrative payouts**

The below table shows a number of potential pay-outs at maturity based on an initial investment of GBP1,000 with an Initial Index Level of 6,000:

| <b>Final Index Level</b>                     | <b>Barrier Condition Satisfied</b> | <b>Barrier Condition not Satisfied</b> |
|--|------------------------------------|--|
| 10,500 (75% higher than Initial Index Level) | GBP1,575                           | GBP1,575                               |
| 8,700 (45% higher than Initial Index Level)  | GBP1,575                           | GBP1,575                               |
| 6,060 (1% higher than Initial Index Level)   | GBP1,575                           | GBP1,575                               |
| 6,000 (no change from Initial Index Level)   | GBP1,000                           | GBP1,000                               |
| 5,940 (1% lower than initial index level)    | GBP1,000                           | GBP990                                 |
| 3,300 (45% lower than Initial Index Level)   | GBP1,000                           | GBP550                                 |
| 1,500 (75% lower than Initial Index Level)   | Not possible*                      | GBP250                                 |

\* The Index being 1,500 at maturity means that it would have fallen to less than 3,600 (i.e. 60% of the Initial Index Level) during the term of the Note, therefore the Barrier Condition cannot have been satisfied.

2. **Kick Out Notes without Capital at Risk – Overview**

These Notes have the potential for early maturity (kick out) on a certain date or dates specified in the Final Terms, depending on the level or price of the Underlying at that time. If the Notes kick out early an investor will receive a return of their initial investment plus a fixed percentage payment.

If there has been no kick out, the return on the Notes at maturity will be based on the performance of an Underlying. In all cases an investor will receive at least a return of their initial investment.

The potential payouts at maturity for Kick Out Notes without Capital at Risk are as follows:

*Scenario A – Upside Return or Digital Return*

If at maturity the level or price of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive either:

- **"Upside Return"** being their initial investment plus a percentage based on the difference between the final level or price of the Underlying, and the initial level or price of the Underlying (as applicable); this additional return may be subject to a cap (i.e. maximum amount) or gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied, known as **"Gearing"**); or
- **"Digital Return"** being their initial investment multiplied by a specified percentage return.

*Scenario B – Return of Initial Investment*

If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return.

***Kick Out Notes without Capital at Risk worked example***

**Overview**

The example below is of a five year Note linked to the performance of the FTSE® 100 index (the "**Index**") and assumes an initial investment of GBP1,000 and an "**Initial Index Level**" (i.e. starting level) of 6,000.

In this example, Digital Return is applicable.

The Note has the potential to "kick out" at the end of years 1, 2, 3 or 4 depending on the performance of the Index. This means the Note may mature early, returning the investor's initial investment plus a fixed payment, in this case 9.5% per annum.

If the Note does not kick out early and continues to the end of year 5, the Final Index Level will be used to determine the return on the Note. The "**Final Index Level**" is the average of the closing levels of the Index on five specified days at the end of year 5.

If the Final Index Level is greater than 6,000 (i.e. 100% of the Initial Index Level, being the "**Return Threshold**"), the investor will receive their initial investment multiplied by 147.5% (147.5% being the "**Digital Return**").

If the Final Index Level is equal to or lower than the Return Threshold, then the investor will receive back their initial investment with no additional return.

The above scenarios are now described in further detail:

**Early Maturity (kick out)**

If at the end of years 1, 2, 3 or 4 the average of the closing levels of the Index on the relevant anniversary of the Note and the four previous specified days is above 6,000, the Note will mature early (kick out) and an investor will receive back their initial investment plus 9.5% per annum.

Accordingly, **if the Note kicks out at the end of year 2, the investor will receive:**

$$\text{GBP1,000} \times 119\% = \text{GBP1,190}$$

If the Note does not kick out at the end of years 1, 2, 3 or 4 (i.e. the level of the Index is equal to or below 6,000 on each of these dates), the Note will continue to maturity.

**Maturity after 5 Years**

*Scenario A – Digital Return*

The Final Index Level is 6,600 and therefore higher than the Return Threshold.

In this case an investor will receive back 147.5% of their initial investment; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 147.5\% = \text{GBP1,475}$$

*Scenario B – Return of Initial Investment*

The Final Index Level is 5,000 and therefore lower than the Return Threshold.

In this case an investor will receive back their initial investment with no additional return; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 100\% = \text{GBP1,000}$$

**Table of further illustrative payouts**

The below table shows a number of potential pay-outs at maturity based on an initial investment of GBP1,000 with an Initial Index Level of 6,000:

| <b>Final Index Level</b>                     | <b>Return</b> |
|--|---------------|
| 10,500 (75% higher than Initial Index Level) | GBP1,475      |
| 8,700 (45% higher than Initial Index Level)  | GBP1,475      |
| 6,060 (1% higher than Initial Index Level)   | GBP1,475      |
| 6,000 (no change from Initial Index Level)   | GBP1,000      |
| 5,940 (1% lower than initial index level)    | GBP1,000      |
| 3,300 (45% lower than Initial Index Level)   | GBP1,000      |
| 1,500 (75% lower than Initial Index Level)   | GBP1,000      |

**3. Upside Notes with Capital at Risk – Overview**

The return on these Notes at maturity will be based on the performance of an Underlying, and in certain circumstances this may result in the investor receiving an amount less than their initial investment.

The potential pay-outs at maturity for Upside Notes with Capital at Risk are as follows:

*Scenario A – Greater of Upside Return and Minimum Return*

If at maturity the level or price of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive their initial investment plus the greater of:

- **"Upside Return"** being a percentage based on the difference between the final level or price of the Underlying, and the initial level or price of the Underlying (as applicable); this additional return may be subject to a cap (i.e. maximum amount) or gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied, referred to in the example below as **"Gearing 1"**); and
- **"Minimum Return"** being a fixed percentage of their initial investment.

*Scenario B – No Return*

If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return, provided that the "Barrier Condition"\* is satisfied.

*Scenario C – Loss of Investment*

If at maturity the level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying (as applicable) and the "Barrier Condition" is not satisfied, an investor's investment will be reduced by either;

- an amount linked to the downside performance of the Underlying; this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) (**"Downside Return 1"**); or
- an amount linked to the downside performance of the Underlying between certain specified levels (such levels being the **"Upper Strike"** and the **"Lower Strike"** respectively); this downside

performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("**Downside Return 2**").

\*The "**Barrier Condition**" is satisfied where the Underlying has not fallen below a specified percentage of the initial level or price of the Underlying either: (i) at any time during the period specified in the relevant Final Terms or (ii) on a particular date or dates specified in the relevant Final Terms.

#### ***Upside Notes with Capital at Risk worked example***

##### **Overview**

The example below is of a five year Note linked to the performance of a single share (the "**Share**") and assumes an initial investment of GBP1,000 and an "**Initial Share Price**" (i.e. the Share price on the issue date) of 1,000.

In this example, Downside Return 2 and Minimum Return are applicable.

At the end of year 5, the Final Share Price will be used to determine the return on the Note. The "**Final Share Price**" is the closing price of the Share at the end of year 5.

If the Final Share Price is greater than 1,000 (i.e. 100% of the Initial Share Price, being the "**Return Threshold**"), the investor will receive their initial investment plus the greater of:

- a) the "**Upside Return**" being 150% (150% being "**Gearing 1**") of any increase in the price of the Share at the end of year 5 with no upper limit; and
- b) the "**Minimum Return**" being 20%.

If the Final Share Price is equal to the **Return Threshold**, the investor will receive back their initial investment with no additional return.

If the Final Share Price is less than 1,000 (i.e. 100% of the Initial Share Price, being the "**Barrier Level**"), such drop to less than the Barrier Level will mean that (i) the Final Share Price is less than the Return Threshold and (ii) the Barrier Condition is not satisfied. In these circumstances an investor's investment will be reduced by 1% for every 1% fall in the Share Price at maturity between 1,000 (i.e. 100% of the Initial Share Price being the "**Upper Strike**") and 300 (i.e. 30% of the Initial Share Price being the "**Lower Strike**"), including partial percentages.

The above scenarios are now described in further detail:

##### **Maturity after 5 Years**

###### ***Scenario A – Greater of Upside Return and Minimum Return***

The Final Share Price is 1,500 and therefore higher than the Return Threshold.

In this case an investor will receive back their initial investment plus the greater of (a) "**Upside Return**" i.e. the upside performance of the Share multiplied by Gearing 1 (being 150%); and (b) the "**Minimum Return**" being 20%.

**Therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

GBP1,000 plus the greater of:

a) **Upside Return:**  $150\% \times (1,500 - 1,000) / 1,000 = 75\%$  (GBP750)

b) **Minimum Return:** 20% (GBP200)

Accordingly an investor will receive  $\text{GBP1,000} + \text{GBP750} = \text{GBP1,750}$



*Scenario B – No Return*

The Final Share Price is 1,000 and therefore equal to the Return Threshold.

In this case an investor will receive back their initial investment with no additional return; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 100\% = \text{GBP1,000}$$

*Scenario C – Loss of Investment*

The Final Share Price is 500 and therefore lower than the Return Threshold and, in addition, the Barrier Condition is not satisfied (as the Final Share Price is less than 1,000).

In this case an investor will receive their initial investment reduced by 1% for every 1% fall of the Share Price at maturity between 1,000 and 300, **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 500/1,000 = \text{GBP500}$$

**Table of further illustrative payouts**

The below table shows a number of potential pay-outs at maturity based on an initial investment of GBP1,000 with an Initial Share Price of 1,000:

| Final Share Price                           | Barrier Condition Satisfied | Barrier Condition not Satisfied |
|---|-----------------------------|---------------------------------|
| 1,750 (75% higher than Initial Share Price) | GBP2,125                    | GBP2,125                        |
| 1,450 (45% higher than Initial Share Price) | GBP1,675                    | GBP1,675                        |
| 1,010 (1% higher than Initial Share Price)  | GBP1,200                    | GBP1,200                        |
| 1,000 (no change from Initial Share Price)  | GBP1,000                    | GBP1,000                        |
| 990 (1% lower than Initial Share Price)     | GBP990                      | GBP990                          |
| 550 (45% lower than Initial Share Price)    | GBP550                      | GBP550                          |
| 250 (75% lower than Initial Share Price)    | GBP300*                     | GBP300*                         |

\*Here the Final Share Price has fallen below the Lower Strike of 300, however the investor is only exposed to any drop in the Final Share Price between 1,000 and 300.

**4. Upside Notes without Capital at Risk – Overview**

The return on these Notes at maturity will be based on the performance of an Underlying. In all cases an investor will receive at least a return of their initial investment.

The potential pay-outs at maturity for Upside Notes without Capital at Risk are as follows:

*Scenario A – Greater of Upside Return and Minimum Return*

If at maturity the level or price of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive their initial investment plus the greater of:

- **"Upside Return"** being a percentage based on the difference between the final level or price of the Underlying, and the initial level or price of the Underlying (as applicable); this additional return may be subject to a cap (i.e. maximum amount) or gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied, referred to in the example below as **"Gearing"**); and
- **"Minimum Return"** being a fixed percentage of their initial investment

*Scenario B – No Return*

If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return.

***Upside Notes without Capital at Risk worked example***

**Overview**

The example below is of a five year Note linked to the performance of a single share (the **"Share"**) and assumes an initial investment of GBP1,000 and an **"Initial Share Price"** (i.e. the Share price on the issue date) of 1,000.

In this example, Minimum Return is applicable.

At the end of year 5, the Final Share Price will be used to determine the return on the Note. The **"Final Share Price"** is the closing price of the Share at the end of year 5.

If the Final Share Price is greater than 1,000 (i.e. 100% of the Initial Share Price, being the **"Return Threshold"**), the investor will receive their initial investment plus the greater of:

(a) the **"Upside Return"** being 200% (200% being the **"Gearing"**) of any increase in the price of the Share at the end of year 5, subject to a maximum return of a 50% increase on their initial investment (being the **"Cap"**); and

(b) the **"Minimum Return"** being 20%.

If the Final Share Price is less than or equal to the Return Threshold, the investor will receive back their initial investment with no additional return.

**Maturity after 5 Years**

*Scenario A – Greater of Upside Return and Minimum Return*

The Final Share Price is 1,500 and therefore higher than the Return Threshold.

In this case an investor will receive back their initial investment plus the greater of (a) **"Upside Return"** i.e. the upside performance of the Share multiplied by Gearing (being 200%) subject to a maximum return of a 50% of their initial investment (i.e. the Cap); and (b) the **"Minimum Return"** being 20%

**Therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

GBP1,000 plus the greater of:

a) **Upside Return**, being the minimum of:

Cap: 50% (GBP500); and

Upside:  $200\% \times (1,500 - 1000) / 1000 = 100\%$  (GBP1,000)

b) **Minimum Return:** 20% (GBP200)

**Accordingly an investor will receive GBP1,000 + GBP500 = GBP1,500**

*Scenario B – No Return*

The Final Share Price is 500 and therefore lower than the Return Threshold.

In this case an investor will receive their initial investment with no additional return.

**Table of further illustrative payouts**

The below table shows a number of potential pay-outs at maturity based on an initial investment of GBP1,000 with an Initial Price of 1,000:

| <b>Final Share Price</b>                    | <b>Return</b> |
|---|---------------|
| 1,750 (75% higher than Initial Share Price) | GBP1,500      |
| 1,450 (45% higher than Initial Share Price) | GBP1,500      |
| 1,010 (1% higher than Initial Share Price)  | GBP1,200      |
| 1,000 (no change from Initial Share Price)  | GBP1,000      |
| 990 (1% lower than Initial Share Price)     | GBP1,000      |
| 550 (45% lower than Initial Share Price)    | GBP1,000      |
| 250 (75% lower than Initial Share Price)    | GBP1,000      |

5. **N Barrier (Income) Equity-Linked/Index Linked Notes with Capital at Risk Notes – Overview**

The return on the Notes at maturity will be based on the performance of an Underlying, and in certain circumstances this may result in the investor receiving an amount less than their initial investment.

The Notes will provide for an interest payment (an "**Interest Amount**") which will become payable in respect of each specified period at the end of which the price or level of the Underlying is greater than a specified percentage of the initial level or price of the Underlying (the "**Interest Amount Level**"). The Interest Amount in respect of each specified period is determined independently and paid to the investor on the related interest payment date.

At maturity, the final level of the Underlying is used to determine the return of the initial investment.

The potential payouts at maturity (excluding any Interest Amounts payable at maturity) for N-Barrier Equity/Index Linked Notes (Income) with Capital at Risk are as follows:

*Scenario A – Digital Return*

If at maturity the level of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive either their initial investment multiplied by a specified percentage return of at least 100% ("**Digital Return**").

*Scenario B – No Return*

If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return, provided that the "**Barrier Condition**"\* is satisfied.

*Scenario C – Loss of Investment*

If at maturity the level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying (as applicable) and the "Barrier Condition" is not satisfied, an investor's investment will be reduced by either:

- an amount linked to the downside performance of the Underlying; this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("**Downside Return 1**"); or
- an amount linked to the downside performance of the Underlying between certain specified levels (such levels being the "**Upper Strike**" and the "**Lower Strike**" respectively); this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("**Downside Return 2**").

\*The "**Barrier Condition**" is satisfied where the Underlying has not fallen below a specified percentage of the initial level or price of the Underlying either: (i) at any time during the period specified in the relevant Final Terms or (ii) on a particular date or dates specified in the relevant Final Terms.

***N Barrier Equity-Linked Notes (Income) with Capital at Risk worked example***

**Overview**

The example below is of a five year Note linked to the performance a single share (the "**Share**") and assumes an initial investment of GBP1,000 and an "**Initial Price**" (i.e. Share price on the issue date) of 1,000.

In this example Downside Return 1 is applicable.

The Note has the potential to pay an interest of 2% of the initial investment (i.e. an "**Interest Amount**") for each period at the end of which the share price is above 1,000 (i.e. 100% of the Initial Share Price, being the "**Interest Amount Level**"). There are five 1-year periods during the term of the Note (each an "**Interest Period**"). The Interest Amounts that are due in respect of each period shall be paid on the related interest payment date at the end of each year.

At the end of Year 5, the Final Share Price will be used to determine the return on the Note. In this worked example, averaging will apply to the "**Final Share Price**" used to determine the return on the Note. Accordingly, the Final Share Price will be the average of the closing prices of the Share on 5 specified days prior to the maturity date. If the Final Share Price is greater than 1,000 (i.e. 100% of the Initial Share Price, being the "**Return Threshold**"), the investor will receive a fixed return on their initial investment, in this case 110% (110% being the "**Digital Return**").

If the Final Share Price is less than 500 (i.e. 50% of the Initial Share Price, being the "**Barrier Level**"), such drop to less than the Barrier Level will mean that the Barrier Condition is not satisfied. If the Barrier Condition is not satisfied, an investor's investment will be reduced by 1% for every 1% fall in the Share Price at maturity, including partial percentages.

If the Barrier Condition is satisfied but the Final Share Price is lower than the Return Threshold, then the investor will receive back their initial investment with no additional return.

The above scenarios are now described in further detail:

**Interest Amounts**

For each scenario below, the Interest Amounts to be paid to the investor are calculated and paid independently of the proportion of the investor's initial investment that will be paid back at the end of Year 5.

In this worked example, there are five 1-year Interest Periods. At the end of 3 of the 5 Interest Periods the level of the Share was above the Interest Amount Level and, accordingly, the Interest Amount was due. Therefore on three of the five possible interest payment dates 2% was paid to the investor (i.e. a total of 6% (i.e. GBP60, being the Interest Amount)).

***Maturity Return***

The Scenarios below do not take into account the above mentioned Interest Amount (total GBP60) paid independently to the investor.

***Scenario A – Digital Return***

The average of the closing prices of the Share on the 5 specified days prior to maturity (being the Final Share Price) is 1,200 and therefore higher than the Return Threshold.

In this case an investor will receive back 110% (i.e. the Digital Return) of their initial investment; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 110\% = \text{GBP1,100}$$

***Scenario B – No Return on Investment***

The average of the closing prices of the Share on the 5 specified days prior to maturity (being the Final

Share Price) is 800 and therefore lower than the Return Threshold but the Barrier Condition is satisfied (i.e. the Final Share Price has not fallen to less than 500).

In this case an investor will receive back their initial investment with no additional return; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 100\% = \text{GBP1,000}$$

*Scenario C – Loss of Investment*

The average of the closing prices of the Share on the 5 specified days prior to maturity (being the Final Share Price) is 450 and therefore lower than the Return Threshold and , in addition, the Barrier Condition is not satisfied (i.e. the Final Share Price has fallen to less than 500).

In this case an investor will receive their initial investment reduced by 1% for every 1% fall of the Share price at maturity, **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 450/1,000 = \text{GBP450}$$

**Table of further illustrative payouts**

The below table shows a number of potential pay-outs at maturity based on an initial investment of GBP1,000 with an Initial Share Price of 1,000. These figures exclude the Interest Amount of GBP60 (i.e. 2% x for each of three periods) paid independently to the investor.

| Final Share Price                           | Barrier Condition Satisfied | Barrier Condition not Satisfied |
|---|-----------------------------|---------------------------------|
| 1,750 (75% higher than Initial Share Price) | GBP1,100                    | Not possible*                   |
| 1,450 (45% higher than Initial Share Price) | GBP1,100                    | Not possible*                   |
| 1,010 (1% higher than Initial Share Price)  | GBP1,100                    | Not possible*                   |
| 1,000 (no change from Initial Share Price)  | GBP1,000                    | Not possible*                   |
| 990 (1% lower than Initial Share Price)     | GBP1,000                    | Not possible*                   |
| 550 (45% lower than Initial Share Price)    | GBP1,000                    | Not possible*                   |
| 250 (75% lower than Initial Share Price)    | Not possible*               | GBP250                          |

\*For the Barrier Condition not to be satisfied the Final Share Price must be less than 50% of the Initial Share Price (i.e. less than 500).

\*\* The Share price being 250 at maturity means the Final Share price is less than 500 (i.e. 50% of the Initial Share Price), therefore the Barrier Condition cannot have been satisfied.

6. **Range Accrual (Income) Equity-Linked/Index Linked Notes with Capital at Risk – Overview**

The return on the Notes at maturity will be based on the performance of an Underlying, and in certain circumstances this may result in the investor receiving an amount less than their initial investment.

The return on the Notes may include specified interest payments (each an "**Interest Amount**"). Each Interest Amount will be paid at the end of each specified period in respect of the number of days in such specified period during which the price or level of the Underlying is within a specified range of the initial level or price of the Underlying, between the "**Range Upper Level**" and the "**Range Lower Level**". Each Interest Amount in respect of each specified period is determined independently and paid to the investor on the related interest payment date.

At maturity, the final level of the Underlying is used to determine the return of the initial investment.

The potential payouts at maturity (excluding any Interest Amounts received) for Range Accrual Equity/Index Linked Notes (Income) with Capital at Risk are as follows:

*Scenario A – Digital Return*

If at maturity the level of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive their initial investment multiplied by a specified percentage return of at least 100% ("**Digital Return**").

*Scenario B – No Return*

If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return, provided that the "**Barrier Condition**"\* is satisfied.

*Scenario C – Loss of Investment*

If at maturity the level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying (as applicable) and the "Barrier Condition" is not satisfied, an investor's investment will be reduced by either:

- an amount linked to the downside performance of the Underlying; this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("**Downside Return 1**"); or
- an amount linked to the downside performance of the Underlying between certain specified levels (such levels being the "**Upper Strike**" and the "**Lower Strike**" respectively); this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("**Downside Return 2**").

\*The "**Barrier Condition**" is satisfied where the Underlying has not fallen below a specified percentage of the initial level or price of the Underlying either: (i) at any time during the period specified in the relevant Final Terms or (ii) on a particular date or dates specified in the relevant Final Terms.

**Range Accrual Equity-Linked Notes (Income) with Capital at Risk worked example**

**Overview**

The example below is of a five year Note linked to the performance a single share (the "**Share**") and assumes an initial investment of GBP1,000 and an "**Initial Price**" (i.e. starting price) of 1,000.

In this example Downside Return 1 is applicable.

The Note has the potential to pay an interest amount of 12.5% of the initial investment for each of two 2.5-year periods (each a "**Range Accrual Period**"). The interest accumulated in respect of each period (the "**Interest Amount**") will be determined by the number of days in the Range Accrual Period in respect of which the Share Price is within a range specified for that Range Accrual Period divided by the total number of days in the Range Accrual Period. The range specified for the first Range Accrual Period is 900 to 1,100 and the range specified for the second Range Accrual Period is 800 to 1,200 (900 and 800 being each a "**Range Lower Level**" and 1,100 and 1,200 being each a "**Range Upper Level**"). Interest Amounts that are due in respect of each period shall be paid on the related interest payment date at the end of each 2.5 year period.

At the end of Year 5, the Final Share Price will be used to determine the return on the Note. If the Final Share Price is greater than 1,000 (i.e. 100% of the Initial Share Price, being the "**Return Threshold**"), the investor will receive a fixed return on their initial investment, in this case 100% (100% being the "**Digital Return**").

If the Final Share Price is less than 500 (i.e. 50% of the Initial Share Price, being the "**Barrier Price**"), such drop to less than the Barrier Level will mean that the Barrier Condition is not satisfied. If the Barrier Condition is not satisfied, an investor's investment will be reduced by 1% for every 1% fall in the Share Price at maturity, including partial percentages.

If the Barrier Condition is satisfied but the Final Share Price is lower than the Return Threshold, then the investor will receive back their initial investment with no additional return.

The above scenarios are now described in further detail:

**Interest Amounts**

For each scenario below, the Interest Amounts to be paid to the investor are calculated and paid independently of the proportion of the investor's initial investment that will be paid back at the end of Year 5.

In this worked example, there are two Range Accrual Periods each of 625 days.

Range Accrual Period 1: Range Upper Level 1,100 and Range Lower Level 900. The total number of days in the Range Accrual Period in respect of which the closing price of the Share was less than the applicable Range Upper Level and greater than the applicable Range Lower Level, was 200.

For Range Accrual Period 1 the Interest Amounts paid at end of the Period was:

$$200/625 \times 12.5\% = 4\% \text{ (40GBP)}$$

This amount will be paid to the investor on the interest payment date at the end of Range Accrual Period 1.

Range Accrual Period 2: Range Upper Level 1,200 and Range Lower Level 800. The total number of days in the Range Accrual Period in respect of which the closing price of the Share was less than the applicable Range Upper Level and greater than the applicable Range Lower Level, was 200.

For Range Accrual Period 2 the Interest Amount paid at end of the Period was

$$200/625 \times 12.5\% = 4\% \text{ (GBP40)}$$

This amount will be paid to the investor on the interest payment date at the end of Range Accrual Period



2.

### **Maturity Return**

The Scenarios below do not take into account the above mentioned Interest Amounts (total GBP80) paid independently to the investor.

#### *Scenario A – Digital Return*

The Final Share Price is 1,500 and therefore higher than the Return Threshold.

In this case an investor will receive back 100% (i.e. the Digital Return) of their initial investment; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 100\% = \text{GBP1,000}$$

#### *Scenario B – No Return on Investment*

The Final Share Price is 750 and therefore lower than the Return Threshold but the Barrier Condition is satisfied (i.e. the Final Share Price has not fallen to less than 500).

In this case an investor will receive back their initial investment with no additional return; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 100\% = \text{GBP1,000}$$

#### *Scenario C – Loss of Investment*

The Final Share Price is 400 and therefore lower than the Return Threshold and , in addition, the Barrier Condition is not satisfied (i.e. the Final Share Price has fallen to less than 500).

In this case an investor will receive their initial investment reduced by 1% for every 1% fall of the Share price at maturity, **therefore, on an initial investment of GBP1,000 an investor in the Note would receive :**

$$\text{GBP1,000} \times 400/1,000 = \text{GBP400}$$

### **Table of further illustrative payouts**

The below table shows a number of potential pay-outs at maturity based on an initial investment of GBP1,000 with an Initial Share Price of 1,000. These figures exclude the Interest Amounts of GBP80 paid independently to the investor.

| <b>Final Share Price</b>                    | <b>Barrier Condition Satisfied</b> | <b>Barrier Condition not Satisfied</b> |
|---|------------------------------------|--|
| 1,750 (75% higher than Initial Share Price) | GBP1,000                           | Not possible*                          |
| 1,450 (45% higher than Initial Share Price) | GBP1,000                           | Not possible*                          |
| 1,010 (1% higher than Initial Share Price)  | GBP1,000                           | Not possible*                          |
| 1,000 (no change from Initial Share Price)  | GBP1,000                           | Not possible*                          |
| 990 (1% lower than Initial Share Price)     | GBP1,000                           | Not possible*                          |

|  |               |               |
|--|---------------|---------------|
| 550 (45% lower than Initial Share Price) | GBP1,000      | Not possible* |
| 250 (75% lower than Initial Share Price) | Not possible* | GBP250        |

\*For the Barrier Condition not to be satisfied the Final Share Price must be less than 50% of the Initial Share Price (i.e. less than 500).

\*\* The Share price being 250 at maturity means the Final Share price is less than 500 (i.e. 50% of the Initial Share Price), therefore the Barrier Condition cannot have been satisfied.

#### 7. **Range Accrual (Income) Equity-Linked/Index Linked Notes without Capital at Risk – Overview**

The return on the Notes at maturity will be based on the performance of an Underlying. In all cases an investor will receive at least a return of their initial investment.

The return on the Notes may include specified interest payment (each an "**Interest Amount**"). Each Interest Amount will be paid at the end of the relevant specified period in respect of the number of days in such specified period during which the price or level of the Underlying is within a specified range of the initial level or price of the Underlying, between the "**Range Upper Level**" and the "**Range Lower Level**". Each Interest Amount in respect of each specified period is determined independently and paid to the investor on the related interest payment date.

At maturity, the final level of the Underlying is used to determine the return of the initial investment.

The potential payouts at maturity (excluding any Interest Amounts received) for Range Accrual Equity-Linked Notes (Income) without Capital at Risk are as follows:

##### *Scenario A – Digital Return*

If at maturity the level of the Underlying is greater than a specified percentage of the initial level or price of the Underlying, an investor will receive their initial investment multiplied by a specified percentage return of at least 100% ("**Digital Return**").

##### *Scenario B – No Return*

If at maturity the level or price of the Underlying is less than or equal to a specified percentage of the initial level or price of the Underlying (as applicable), an investor will receive its initial investment with no additional return.

**Range Accrual Equity-Linked Notes (Income) without Capital at Risk worked example**

**Overview**

The example below is of a five year Note linked to the performance a single share (the "**Share**") and assumes an initial investment of GBP1,000 and an "**Initial Price**" (i.e. starting price) of 1,000.

The Note has the potential to pay an interest amount of 10% of the initial investment for each of two 2.5-year periods (each a "**Range Accrual Period**"). The interest accumulated in respect of each period (the "**Interest Amount**") will be determined by the number of days in the Range Accrual Period in respect of which the Share Price is within a range specified for that Range Accrual Period divided by the total number of days in the Range Accrual Period. The range specified for the first Range Accrual Period is 900 to 1,100 and the range specified for the second Range Accrual Period is 800 to 1,200 (900 and 800 being each a "**Range Lower Level**" and 1,100 and 1,200 being each a "**Range Upper Level**"). Interest Amounts that are due in respect of each period shall be paid on the related interest payment date at the end of each 2.5 year period.

At the end of Year 5, the Final Share Price will be used to determine the return on the Note. If the Final Share Price is greater than 1,000 (i.e. 100% of the Initial Share Price, being the "**Return Threshold**"), the investor will receive a fixed return on their initial investment, in this case 100% (100% being the "**Digital Return**").

If the Final Share Price is equal to or lower than the Return Threshold, the investor will receive back their initial investment with no additional return.

The above scenarios are now described in further detail:

**Interest Amount**

For each scenario below, the Interest Amounts to be paid to the investor are calculated and paid independently of the investor's initial investment that will be paid back at the end of Year 5.

In this worked example, there are two Range Accrual Periods each of 625 days.

Range Accrual Period 1: Range Upper Level 1,100 and Range Lower Level 900. The total number of days in the Range Accrual Period in respect of which the official closing level of the Share was less than the applicable Range Upper Level and greater than the applicable Range Lower Level, was 200.

For Range Accrual Period 1 the Interest Amount paid at end of the Period was

$$200/625 \times 10\% = \mathbf{3.2\% \text{ (GBP32)}}$$

This amount will be paid to the investor on the interest payment date at the end of Range Accrual Period 1.

Range Accrual Period 2: Range Upper Level 1,200 and Range Lower Level 800. The total number of days in the Range Accrual Period in respect of which the official closing level of the Share was less than the applicable Range Upper Level and greater than the applicable Range Lower Level, was 200.

For Range Accrual Period 2 the Interest Amount paid at end of the Period was

$$200/625 \times 10\% = \mathbf{3.2\% \text{ (GBP32)}}$$

This amount will be paid to the investor on the interest payment date at the end of Range Accrual Period 2.

**Maturity Return**

The Scenarios below do not take into account the above mentioned Interest Amount (total GBP64) paid independently to the investor.

*Scenario A – Digital Return*

The Final Share Price is 1,500 and therefore higher than the Return Threshold.

In this case an investor will receive back 100% (i.e. the Digital Return) of their initial investment; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 100\% = \text{GBP1,000}$$

*Scenario B – No Return on Investment*

The Final Share Price is 500 and therefore lower than the Return Threshold.

In this case an investor will receive their initial investment with no additional return.

**Table of further illustrative payouts**

The below table shows a number of potential pay-outs at maturity based on an initial investment of GBP1,000 with an Initial Share Price of 1,000. These figures exclude the Interest Amount of GBP64 paid independently to the investor.

| <b>Final Share Price</b>                    | <b>Return</b> |
|---|---------------|
| 1,750 (75% higher than Initial Share Price) | GBP1,000      |
| 1,450 (45% higher than Initial Share Price) | GBP1,000      |
| 1,010 (1% higher than Initial Share Price)  | GBP1,000      |
| 1,000 (no change from Initial Share Price)  | GBP1,000      |
| 990 (1% lower than Initial Share Price)     | GBP1,000      |
| 550 (45% lower than Initial Share Price)    | GBP1,000      |
| 250 (75% lower than Initial Share Price)    | GBP1,000      |

**8. Reverse Convertible Notes with Capital at Risk – Overview**

These Notes will pay either a fixed or floating rate of interest, regardless of the performance of the Underlying. The interest may be payable either at maturity or periodically throughout the life of the Notes.

The return of the initial investment at maturity will be based on the performance of an Underlying, and in certain circumstances this may result in the investor receiving an amount less than their initial investment.

The potential payouts at maturity for Reverse Convertible Notes with Capital at Risk are as follows:

*Scenario A – Return of Initial Investment*

At maturity:

- If the level of the Underlying is greater than or equal to a specified percentage of the initial level or price of the Underlying; or
- Where the initial level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying but the "Barrier Condition"\* is satisfied,

an investor will receive back their initial investment with no additional return.

*Scenario B – Loss of Investment*

If at maturity the level or price of the Underlying is less than a specified percentage of the initial level or price of the Underlying (as applicable) and the "Barrier Condition" is not satisfied, an investor's investment will be reduced by either

- an amount linked to the downside performance of the Underlying; this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) (referred to in the example below as "**Gearing**") ("**Downside Return 1**"); or
- an amount linked to the downside performance of the Underlying between certain specified levels (such levels being the "**Upper Strike**" and the "**Lower Strike**" respectively); this downside performance may be subject to gearing (i.e. a percentage by which any change in the level or price of the Underlying is multiplied) ("**Downside Return 2**").

\*The "**Barrier Condition**" is satisfied where the Underlying has not fallen below a specified percentage of the initial level or price of the Underlying either: (i) at any time during the period specified in the relevant Final Terms or (ii) on a particular date or dates specified in the relevant Final Terms.

**Reverse Convertible Notes with Capital at Risk – Downside Return 1 - worked example**

**Without credit linkage**

**Overview**

The example below is of a five year Note linked to the performance of the FTSE® 100 index (the "**Index**") and assumes an initial investment of GBP1,000 and an "**Initial Index Level**" (i.e. starting level) of 6,000.

In this example, Downside Return1 is applicable.

The Note will pay a fixed interest rate of 6% per annum (i.e. GBP60 per GBP1,000 initial investment) regardless of the performance of the Index.

At the end of year 5, the Final Index Level will be used to determine the return on the Note. The "**Final Index Level**" is the closing level of the Index at the end of Year 5.

If the Final Index Level is greater than or equal to 6,000 (i.e. 100% of the Initial Index Level, being the "**Return Threshold**"), the investor will receive back their initial investment with no additional return (excluding interest payments received).

If at any point during the term of the Note (the entire term of the Note being the "**Observation Period**") the Index falls to less than 3,000 (i.e. 50% of the Initial Index Level, being the "**Barrier Level**"), such drop to less than the Barrier Level will mean that the Barrier Condition is not satisfied. If the Barrier Condition is not satisfied and the Final Index Level is lower than the Initial Index Level, an investor's investment will be reduced by 0.5% ("**Gearing**") for every 1% fall in the Index at maturity, including partial percentages.

The above scenarios are now described in further detail:

**Maturity after 5 Years** (excluding interest payments received)

*Scenario A – Return of Initial Investment*

- (1) The Final Index Level is 6,600 and therefore higher than the Return Threshold; or
- (2) The Final Index Level is 5,000 and therefore lower than the Return Threshold but the Barrier Condition has been satisfied (i.e. the level of the Index has not fallen below 3,000 at any time during the Observation Period).

In both of these cases an investor will receive back their initial investment with no additional return;

**therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 100\% = \text{GBP1,000}$$

*Scenario B – Loss of Investment*

The Final Index Level is 4,200 and therefore lower than the Return Threshold and the Barrier Condition is not satisfied (i.e. the level of the Index has fallen to less than 3,000 during the Observation Period).

The Final Index Level (4,200) is 30% lower than the Initial Index Level (6,000). Therefore an investor's initial investment will be reduced by 15%, as an investor loses 0.5% for every 1% fall. **Therefore, on an initial investment of GBP1,000 an investor in the Note would receive back:**

$$\text{GBP1,000} - 15\% = \text{GBP850}$$

**Table of further illustrative payouts**

The below table shows a number of potential pay-outs at maturity (excluding interest payments received) based on an initial investment of GBP1,000 with an Initial Index Level of 6,000:

| <b>Final Index Level</b>                     | <b>Barrier Condition Satisfied</b> | <b>Barrier Condition not Satisfied</b> |
|--|------------------------------------|--|
| 10,500 (75% higher than Initial Index Level) | GBP1,000                           | GBP1,000                               |
| 8,700 (45% higher than Initial Index Level)  | GBP1,000                           | GBP1,000                               |
| 6,060 (1% higher than Initial Index Level)   | GBP1,000                           | GBP1,000                               |
| 6,000 (no change from Initial Index Level)   | GBP1,000                           | GBP1,000                               |
| 5,940 (1% lower than initial index level)    | GBP1,000                           | GBP995                                 |
| 3,300 (45% lower than Initial Index Level)   | GBP1,000                           | GBP775                                 |
| 1,500 (75% lower than Initial Index Level)   | Not possible*                      | GBP625                                 |

*\*The Index being 1,500 at maturity means that it would have fallen by more than 3,000 (i.e. 50%) during the term of the Note, therefore the Barrier Condition cannot have been satisfied.*

***Reverse Convertible Notes with Capital at Risk, Downside Return 1 (credit linked) worked example***

**With Simplified credit-linkage and General Recovery Rate**

**Overview**

This example works in the same way as the above "Reverse Convertible Notes with Capital at Risk" example but, in addition to the return on the Note being linked to the performance of the Index, the return of an investor's initial investment is also dependent on the solvency of Company A plc and Company B plc (the "**Collateral Reference Entities**").

In this example, the portion of the Note linked to each Collateral Reference Entity is 50% (the "**Relevant Portion**") and, accordingly, if one of the Collateral Reference Entities becomes insolvent, a 50% portion of the investor's initial investment will be at risk. Therefore, for an initial investment of GBP1,000, GBP500 (plus any potential upside relating to the such amount) will be at risk for each insolvency.

Simplified Credit Linkage and General Recovery Rate are applicable to this example.

In this example Company A plc becomes insolvent during the term of the Note.

At the point of Company A plc becoming insolvent, payments of the 6% per annum fixed rate of interest relating to the Relevant Portion (GBP500) linked to Company A plc will cease. Payments of the 6% per annum fixed rate of interest relating to the Relevant Portion (GBP500) linked to Company B plc will continue.

In order to determine the amount an investor would receive in relation to the Relevant Portion of the Note linked to Company A plc, the following process will be followed:

(i) Upon Company A plc failing or becoming insolvent, Investec Bank plc will determine the fair and reasonable Value\* of the Relevant Portion of the Note disregarding the effect of the insolvency of Company A plc;

*\* Value is the fair market value of the Note (expressed as a percentage of the initial investment). The fair market value takes into account movements in the underlying, volatility, interest rates and time to maturity but disregards the effect of the insolvency of Company A plc on the initial investment.*

(ii) Investec Bank plc will then determine the Recovery Rate\*\* for Company A plc.

*\*\* Recovery Rate is the percentage representing the amount investors in unsecured, unsubordinated structured debt obligations issued or guaranteed by Company A plc are likely to receive as a proportion of the amount they would have received if Company A plc had not become insolvent.*

(iii) The amount an investor will receive in respect of the affected Relevant Portion will be calculated by multiplying the Value by the Recovery Rate.

The above scenario is now described in further detail:

**A: Insolvency of Company A plc – effect on Relevant Portion**

Company A plc becomes insolvent during the term of the Note and, accordingly, 50% (GBP500) of the investor's investment is at risk. The 6% per annum fixed rate of interest relating to the affected amount will cease. Investec Bank plc (acting as calculation agent) determines the amount that an investor would receive in relation to the Relevant Portion is as follows:

(i) The Value of the Relevant Portion is determined to be **80%**, reflecting a deterioration of the level of the Index at that time.

(ii) The Recovery Rate of Company A plc is determined to be **50%** (being the amount investors in unsecured, unsubordinated, structured debt obligations issued or guaranteed by Company A plc are likely to receive as a proportion of the amount they would have received if Company A plc had not become insolvent).

(iii) Investec Bank plc will then multiply the Value by the Recovery Rate. Accordingly, in this example, the investor would receive back:

$$80\% (\text{Value}) \times 50\% (\text{Recovery Rate}) = 40\% \text{ of the GBP500 linked to Company A plc}$$

$$\text{i.e. GBP500} \times 40\% = \text{GBP200}$$

This GBP200 will be paid within 30 days of the date on which Investec Bank plc determines that holders of unsecured, unsubordinated, structured debt obligations of Company A plc actually received or are likely to receive final payment with respect to such debt. This may be before or after the maturity date of the Note.

**B. Maturity after 5 Years - remaining Relevant Portion** (excluding interest payments received)

As Company A plc became insolvent during the term of the Notes, the return linked to the performance of the Index will only be calculated on the remaining Relevant Portion, being the GBP500 of the Note relating to Company B plc (which did not become insolvent).

Accordingly, using the payouts described in the "*Reverse Convertible Notes with Capital at Risk, Downside I*" example above:

*Scenario A – Return of Initial Investment on the remaining Relevant Portion*

(1) The Final Index Level is 6,600 and therefore higher than the Return Threshold; or

(2) The Final Index Level is 5,000 and therefore lower than the Return Threshold but the Barrier Condition has been satisfied (i.e. the level of the Index has not fallen below 3,000 at any time during the Observation Period).

In both of these cases an investor will receive back their initial investment with no additional return; **therefore, on an initial investment of GBP1,000, with the Relevant Portion being GBP500, an investor in the Note would receive:**

$$\text{GBP500} \times 100\% = \text{GBP500}$$

*Scenario B – Loss of Investment on the remaining Relevant Portion*

The Final Index Level is 4,200 and therefore lower than the Return Threshold and the Barrier Condition is not satisfied (i.e. the level of the Index has fallen to less than 3,000 during the Observation Period).

The Final Index Level (4,200) is 30% lower than the Initial Index Level (6,000). Therefore an investor's initial investment will be reduced by 15%, as an investor loses 0.5% for every 1% fall. **Therefore, on an initial investment of GBP1,000, with the Relevant Portion being GBP500, an investor in the Note would receive back:**

$$\text{GBP500} - 15\% = \text{GBP425}$$

***Reverse Convertible Notes with Capital at Risk, Downside Return 1 (credit linked) worked example***

**With Simplified credit-linkage and Specific Recovery Rate**

**Overview**

This example works in the same way as the above "*Reverse Convertible Notes with Capital at Risk, Downside Return 1*" example but, in addition to the return on the Note being linked to the performance of the Index, the return of an investor's initial investment is also dependent on the solvency of Company A plc and Company B plc (the "**Collateral Reference Entities**").

In this example, the portion of the Note linked to each Collateral Reference Entity is 50% (the "**Relevant Portion**") and, accordingly, if one of the Collateral Reference Entities becomes insolvent, a 50% portion



of the investor's initial investment will be at risk. Therefore, for an initial investment of GBP1,000, GBP500 (plus any potential upside relating to the such amount) will be at risk for each insolvency.

Simplified Credit Linkage and Specific Recovery Rate are applicable to this example.

In this example Company A plc becomes insolvent during the term of the Note and the amount an investor will receive in relation to the affected Relevant Portion is determined by reference to Bond X (the "**Collateral Reference Obligation**") issued by Company A plc.

At the point of Company A plc becoming insolvent, payments of the 6% per annum fixed rate of interest relating to the Relevant Portion (GBP500) linked to Company A plc will cease. Payments of the 6% per annum fixed rate of interest relating to the Relevant Portion (GBP500) linked to Company B plc will continue.

In order to determine the amount an investor would receive in relation to the Relevant Portion of the Note linked to Company A plc, the following process will be followed:

(i) Upon Company A plc failing or becoming insolvent, Investec Bank plc will determine the fair and reasonable Value\* of the Relevant Portion of the Note disregarding the effect of the insolvency of Company A plc;

*\* Value is the fair market value of the Note (expressed as a percentage of the initial investment). The fair market value takes into account movements in the Index level, volatility, interest rates and time to maturity but disregards the effect of the insolvency of Company A plc on the initial investment.*

(ii) Investec Bank plc will then determine the Recovery Rate\*\* for Company A plc.

*\*\* Recovery Rate is the percentage representing the amount investors in the Collateral Reference Obligation are likely to receive as a proportion of the amount they would have received if Company A plc had not become insolvent.*

(iii) The amount an investor will receive in respect of the affected Relevant Portion will be calculated by multiplying the Value by the Recovery Rate.

The above scenario is now described in further detail:

#### **A: Insolvency of Company A plc – effect on Relevant Portion**

Company A plc becomes insolvent during the term of the Note and, accordingly, 50% (GBP500) of the investor's investment is at risk. The 6% per annum fixed rate of interest relating to the affected amount will cease. Investec Bank plc (acting as calculation agent) determines the amount that an investor would receive in relation to the Relevant Portion is as follows:

(i) The Value of the Relevant Portion is determined to be **80%**, reflecting a deterioration of the level of the Index at that time.

(ii) The Recovery Rate is determined to be **50%** (being the amount investors in the Collateral Reference Obligation are likely to receive as a proportion of the amount they would have received if Company A plc had not become insolvent).

(iii) Investec Bank plc will then multiply the Value by the Recovery Rate. Accordingly, in this example, the investor would receive back:

$$\mathbf{80\% \text{ (Value)} \times 50\% \text{ (Recovery Rate)} = 40\% \text{ of the GBP500 linked to Company A plc}}$$

$$\mathbf{i.e. \text{ GBP500} \times 40\% = \text{GBP200}}$$

This GBP200 will be paid within 30 days of the date on which Investec Bank plc determines that investors in the Collateral Reference Obligation actually received or are likely to receive final payment with respect to the Collateral Reference Obligation. This may be before or after the maturity date of the Note.

**B. Maturity after 5 Years - remaining Relevant Portion** (excluding interest payments received)

As Company A plc became insolvent during the term of the Notes, the return linked to the performance of the Index will only be calculated on the remaining Relevant Portion, being the GBP500 of the Note relating to Company B plc (which did not become insolvent).

Accordingly, using the payouts described in the "Reverse Convertible Notes with Capital at Risk, Downside I" example above:

*Scenario A – Return of Initial Investment on the remaining Relevant Portion*

(1) The Final Index Level is 6,600 and therefore higher than the Return Threshold; or

(2) The Final Index Level is 5,000 and therefore lower than the Return Threshold but the Barrier Condition has been satisfied (i.e. the level of the Index has not fallen below 3,000 at any time during the Observation Period).

In both of these cases an investor will receive back their initial investment with no additional return; **therefore, on an initial investment of GBP1,000, with the Relevant Portion being GBP500, an investor in the Note would receive:**

$$\text{GBP500} \times 100\% = \text{GBP500}$$

*Scenario B – Loss of Investment on the remaining Relevant Portion*

The Final Index Level is 4,200 and therefore lower than the Return Threshold and the Barrier Condition is not satisfied (i.e. the level of the Index has fallen to less than 3,000 during the Observation Period).

The Final Index Level (4,200) is 30% lower than the Initial Index Level (6,000). Therefore an investor's initial investment will be reduced by 15%, as an investor loses 0.5% for every 1% fall. **Therefore, on an initial investment of GBP1,000, with the Relevant Portion being GBP500, an investor in the Note would receive back:**

$$\text{GBP500} - 15\% = \text{GBP425}$$

9. **Inflation-Linked Notes - Overview**

These Notes are linked to the performance of the UK Retail Prices Index (the "**RPI**"). The Notes may be linked to the performance of the RPI in relation to (i) interest amounts payable on the Notes; and/or (ii) the return on the Notes payable at maturity.

Inflation-Linked Notes will comprise one of the following two options:

*Option 1 – Inflation (RPI Principal and Interest) Linked Notes:*

**Interest amounts**

On each specified interest payment date the Notes will pay a fixed rate of interest adjusted to take account of the change in the level of the RPI 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.

**Maturity return**

In addition to the interest amounts set out above, at Maturity the return on the Notes will be determined by the change in the level of the RPI 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, subject always to a minimum return at least equal to the investor's initial investment.

*Option 2 – Inflation (RPI Interest only) Linked Notes:*

Interest amounts

On each specified interest payment date the Notes will pay an amount of interest determined by the change in the level of the RPI 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 or a maximum rate of interest.

Maturity return

In addition to the interest amounts set out above, at maturity the Notes will pay back the investor's initial investment, regardless of the performance of the RPI.

**Option 1 - Inflation (Index Linked) Notes - worked example**

**Overview**

The example below is of a five year Note linked to the UK Retail Prices Index (the "**RPI**") and assumes an "**Initial Investment**" of GBP1,000, an "**Initial RPI**" (i.e. starting level) of 250.0, a "**Fixed Rate**" of 2% and a "**Reference Month**" of March in each year.

*Interest Payments*

The Note pays an interest amount annually in June of each year. For each interest payment date, the Fixed Rate will be adjusted to take into account the change in inflation between the Initial RPI and the RPI level relating to the Reference Month prior to the relevant interest payment date (which in this case is March in each year). The adjusted interest rate for the Note is calculated as follows:

$$\text{£1,000} \times 2\% \times \frac{\text{RPI for the Reference Month relating to the interest payment date}}{\text{Initial RPI of 250.0}}$$

The below table shows a number of potential interest amounts based on an initial investment of GBP1,000 with an Initial RPI of 250.0:

| Interest payment date | Reference Month | RPI on Reference Month | Change in RPI | RPI adjusted Fixed Rate (= 2% * [RPI on Reference Month / Initial RPI]) | Interest amount |
|-----------------------|-----------------|------------------------|---------------|---|-----------------|
| June 2014             | March 2014      | 253.2                  | 1.28%         | 2.026%  | GBP20.26        |
| June 2015             | March 2015      | 255.0                  | 2.00%         | 2.040%  | GBP20.40        |
| June 2016             | March 2016      | 237.5                  | - 5.00%       | 1.900%  | GBP19.00        |
| June 2017             | March 2017      | 252.8                  | 1.12%         | 2.022%  | GBP20.22        |
| June 2018             | March 2018      | 256.9                  | 2.76%         | 2.055%  | GBP20.55        |

*Maturity after 5 years*

At the end of year 5, the final RPI ("**Final RPI**") will be used to determine the return on the Note. The **Final RPI** is the level of the RPI in March 2018 (i.e. the Reference Month prior to maturity).

If the Final RPI is greater than 250.0 (i.e. greater than the Initial RPI), the investor will receive their initial

investment plus an amount equal to the increase in the RPI at the end of year 5.

If the Final RPI is less than or equal to the Initial RPI, the investor will receive back their initial investment with no additional return.

The above scenarios are now described in further detail:

### **Maturity after 5 Years**

#### *Scenario A – Upside Return*

The RPI Level is 300 and therefore higher than the Initial RPI.

In this case an investor will receive back an amount equal to the upside performance of the RPI; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP } 1,000 \times (300/250) = \mathbf{120\% \text{ (GBP1,200)}}$$

#### *Scenario B – No Additional Return*

The Final RPI is 200 and therefore less than the Initial RPI.

In this case an investor will receive back their initial investment with no additional return; **therefore, on an initial investment of GBP1,000 an investor in the Note would receive:**

$$\text{GBP1,000} \times 100\% = \mathbf{\text{GBP1,000}}$$

The below table shows a number of potential pay-outs at maturity (excluding any interest amounts) based on an initial investment of GBP1,000 with an Initial RPI of 250:

| <b>Potential RPI on final Reference Month<br/>(March 2018)</b> | <b>RPI adjusted return</b> | <b>Return</b> |
|--|----------------------------|---------------|
| 437.5 (75% higher than Initial RPI)                            | 175%                       | GBP1,750      |
| 362.5 (45% higher than Initial RPI)                            | 145%                       | GBP1,450      |
| 252.5 (1% higher than Initial RPI)                             | 101%                       | GBP1,010      |
| 250 (no change from Initial RPI)                               | 100%                       | GBP1,000      |
| 247.5 (1% lower than Initial RPI)                              | 100%                       | GBP1,000      |
| 137.5 (45% lower than Initial RPI)                             | 100%                       | GBP1,000      |
| 62.5 (75% lower than Initial RPI)                              | 100%                       | GBP1,000      |

## GENERAL TERMS AND CONDITIONS OF THE NOTES

*The following are the General Terms and Conditions (the "**Conditions**") of the Notes which 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 these Conditions. 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 "Summary of Provisions Relating to the Notes in Global Form" 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 plc (the "**Issuer**") constituted by a principal trust deed dated on or about 23 July 2013 (such principal trust deed as further modified and/or supplemented and/or restated from time to time, the "**Principal Trust Deed**") made between the Issuer and Deutsche Trustee Company Limited (the "**Trustee**", which expression shall include any successor as Trustee), as supplemented in relation to any Series of Secured Notes by a supplemental trust deed relating to the Collateral Pool (as defined below) securing such Series of Notes (such supplemental trust deed, as amended and/or supplemented and/or restated from time to time, the "**Supplemental Trust Deed**") and made between the Issuer, the Custodian (as defined below) and the Trustee.

References herein to the "**Trust Deed**" shall mean, in relation to any Series of Notes:

- (i) if such Series is a Series of Unsecured Notes, the Principal Trust Deed; and
- (ii) if such Series is a Series of Secured Notes, the Principal Trust Deed together with the Supplemental Trust Deed relating to such Series.

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

- (i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form;
- (iv) any definitive Notes in certificated registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form); and
- (v) in relation to any Uncertificated Registered Notes, units of each Specified Denomination in the Specified Currency.

For the avoidance of doubt, references herein to "Registered Notes" do not include Uncertificated Registered Notes.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement dated on or about 23 July 2013 (such agency agreement, as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, the Trustee and Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor 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), Deutsche Bank Luxembourg S.A. as registrar in relation to Registered Notes (the "**Registrar**", which expression shall include any additional or 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), Deutsche Bank AG, London Branch as custodian (the "**Custodian**", which expression shall include any additional or successor custodian) with respect to Secured Notes and Deutsche Bank AG, London Branch as verification agent (the "**Verification Agent**", which expression shall include any additional or successor verification agent) with respect to Secured Notes. The Issuer will also appoint Investec Bank plc as calculation agent (the

**"Calculation Agent"**, which expression shall include any successor calculation agents) to carry out any necessary calculations or valuations in respect of the Notes (unless specified otherwise). In addition, the Issuer has entered into an agency agreement with Computershare Investor Services plc and the Trustee dated on or about 23 July 2013 (such agency agreement, as amended and/or supplemented and/or restated from time to time, the **"Computershare Agency Agreement"**) appointing the latter as registrar and paying agent (the **"CREST Registrar"**, which expression shall include any additional or successor registrar) with respect to Uncertificated Registered Notes.

Interest-bearing 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, Uncertificated Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the **"applicable Final Terms"** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this 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 (i) expressed to be consolidated and form a single series and (ii) 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 Principal Trust Deed, the Computershare Agency Agreement and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee, being at Winchester House, 1 Great Winchester Street, London EC2N 2DB and at the specified office of each of the Principal Paying Agent, the Registrar, the CREST Registrar and any other Paying Agents and Transfer Agents (such Principal Paying Agent, the Registrar, the CREST Registrar, any other Paying Agents and Transfer Agents being together referred to as the **"Agents"**). Copies of the applicable Final Terms and any applicable Supplemental Trust Deed are available for viewing at, and copies may be obtained from, Investec Bank plc, 2 Gresham Street, London EC2V 7QP, or from Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB 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 the Prospectus Directive, the applicable Final Terms and any applicable Supplemental Trust Deed will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Trustee or (as the case may be) 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, are bound by 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 Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

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 the 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.

1. **FORM, DENOMINATION AND TITLE**

(a) **Form**

The Notes are in bearer form, registered form or uncertificated 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).

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Equity-Linked Note, an Index-Linked Note or an Inflation-Linked Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Instalment Note, an Equity-Linked Note, an Index-Linked Note, an Inflation-Linked Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

This Note may be an Unsecured Note or a Secured Note, depending on the Security Status shown in the applicable Final Terms.

(b) **Denomination**

The aggregate principal amount and denomination of the Notes will be specified in the applicable Final Terms.

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 or Uncertificated Registered Notes and *vice versa*.

(c) **Title**

(i) ***Bearer Notes and Registered Notes***

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these 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, any Agent 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, *société anonyme* ("**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 conclusive and 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, any Agent 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 conclusive and binding on all concerned.

Notes 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 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.

(ii) ***Uncertificated Registered Notes***

The Uncertificated Registered Notes shall be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Regulations**"). The Uncertificated Registered Notes are participating securities for the purposes of the Regulations. Title to the Uncertificated Registered Notes is recorded on the relevant Operator register of corporate securities. The CREST Registrar on behalf of the Issuer shall maintain a record of uncertified corporate securities (the "**Record**") in relation to the Uncertificated Registered Notes and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Uncertificated Registered Notes shall be treated by the Issuer and the CREST Registrar as the holder of such number of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Uncertificated Registered Notes**" and related expressions shall be construed accordingly), and (ii) none of the Issuer and the CREST Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the CREST Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the Uncertificated Registered Notes.

Title to Uncertificated Registered Notes will pass upon registration of the transfer in the Operator register of corporate securities. All transactions in relation to Uncertificated Registered Notes (including transfers of Uncertificated Registered Notes) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.

No provisions of these Conditions as amended in accordance with the applicable Final Terms shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Registered Notes in uncertificated form, (II) the transfer of title to Uncertificated Registered Notes by means of a relevant system or (III) the Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the applicable Final Terms, so long as the Uncertificated Registered Notes are participating securities, (A) the Operator register of corporate securities relating to the Uncertificated Registered Notes shall be maintained at all times in the United Kingdom, (B) the Uncertificated Registered Notes may be issued in uncertificated form in accordance with and subject as provided in the Regulations, and (C) for the avoidance of doubt, the Conditions and the applicable Final Terms in relation to any Uncertificated Registered Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Registered Note.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Regulations and the relevant Operator (as such term is used in the



Regulations) is CRESTCo. Limited or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar in relation to the Uncertificated Registered Notes and in accordance with the Regulations. Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Uncertificated Registered Notes in accordance with Condition 13 (*Notices*).

Except in the limited circumstances provided in the Trust Deed, Notes in definitive registered form will not be issued, either initially or in exchange for an Uncertificated Registered Note.

## 2. **TRANSFERS OF REGISTERED NOTES**

### (a) **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 transferable for Notes in definitive form 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, and in accordance with the terms and conditions specified in the Agency Agreement.

### (b) **Transfers of Registered Notes in definitive form**

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 (i) the holder or holders must (A) 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 (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) 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 2 (*Register and Transfer of Registered Notes*) 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.

### (c) **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.

(d) **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 NOTES**

The Notes and the relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 19 (*Security*) (as set out in the "*Additional Terms and Conditions of the Secured Notes*") unsecured obligations of the Issuer that rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) at least equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4. **INTEREST**

(a) **Interest on Fixed Rate Notes**

Unless otherwise specified in the applicable Final Terms, 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 be the Fixed Coupon Amount specified as an amount per Calculation Amount in the relevant Final Terms.

Unless otherwise specified in the applicable Final Terms, in these 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. Except in the case of Notes in definitive form where Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (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 is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) of the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

In these Conditions:

"**Day Count Fraction**" has the meaning given to it in Condition 4(b) (*Interest on Floating Rate Notes*).

"**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.

(b) **Interest on Floating Rate Notes**

(i) ***Interest Payment Dates***

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) 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 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 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 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 on 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:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) 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 (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day of the month falling one Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) 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; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions,

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) 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 (2) in relation to any sum payable in euro, a TARGET Settlement Day.

**"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).

**"TARGET2"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**"TARGET Settlement Day"** means any day on which TARGET2 is open for the settlement of payments in euro.

(ii) ***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.

(A) ***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 (A), **"ISDA Rate"** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate 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"**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) 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 Euro-zone inter-bank 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 sub-paragraph (A), "**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 zero.

(B) *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, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page 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 Calculation Agent. The Interest Determination Date in respect of an Interest Period may be the second London business day prior to the start of each Interest Period, the first day of each Interest Period, the second day on which the TARGET2 system is open prior to the start of each Interest Period or any other date specified in the applicable Final Terms. 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 Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement (at Clause 8.2 (*Interest determination*)) contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specify 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 (ii) 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 specify 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 (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) ***Determination of Rate of Interest and calculation of Interest Amounts***

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note the aggregate outstanding nominal amount of the Notes; or
- (B) 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 is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) of the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach 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 4(b) or Condition 4(a) (*Interest on Fixed Rate Notes*):

- (i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
  - (1) 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 (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (2) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.
- (ii) 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);

- (iii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) 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;
- (v) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) if "**30/360**", "**360/360**" or "**Bond 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:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vii) 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:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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;

- (viii) 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 =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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

- (ix) 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).

(v) ***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 4(b), whether by the Principal Paying Agent or, if applicable, the Calculation Agent or, if applicable, the Trustee, shall (in the absence of wilful default, fraud, bad faith and manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the other Agents and all Noteholders, Receipholders and Couponholders and (in the absence of wilful default, fraud and bad faith) no liability to the Issuer, the Noteholders, the Receipholders or the Couponholders shall attach to the Principal Paying Agent, or the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.



- (c) If the applicable Final Terms specify that the interest basis is "Inflation-linked Interest", "Equity-linked Interest" or "Index-linked Interest" then the Calculation Agent shall calculate the amount of 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 B (*Equity-Linked Notes*) or Part C (*Inflation-linked Notes*), as applicable.

(d) **Zero Coupon Notes**

Where a Zero Coupon Note is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the applicable Final Terms (or if none is specified, such rate as would produce the issue price of the Notes if the scheduled Final Redemption Amount was discounted back to the Issue Date at such rate).

(e) **Cessation of accrual of interest**

Each Note (or in the case of redemption of only a Relevant Portion of a Note, that Relevant Portion 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.

(f) **Notification of Rate of Interest and Interest Amounts**

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified promptly to the Issuer, the Trustee and any stock exchange on which the relevant Notes 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 13 (*Notices*) 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. Any such amendment will be promptly notified to each stock exchange on which the relevant Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*). 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.

(g) **Calculations**

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Final Terms, and the Day Count Fraction for such Interest Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(h) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Period, calculate the Final Redemption Amount,

Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to the applicable Business Day Convention, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Determination or Calculation by Trustee**

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, or as otherwise specified in the applicable Final Terms, as the case may be, the Trustee shall do so (or shall appoint an agent at the expense of the Issuer on its behalf to do so), in its absolute discretion, and shall be entitled to do so in reliance of its professional advisors, and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee or its agent shall apply the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. Any such determination or calculation shall be deemed to have been made by the Calculation Agent.

(j) **Coupon Deferral**

If the Final Terms specify "Coupon Deferral" as applicable, and the Calculation Agent determines that a Coupon Deferral Event has occurred and is continuing, the Issuer may by giving notice to the Calculation Agent at least 15 Business Days before each Interest Payment Date defer or reduce the interest payments due under the Notes to the same extent of the deferral, reduction or increase in the interest payments on the Coupon Reference Obligation, for so long as such Coupon Deferral Event is continuing. If the Coupon Deferral Event ceases and the deferred and/or reduced interest payments on the Coupon Reference Obligation are paid by the relevant obligor, the Issuer shall pay the deferred interest payments to the same extent on the next following Interest Payment Date.

"**Coupon Deferral Event**" means in relation to the Coupon Reference Obligation, the suspension, deferral, cessation of interest payment, any increase in interest payments, or adjustment in the frequency of interest payments under the Coupon Reference Obligation, in accordance with the terms that apply to interest payments under Coupon Reference Obligation as at the Issue Date of the Notes.

"**Coupon Reference Obligation**" means the obligation described as such in the applicable Final Terms.

For the avoidance of doubt, the right of the Issuer to defer interest payments in accordance with this Condition 4(k), and the Issuer's decision on whether or not to defer interest payments under this Condition 4(k), shall be without prejudice to any other rights the Issuer may have in relation to the Notes as a result of the occurrence of the applicable Coupon Deferral Event or otherwise.

5. **PAYMENTS**

(a) **Method of payment**

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, 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
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

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

(b) **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 paragraph (a) 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 paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) 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 failing to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) 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 unmaturing 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, Long Maturity Note or any Note in relation to which the Interest Basis is anything other than Fixed Rate Notes in definitive bearer form becomes due and repayable, unmaturing 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.

(c) **Payments in respect of Global Notes in bearer form**

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 the Principal 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.

(d) **Payments in respect of Registered 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 holder does not have a Designated Account, 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 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.

Neither the Issuer nor any of 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.

(e) **Payments in respect of Uncertificated Registered Notes**

The Issuer shall pay or cause to be paid payments of principal in respect of Uncertificated Registered Notes to the relevant Noteholder's cash memorandum account (as shown in the records of the Operator) for value on the Maturity Date or Automatic Early Redemption Date, as the case may be, such payment to be made in accordance with the rules of the Operator.

Payments of interest (if any) in respect of Uncertificated Registered Notes will be discharged by payment (as shown in the records of the Operator) to the cash memorandum account of the relevant Noteholder. Each of the persons shown in the Operator register of corporate securities as the holder of a particular principal amount of Uncertificated Registered Notes must look solely to the settlement bank or institution at which its cash memorandum account is held for its share of each such payment so made by or on behalf of the Issuer.

(f) **General provisions applicable to payments in respect of Notes held in Euroclear and/or Clearstream, Luxembourg**

The holder 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 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, or to the order of, the holder of such Global Note.

(g) **U.S. Paying Agent**

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:

- (i) 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;
- (ii) 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

- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(h) **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 8 (*Prescription*)) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) the relevant place of presentation;
  - (B) London;
  - (C) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) 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 (2) in relation to any sum payable in euro, a TARGET Settlement Day (as defined in Condition 4 (*Interest*) above).

(i) **Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);
- (ii) the Final Redemption Amount of the Notes;
- (iii) in relation to Notes redeemable in instalments, the Instalment Amounts; and
- (iv) 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 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 7 (*Taxation*) and any arrears of interest (if applicable).

In respect of the calculation of the Final Redemption Amount in relation to any Relevant Portion of the Notes, in rounding any values determined or calculated in connection therewith the Calculation Agent shall apply the following rounding conventions: (A) so long as the Notes are in the form of Uncertificated Registered Notes and are held in CREST, the Final Redemption Amount shall be calculated in relation to the aggregate principal amount of the Notes outstanding, rounded down to the nearest currency unit and paid to Euroclear UK and Ireland Limited (formerly known as CRESTCo Limited) for distribution by it to entitled accountholders in accordance with Euroclear UK and Ireland Limited's usual rules and procedures; (B)(i) so long as the Notes are represented by a Global Note in bearer form, the Final Redemption Amount shall be calculated in relation to the aggregate principal amount of the Notes outstanding,

rounded down to the nearest currency unit and paid 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 the Principal Paying Agent in accordance with Condition 5(c) (*Payments – Payments in respect of Global Notes in bearer form*); (ii) if a Global Note is at any time exchanged for definitive Bearer Notes, the Final Redemption Amount will be calculated in relation to each Specified Denomination and rounded to the nearest currency unit and paid against presentation and surrender in accordance with Condition 5(b) (*Payments – Presentation of definitive Bearer Notes, Receipts and Coupons*); and (C) in respect of Notes that are Registered Notes, the Final Redemption Amount shall be calculated in relation to the aggregate principal amount of the Notes outstanding rounded down to the nearest currency unit and paid in the manner specified in the Registered Note against presentation and surrender of such Registered Note at the specified office of the Registrar or any Paying Agent in accordance with Condition 5(d) (*Payments – Payments in respect of Registered Notes*).

6. **REDEMPTION, PURCHASE AND OPTIONS**

(a) **Final Redemption and Redemption by Instalments**

(i) ***Final Redemption***

Unless previously redeemed or purchased and cancelled as provided below, each Note (including each Note specified in the applicable Final Terms as having a Redemption Basis that is Equity-Linked Notes, Index-Linked Notes or Inflation-Linked Notes) shall be finally redeemed on the Maturity Date specified in the applicable Final Terms at its Final Redemption Amount (which, unless otherwise provided in the applicable Final Terms, is its nominal amount) or, in the case of a Note falling within paragraph (ii) (*Redemption by Instalments*) below, its final Instalment Amount, in each case, as calculated by the Calculation Agent in its sole and absolute discretion.

(ii) ***Redemption by Instalments***

Unless previously redeemed, purchased and cancelled as provided in this Condition 6 (*Redemption, Purchase and Options*), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(b) **Early Redemption**

The Early Redemption Amount payable in respect of any Note upon redemption of such Note pursuant to Condition 6(c) (*Redemption for Taxation Reasons*), Condition 6(d) (*Redemption following Hedging Disruption*), Condition 6(e) (*Redemption following Illegality*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), shall be the Final Redemption Amount (as specified in the applicable Final Terms) or the Fair Market Value in respect of each Note.

**"Fair Market Value"** means, 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).

(c) **Redemption for Taxation Reasons**

The Notes of any Series may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of a Note other than a Floating Rate Note and any Note in relation to which the Interest Basis is anything other than Fixed Rate Notes) or only on an Interest Payment Date

(in the case of a Floating Rate Note or any Note in relation to which the Interest Basis is anything other than Fixed Rate Notes) on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), at their Early Redemption Amount (as determined in accordance with paragraph (b) (*Early Redemption*) above) in respect of each Note, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) it has or will or would, but for redemption, become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) in respect of any of the Notes of such Series;
- (ii) the payment of interest in respect of any of the Notes of such Series would be a "distribution" for United Kingdom tax purposes; or
- (iii) in respect of the payment of interest in respect of any of the Notes of such Series, the Issuer would not to any material extent be entitled to have any attributable loss or non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date on which agreement is reached to issue the first Tranche of Notes of such Series or any similar system or systems having like effect as may from time to time exist),

in each such case, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom 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 laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Notes of that Series and cannot be avoided by the Issuer taking reasonable steps available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts as referred to in paragraph (i) above, would be treated as making distributions as referred to in paragraph (ii) above or would not be entitled to have the loss or non trading deficit set against the profits as referred to in paragraph (iii) above were a payment in respect of the Notes of that Series then due. Upon the expiration of such notice the Issuer shall be bound to redeem such Notes at their Early Redemption Amount together with interest accrued to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant this Condition 6(c) (*Redemption for Taxation Reasons*), the Issuer shall deliver to the Trustee a certificate signed by two Directors stating that the obligation or treatment, as the case may be, referred to above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) **Redemption following Hedging Event**

Unless this Condition 6(d) (*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' irrevocable notice to the Noteholders, may, 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 paragraph (b) (*Early Redemption*) above) 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.

(e) **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' irrevocable notice to the Noteholders, may, 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 paragraph (b) (*Early Redemption*) above) 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.

(f) **Redemption at the Option of the Issuer**

If Call Option is specified in the applicable Final Terms, the Issuer may and unless otherwise specified in the applicable Final Terms), on giving not less than 15 nor more than 30 days' irrevocable notice to the Trustee, the Principal Paying Agent, the Registrar (in the case of Registered Notes), the CREST Registrar (in the case of Uncertificated Registered Notes), the competent authority or stock exchange on which the Notes are listed, if any (if so required by such competent authority or stock exchange) and, in accordance with Condition 13 (*Notices*), the Noteholders (or such other notice period as may be specified in the applicable Final Terms) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount (which may be par or their Fair Market Value or another amount specified in the applicable Final Terms) together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(g) **Redemption at the Option of Noteholders**

If Put Option is specified in the applicable Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the applicable Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount (which may be par or their Fair Market Value or another amount specified in the applicable Final Terms) together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent (in the case of Bearer Notes), with the Registrar or any Transfer Agent (in the case of Registered Notes) or with the CREST Registrar (in the case of any Uncertificated Registered Notes) at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent or the CREST Registrar (as applicable) within the notice period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(h) **Purchases**

The Issuer, or any of its subsidiaries, any holding company of the Issuer or any subsidiary of such holding company, may at any time purchase Notes (**provided that**, in the case of Bearer Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(i) **Cancellation**

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation by surrendering each such Note (together with all unmatured Receipts and Coupons and all unexchanged Talons) at the time of redemption to the Principal Paying Agent or to the Registrar (in the case of Registered Notes) or to the CREST Registrar (in the case of Uncertificated Registered Notes). In each case, any Notes so surrendered shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7. **TAXATION**

7A. **TAXATION — NO GROSS UP**

This Condition 7A will be applicable to all Series of Notes unless it is specified in the applicable Final Terms that Condition 7B (*Taxation - Gross Up*) is applicable.

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 by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer shall not be required to pay to holders of Notes, Receipts and/or Coupons any additional amounts in connection with such withholding or deduction.

**7B. TAXATION - GROSS UP**

This Condition 7B will only be applicable to such Series of Notes where it is specified in the applicable Final Terms that Condition 7B (*Taxation - Gross Up*) is applicable.

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 by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will 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) presented for payment by, or by a third party on behalf of, a holder who (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 thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(h) (*Payment Day*)) in the place of surrender; or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who is able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

In these Conditions:

**"Tax Jurisdiction"** means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax; and

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, the 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 13 (*Notices*).

Any reference in these 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.

Notwithstanding any other provision in these Conditions, the Issuer, and the Paying Agents, shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US IRS (**"FATCA withholding"**). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any

person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

8. **PRESCRIPTION**

The Notes (whether in bearer, uncertificated registered or certificated registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) 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 5 (*Payments*) or any Talon which would be void pursuant to Condition 5 (*Payments*).

9. **EVENTS OF DEFAULT**

(a) **Events of Default**

If any of the following events (each an "**Event of Default**") 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, secured and/or prefunded to its satisfaction), give notice to the Issuer (with a copy to the Custodian, in the case of any Secured Notes) that the Notes are, and they shall immediately become, due and payable at their Final Redemption Amount (determined in accordance with Condition 6(a) (*Redemption, Purchase and Options – Final Redemption*)) together (if applicable) with accrued interest (if any) in respect of such Notes shall become enforceable:

- (i) 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 7 days in the case of principal or premium or 14 days in the case of interest; or
- (ii) if an administrator is appointed in respect of the Issuer or any order is made or an effective resolution is passed for the winding up or dissolution of the Issuer and any resulting administration, winding up or dissolution 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).

(b) **Enforcement**

- (i) 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 (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified, secured and/or prefunded to its satisfaction.
- (ii) No Noteholder 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 to do so within a reasonable period and such failure is continuing, in which event any Noteholder may, on giving an indemnity, security and/or prefunding satisfactory to the Trustee, in the name of the Trustee (but not otherwise) himself institute such proceedings and/or prove 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.

10. **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 and Coupons) or the Registrar (in the case of Registered Notes) or the CREST Registrar (in the case of Uncertificated 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.

11. **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 Paying Agent, a Transfer Agent and a Registrar and/or a CREST Registrar (as the case may be);
- (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, Receipts and Coupons) or the Registrar (in the case of Registered Notes) or the CREST Registrar (in the case of Uncertificated 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);
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) so long as there are any Secured Notes which remain outstanding, there will be a Custodian and a Verification Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(g) (*U.S. Paying Agent*). 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 13 (*Notices*).

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.

12. **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 8 (*Prescription*).

13. **NOTICES**

(a) **Notices in respect of Bearer Notes and Registered Notes**

All notices regarding Bearer Notes will be deemed to be validly given if published (i) in a leading English language daily national newspaper of general circulation in the United Kingdom and (ii) or as otherwise required by any stock exchange or any other competent authority by or on which the Bearer Notes are for the time being listed. It is expected that any such publication in a newspaper will, if required, be made in the *Financial Times* in London. 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 and the rules of that stock exchange (or any other 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 second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

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, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

(b) **Notices in respect of Uncertificated Registered Notes**

All notices regarding Uncertificated 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 at their respective addresses appearing in the Record and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Uncertificated 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.

14. **MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

(a) **Meeting of Noteholders**

The Trust Deed contains provisions for convening meetings of the Noteholders 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 five 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 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, but not limited to, 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, 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 per cent. of the principal amount of the Notes for the time being outstanding to be as effective and binding as if it were an Extraordinary Resolution duly passed at a meeting of the Noteholders.

(b) **Modification and Waiver**

The Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders:

- (i) concur with the Issuer in making any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the Agency Agreement or the Trust Deed, **provided that** the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders; or
- (ii) determine 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
- (iii) agree to any modification which is of a formal, minor or technical nature or to correct a manifest error.

The Trustee shall agree to any modification without the consent of Noteholders 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** (A) the Issuer provides to the Trustee a certificate signed by two authorised signatories of the Issuer certifying the details of such inconsistency and appending and certifying the relevant written communication distributed to Noteholders to which the Final Terms are to be conformed; (B) in case of rated Notes, any credit rating agency that has rated such Notes provides confirmation that the credit ratings of such Notes would not be adversely affected by the proposed modification, and such confirmation is provided to the Trustee; and (C) the Trustee has the right to refuse to agree such changes 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.

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 13 (*Notices*) as soon as practicable thereafter.

The Issuer may at any time request the Trustee to make modifications to any of the provisions of the Notes, the Agency Agreement or the Trust Deed and any other relevant documents without the consent of the Noteholders, Receiptholders or Couponholders (and irrespective of whether such modifications are (i) materially prejudicial to the interests of the Noteholders or (ii) in respect of a Basic Terms Modification (as defined in the Trust Deed)) to maintain and/or improve credit ratings of any Notes in issue. The Trustee shall agree to such changes **provided that** the

Issuer confirms to the Trustee in writing that such amendments are required either (i) to implement new credit rating criteria of a credit rating agency; or (ii) by a credit rating agency itself, in either case, to maintain or improve the then current credit ratings of the Notes then outstanding.

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 7 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

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, the Receipts, the 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) compliance with certain other conditions set out in the Trust Deed.

**15. 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, 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 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 remove any trustee or trustees 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) is appointed. The Trust Deed provides that, in the event of the Trustee giving notice of retirement or being removed by Extraordinary Resolution under the Trust Deed, the Issuer shall use all reasonable endeavours to procure that a new trustee 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. No appointment of a trustee shall take effect unless previously approved by an Extraordinary Resolution. Notice of any such change shall be given to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

**16. 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.

17. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. **GOVERNING LAW**

Each of the Trust Deed, the Agency Agreement, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with them shall be governed by and construed in accordance with English law.

## PRO FORMA FINAL TERMS

[Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule [17/19].]

[Date]

**Investec Bank plc**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**under the**  
**£2,000,000,000 Impala Structured Notes Programme**

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in paragraph 9 of Part B below, provided such person is one of the persons mentioned in paragraph 9 of Part B below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended by Directive 2008/11/EC, Directive 2010/73/EU and Directive 2008/78/EU) and includes any relevant implementing measures in the Relevant Member State.]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended by Directive 2008/11/EC, Directive 2010/73/EU and Directive 2008/78/EU) and includes any relevant implementing measures in the Relevant Member State.]

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Base Prospectus and the relevant Final Terms. Prospective investors should consider carefully the risk factors set out under "*Risk Factors*" in the Base Prospectus referred to below.

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus in relation to the £2,000,000,000 Impala Structured Notes Programme dated 23 July 2013 [and the supplemental Prospectus[es] dated [ ]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Article 5(4) of the Prospectus Directive (Directive 2003/71/EC as amended by Directive 2008/11/EC, Directive 2010/73/EU and Directive 2008/78/EU) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as supplemented]. The Base Prospectus [and the supplements thereto] [is/are] available for viewing at and copies may be obtained from [www.investecstructuredproducts.com (please follow the link to [•])] and during normal working hours from Investec Bank plc, 2 Gresham Street, London EC2V 7QP, and from [[Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB]/[Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE]]. [A summary of the offer of the Notes is annexed to the Final Terms.]

1. Issuer: Investec Bank plc
2. [(a)] Series Number: [•]  
[(b)] Tranche Number: [•][The Notes issued under these Final Terms are to be consolidated and form a single series with [•] issued on [•] [(ISIN: [•])]]
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount:  
[(a)] Series: [•][The aggregate nominal amount of the Notes issued will be notified and published on or about the Issue Date]  
[(b)] Tranche: [•][The aggregate nominal amount of the Notes issued will be notified and published on or about the Issue Date]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
6. (a) Specified Denominations: [•]  
(b) Calculation Amount: [•]
7. (a) Issue Date: [•]  
(b) Interest Commencement Date: [Issue Date/Not applicable] [•]
8. Maturity Date: [Interest Payment Date falling in or nearest to [•]][•]
9. Interest Basis:  
[Fixed Rate]  
[Floating Rate]  
  
[Zero Coupon]  
  
[Inflation-linked Interest]  
  
[Equity-linked Interest]

- [Index-linked Interest]
10. Redemption/Payment Basis: [Redemption at par]  
[Instalment]  
[Equity-Linked Notes]  
[Index-Linked Notes]  
[Inflation-Linked Notes]
11. Change of Interest Basis or Redemption/Payment Basis: [•][Not applicable]
12. Call Option: [Applicable/Not applicable]
13. Put Option: [Applicable/Not applicable]
14. (a) Security Status: [Unsecured Notes/Secured Notes. The Issuer has designated the Notes as covered bonds].  
(b) Date [Board] approval for issuance of Notes obtained: [•][Not applicable]
15. Method of distribution: [Syndicated/Non-syndicated]

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

16. **Fixed Rate Note Provisions** [Applicable/Not applicable]
- (a) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi - annually/quarterly/other specify] in arrear]
- (b) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date]/[ [•] day of each calendar month from [•] up to and including the Maturity Date]/[Each date specified in the column headed "Interest Payment Date" below]/[•]

| Fixed Interest Period |                  | Interest Payment Date |
|-----------------------|------------------|-----------------------|
| from but excluding    | to and including |                       |
| [•]                   | [•]              | [•]                   |

- (c) Fixed Coupon Amount(s): [[•] per Calculation Amount/ Not applicable]
- (d) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360 [30/360] [30E/360] [30E/360 (ISDA)] [Actual/365L]
- (d) Determination Date(s): [[•] in each year]/ [Each Interest Payment Date]/[•]
17. **Floating Rate Note Provisions** [Applicable/Not applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day]

|  |  |
|--|--|
|  | Convention/ Preceding Business Day Convention]   |
| (d) Additional Business Centre(s):   | [•][Not applicable]  |
| (e) Manner in which the Rate of Interest and Interest Amount is to be determined:                              | [Screen Rate Determination/ISDA Determination]   |
| (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): | [•][Not applicable]  |
| (g) Screen Rate Determination:   | [Applicable][Not applicable]   |
| • Reference Rate:  | [LIBOR][EURIBOR]   |
| • Interest Determination Date(s):  | [•][Second London business day prior to the start of each Interest Period][first day of each Interest Period][the second day on which the TARGET2 system is open prior to the start of each Interest Period] |
| • Relevant Screen Page:  | [•]  |
| (h) ISDA Determination:  | [Applicable] [Not applicable]  |
| • Floating Rate Option:  | [•]  |
| • Designated Maturity:   | [•]  |
| • Reset Date:  | [•]  |
| (i) Margin(s):   | [+/-] [•] per cent. per annum  |
| (j) Minimum Rate of Interest:  | [•] per cent. per annum  |
| (k) Maximum Rate of Interest:  | [•] per cent. per annum  |
| (l) Day Count Fraction:  | [Actual/Actual (ICMA)] [Actual/Actual (ISDA)]<br>[Actual/365 (Fixed)] [Actual/365 (Sterling)]<br>[Actual/360 [30/360] [30E/360] [30E/360 (ISDA)]<br>[Actual/365L]  |
| (m) Determination Date:  | [[•] in each year]   |
| 18. <b>Coupon Deferral</b>   | [Applicable/Not applicable]  |
| Coupon Reference Obligation  | [•]  |

## PROVISIONS RELATING TO REDEMPTION

|   |   |
|---|---|
| 19. Final Redemption Amount of each Note: | [[•] per Calculation Amount]  |
|   | [[Equity]/[Index]-Linked Provisions apply – see Annex [1] ( <i>[Equity]/[Index]-Linked Provisions</i> ) to these Final Terms and [Share]/[Index] Linked Provisions apply see Annex [2] ( <i>[Share]/[Index]-Linked Provisions</i> ) to the these Final Terms] |

- [Inflation-Linked Provisions apply - see Annex [1] (*Inflation-Linked Provisions*) to these Final Terms]
20. Early Redemption Amount: [[•] of Calculation Amount]
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/Final Redemption Amount/ Fair Market Value]
21. Issuer Call Option [Applicable/Not applicable]
- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]
- (c) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/Fair Market Value/[•]]
- (d) If redeemable in part:
- (i) Minimum Redemption Amount: [•] per Calculation Amount
- (ii) Maximum Redemption Amount: [•] per Calculation Amount
22. Noteholder Put Option [Applicable/Not applicable]
- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]
- (c) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/Fair Market Value/[•]]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

23. 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]]
- [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)]

[Uncertificated Registered Notes]

24. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not applicable/[•]]

25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No.]

26. Details relating to Instalment Notes:

(a) Instalment Amount(s): [Not applicable/[•]]

(b) Instalment Date(s): [Not applicable/[•]]

## DISTRIBUTION

27. (a) If syndicated, names [and addresses] of Managers: [Not applicable/[•]]

(b) Date of [Subscription] Agreement: [•][Not applicable]

28. If non-syndicated, name [and address] of relevant Dealer: [Not applicable/[•]]

29. Total commission and concession: [[•] per cent. of the Aggregate Nominal Amount][Not applicable]

30. U.S. Selling Restrictions: [Reg. S Compliance Category: [2];  
TEFRA D/TEFRA C/TEFRA not applicable]

## TAXATION

31. Taxation: Condition 7A (*Taxation - No Gross up*) [applies/does not apply]

[Condition 7B (*Taxation - Gross Up*) [applies/does not apply]]

## SECURITY

32. Security Provisions: [Applicable/Not applicable]

(a) Whether Collateral Pool secures this Series of Notes only or this Series and other Series: [This Series only/This Series and other Series].

(b) Date of Supplemental Trust Deed relating to the Collateral Pool securing the Notes and Series Number of first Series of Secured Notes secured thereby: Supplemental Trust Deed dated [•] securing [this Series only/Series Number [•] among others]

|      |   |                      |                    |
|------|---|----------------------|--------------------|
| (c)  | Eligible Collateral:                      | Valuation Percentage | Maximum Percentage |
| (i)  | Cash in an Eligible Currency              | [•]%                 | [•]%               |
| (ii) | Negotiable debt obligations issued by the | [•]%                 | [•]%               |

|       |  |                         |                       |
|-------|--|-------------------------|-----------------------|
|       | government of [•]<br>having an original<br>maturity at issuance of<br>not more than one year   |                         |                       |
| (iii) | Negotiable debt<br>obligations issued by the<br>government of [•]<br>having an original<br>maturity at issuance of<br>more than one year but<br>not more than 10 years | [•]%                    | [•]%                  |
| (iv)  | Negotiable debt<br>obligations issued by the<br>government of [•]<br>having an original<br>maturity at issuance of<br>more than 10 years                               | [•]%                    | [•]%                  |
| (v)   | Negotiable senior debt<br>obligations issued or<br>guaranteed by any of the<br>following entities:   |                         |                       |
|       | Name of Entity   | Valuation<br>Percentage | Maximum<br>Percentage |
|       | [•]  | [•]%                    | [•]%                  |
|       | [•]  | [•]%                    | [•]%                  |
|       | [•]  | [•]%                    | [•]%                  |
|       | [•]  | [•]%                    | [•]%                  |
|       | [•]  | [•]%                    | [•]%                  |
| (vi)  | Negotiable subordinated<br>debt obligations issued<br>[or guaranteed] by any<br>of the following entities:   |                         |                       |
|       | Name of Entity [and<br>description of<br>subordinated debt,<br>where appropriate]  | Valuation<br>Percentage | Maximum<br>Percentage |
|       | [•]  | [•]%                    | [•]%                  |
|       | [•]  | [•]%                    | [•]%                  |
|       | [•]  | [•]%                    | [•]%                  |
|       | [•]  | [•]%                    | [•]%                  |
|       | [•]  | [•]%                    | [•]%                  |
| (d)   | Valuation Dates:   | [•][Not applicable]     |                       |
| (e)   | Eligible Currency(ies):  | [•]                     |                       |



- (f) Base Currency: [•]
- (g) Minimum Transfer Amount: [•]
- (h) Independent Amount: [•]
33. Collateral Credit-Linkage [Applicable/Not applicable]
- (a) Credit-Linkage: [Simplified Credit-Linkage/ISDA Credit-Linkage]
- [(b)] Collateral Reference Entities:
- | Name of Reference Entity | Collateral Reference Entity Weighting (%) |
|--------------------------|---|
| [•]                      | [•]                                       |
| [•]                      | [•]                                       |
| [•]                      | [•]                                       |
- [(c)(i)] Collateral Reference Obligation: [•]/[Not Applicable]
- [(c)(ii)] Quotation Amount:
- [(d)] Relevant Debt: [Subordinated]/[Unsubordinated]
- [(e)] Recovery Rate: [General Recovery Rate]/[Specific Recovery Rate] shall apply.

#### RESPONSIBILITY

[[•]] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: .....  
*Duly authorised*

By: .....  
*Duly authorised*

## **PART B – OTHER INFORMATION**

### **1. LISTING**

- (i) Listing: [Official List of the FCA] [Not applicable]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from [ ]]. [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange plc with effect from [ ]]. [Not applicable.]

### **2. RATINGS**

- Ratings: [The long-term senior debt of the Issuer has been rated:]/[The Notes to be issued have been rated:]
- [S & P: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]
- [The Notes to be issued have not been rated.]

### **3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Save as discussed in the "Subscription and Sale" section of the Base Prospectus, relating to the Issuer's agreement to reimburse the Dealers to certain of their expenses in connection with the 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, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

### **4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- [(i) Reasons for the offer: [ ] [Information not required]
- [(ii)] Estimated net proceeds: [ ] [Information not required]
- [(iii)] Estimated total expenses: [ ] [Information not required]

### **5. [Fixed Rate Notes only – YIELD]**

- Indication of yield: [[•] per cent. [per annum/specify other]]
- [Calculated as [•] on the Issue Date.]
- [Calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

### **6. [Floating Rate Notes only – HISTORIC INTEREST RATES]**

Information on past and future performance and volatility of the [LIBOR/EURIBOR] interest rates can be obtained from [Reuters].]

7. **PERFORMANCE AND VOLATILITY OF THE UNDERLYING AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Information about the past and the further performance of the underlying and its volatility can be found [•]]

The Issuer [intends to provide post-issuance information [•] [does not intend to provide post-issuance information].

8. **OPERATIONAL INFORMATION**

- |        |  |                            |  |
|--------|--|----------------------------|--|
| (i)    | ISIN Code:   | [ ]                        | [Not applicable]   |
| (ii)   | SEDOL Code:  | [ ]                        | [Not applicable]   |
| (iii)  | Common Code:   | [ ]                        | [Not applicable]   |
| (iv)   | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | [ ]                        | [The Notes will be Uncertified Registered Notes held in CREST][Not applicable] |
| (v)    | Delivery:  | [Delivery against payment] | [Delivery free of payment]   |
| (vi)   | Additional Paying Agent(s) (if any):   | [ ]                        | [Not applicable]   |
| (vii)  | Common Depositary:   | [ ]                        | [Not applicable]   |
| (viii) | Calculation Agent:   | [ ]                        |  |
|        | • is Calculation Agent to make calculations?   | [Yes]                      | [No]   |
|        | • if not, identify calculation agent:  | [ ]                        | [Not applicable]   |

9. **TERMS AND CONDITIONS OF THE OFFER**

- |       |   |  |
|-------|---|--|
| (i)   | Offer Price:  | The Offer Price for the Notes is [•] per cent. |
| (ii)  | Offer Period:   | [ ]  |
| (iii) | Conditions to which the offer is subject:   | [ ]  |
| (iv)  | Description of the application process:   | [ ]  |
| (v)   | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [ ]  |
| (vi)  | Details of the minimum and/or maximum amount of application:  | [ ]  |
| (vii) | Details of the method and time limits for paying up and delivering the Notes:                                 | [ ]  |

- |        |  |                |
|--------|--|----------------|
| (viii) | Manner in and date on which results of the offer are to be made public:  | [            ] |
| (ix)   | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [            ] |
| (x)    | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:      | [            ] |
| (xi)   | Amount of any expenses and taxes specifically charged to the subscriber or purchaser:  | [            ] |
| (xii)  | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:             | [            ] |

**[ANNEX 1  
EQUITY/INDEX LINKED PROVISIONS]**

1. Redemption and Interest Payments:
  - (i) Kickout Notes with Capital at Risk [Applicable/Not applicable]
    - Return Threshold: [[•] per cent. of [Initial Index Level/Initial Share Price]]
    - Digital Return [[•] per cent. / Not applicable]
    - Upside Return: [Applicable/Not applicable]
    - Cap: [[•] per cent. / Not applicable]
    - Gearing 1: [[•] per cent. / Not applicable]
    - Barrier Condition: [Bermudan/American/European]
    - Downside Return 1: [Applicable/Not applicable]
    - Downside Return 2: [Applicable/Not applicable]
    - Gearing 2: [[•] per cent. /Not applicable]
    - Lower Strike: [[•] per cent. /Not applicable]
    - Upper Strike: [[•] per cent. /Not applicable]
  - (ii) Kickout Notes without Capital at Risk [Applicable/Not applicable]
    - Return Threshold: [[•] per cent. of [Initial Index Level/Initial Share Price]]
    - Digital Return: [[•] per cent. / Not applicable]
    - Upside Return: [Applicable/Not applicable]
    - Cap: [[•] per cent. / Not applicable]
    - Gearing: [[•] per cent. / Not applicable]
  - (iii) Upside Notes with Capital at Risk [Applicable/Not applicable]
    - Return Threshold: [[•] per cent. of [Initial Index Level/Initial Share Price]]
    - Minimum Return: [[•] per cent. / Not applicable]
    - Cap: [[•] per cent. / Not applicable]
    - Gearing 1: [[•] per cent. / Not applicable]
    - Barrier Condition: [Bermudan/American/European]
    - Downside Return 1: [Applicable/Not applicable]
    - Downside Return 2: [Applicable/Not applicable]
    - Gearing 2: [[•] per cent. / Not applicable]
    - Lower Strike: [[•] per cent. / Not applicable]

Part A – Information relating to all Notes  
*Pro Forma Final Terms for Index Linked Notes*

|      |   |  |  |   |   |                                    |                             |
|------|---|--|--|---|---|------------------------------------|-----------------------------|
|      | • | Upper Strike:  | [[•] per cent. / Not applicable]                             |   |   |                                    |                             |
| (iv) |   | Upside Notes without Capital at Risk   | [Applicable/Not applicable]                                  |   |   |                                    |                             |
|      | • | Return Threshold:  | [[•] per cent. of [Initial Index Level/Initial Share Price]] |   |   |                                    |                             |
|      | • | Minimum Return:  | [[•] per cent. / Not applicable]                             |   |   |                                    |                             |
|      | • | Cap:   | [[•] per cent. / Not applicable]                             |   |   |                                    |                             |
|      | • | Gearing:   | [[•] per cent. / Not applicable]                             |   |   |                                    |                             |
| (v)  |   | N Barrier (Income) Equity-Linked Notes/Index-Linked Notes with Capital at Risk | [Applicable/Not applicable]                                  |   |   |                                    |                             |
|      | • | Interest Amount Condition:   | [Bermudan/American/European]                                 |   |   |                                    |                             |
|      | • | Interest Amount Level:   | Interest Payment Date  | Coupon [Valuation Dates] [Observation Dates]  | Interest Amount Level (as a percentage of the [Initial Index Level][Initial Share Price]) | Coupon Observation Start Date      | Coupon Observation End Date |
|      |   |  | [•]  | [•][Coupon Observation Period applies]        | [•]   | [•][Not applicable]                | [•][Not applicable]         |
|      |   |  | [[•]   | [•][Coupon Observation Period applies]        | [•]   | [•][Not applicable]                | [•][Not applicable]         |
|      |   |  | [•]  | [•][Coupon Observation Period applies]        | [•]   | [•][Not applicable]                | [•][Not applicable]         |
|      |   |  | [•]  | [•][Coupon Observation Period applies]        | [•]   | [•][Not applicable]                | [•][Not applicable]         |
|      |   |  | [•]  | [•][Coupon Observation Period applies]        | [•]   | [•][Not applicable]                | [•][Not applicable]         |
|      |   |  | [•]  | [•][Coupon Observation Period applies]        | [•]   | [•][Not applicable]                | [•][Not applicable]]        |
|      | • | 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]                |                             |
|      |   |  | [[•]   | [•][Interest Amount Averaging Period applies] | [•][Not applicable]   | [•][Not applicable]                |                             |
|      |   |  | [•]  | [•][Interest Amount Averaging Period applies] | [•][Not applicable]   | [•][Not applicable]                |                             |
|      |   |  | [•]  | [•][Interest Amount Averaging Period applies] | [•][Not applicable]   | [•][Not applicable]                |                             |
|      |   |  | [•]  | [•][Interest Amount Averaging Period applies] | [•][Not applicable]   | [•][Not applicable]                |                             |
|      |   |  | [•]  | [•][Interest Amount Averaging Period applies] | [•][Not applicable]   | [•][Not applicable]]               |                             |
|      | • | Return Threshold:  | [[•] per cent. of [Initial Index Level/Initial Share Price]] |   |   |                                    |                             |

|       |   |  |   |                          |                          |
|-------|---|--|---|--------------------------|--------------------------|
|       | • | Digital Return:  | [[•] per cent. / Not applicable]  |                          |                          |
|       | • | Barrier Condition:   | [Bermudan/American/European]  |                          |                          |
|       | • | Downside Return 1:   | [Applicable / Not applicable]   |                          |                          |
|       | • | Downside Return 2:   | [Applicable / Not applicable]   |                          |                          |
|       | • | Gearing:   | [[•] per cent. / Not applicable]  |                          |                          |
|       | • | Lower Strike:  | [[•] per cent. / Not applicable]  |                          |                          |
|       | • | Upper Strike:  | [[•] per cent. / Not applicable]  |                          |                          |
| (vi)  |   | Range Accrual (Income) Equity-Linked Notes/Index-Linked Notes with Capital at Risk | [Applicable/Not applicable]   |                          |                          |
|       | • | Range Accrual:   | <b>Interest Payment Date</b>  | <b>Range Upper Level</b> | <b>Range Lower Level</b> |
|       |   |  | [•]   | [•]                      | [•]                      |
|       |   |  | [[•]  | [•]                      | [•]                      |
|       |   |  | [•]   | [•]                      | [•]                      |
|       |   |  | [•]   | [•]                      | [•]                      |
|       |   |  | [•]   | [•]                      | [•]                      |
|       |   |  | [•]   | [•]                      | [•]                      |
|       | • | Relevant Rate:   | [The Rate of Interest specified in the Fixed Rate provisions above][The Reference Rate specified in the Floating Rate provisions above] [•] |                          |                          |
|       | • | Return Threshold:  | [[•] per cent. of [Initial Index Level/Initial Share Price]]  |                          |                          |
|       | • | Digital Return:  | [[•] per cent. / Not applicable]  |                          |                          |
|       | • | Barrier Condition:   | [Bermudan/American/European]  |                          |                          |
|       | • | Downside Return 1:   | [Applicable/Not applicable]   |                          |                          |
|       | • | Downside Return 2:   | [Applicable/Not applicable]   |                          |                          |
|       | • | Gearing:   | [[•] per cent. / Not applicable]  |                          |                          |
|       | • | Lower Strike:  | [[•] per cent. / Not applicable]  |                          |                          |
|       | • | Upper Strike:  | [[•] per cent. / Not applicable]  |                          |                          |
| (vii) |   | Range Accrual Equity-Linked Notes (Income) without Capital at Risk:                | [Applicable/Not applicable]   |                          |                          |
|       | • | Range Accrual:   | <b>Interest Payment Date</b>  | <b>Range Upper Level</b> | <b>Range Lower Level</b> |
|       |   |  | [•]   | [•]                      | [•]                      |

Part A – Information relating to all Notes  
*Pro Forma Final Terms for Index Linked Notes*

|        |  |                    |  |      |
|--------|--|--------------------|--|------|
|        |  | [[•]]              | [•]  | [•]  |
|        |  | [•]                | [•]  | [•]  |
|        |  | [•]                | [•]  | [•]  |
|        |  | [•]                | [•]  | [•]  |
|        |  | [•]                | [•]  | [•]] |
|        | •  | Return Threshold:  | [[•] per cent. of [Initial Index Level/Initial Share Price]] |      |
|        | •  | Digital Return:    | [•] per cent.  |      |
| (viii) | Reverse Convertible Notes with Capital at Risk |                    | [Applicable/Not applicable]                                  |      |
|        | •  | Return Threshold:  | [[•] per cent. of [Initial Index Level/Initial Share Price]] |      |
|        | •  | Barrier Condition: | [Bermudan/American/European]                                 |      |
|        | •  | Downside Return 1: | [[•] per cent. / Not applicable]                             |      |
|        | •  | Downside Return 2: | [[•] per cent. / Not applicable]                             |      |
|        | •  | Gearing:           | [[•] per cent. / Not applicable]                             |      |
|        | •  | Lower Strike:      | [[•] per cent. / Not applicable]                             |      |
|        | •  | Upper Strike:      | [[•] per cent. / Not applicable]                             |      |



**[ANNEX 2  
INDEX-LINKED PROVISIONS]**

1. Type of Index-Linked Note: [Single Index Linked Note] [Basket Index Linked Note]

**SINGLE INDEX LINKED NOTES PROVISIONS**

2.

- (i) Additional Disruption Events: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]

- (ii) Automatic Early Redemption: [Applicable/ Not applicable]

| • [Automatic Early Redemption Event:]     | Automatic Early Redemption Valuation Date | Automatic Early Redemption date   | Automatic Early Redemption Amount  | Automatic Early Redemption Level              |
|---|---|---|--|---|
|   | [•]                                       | [•]   | [•] per cent. of Issue Price   | [•] per cent. of Initial Index Level          |
|   | [[•]                                      | [•]   | [•] per cent. of Issue Price   | [•] per cent. Of Initial Index Level          |
|   | [•]                                       | [•]   | [•] per cent. of Issue Price   | [•] per cent. Of Initial Index Level]         |
| • [Automatic Early Redemption Averaging:] | [Applicable/Not Applicable]               |   |  |   |
|   | Automatic Early Redemption Valuation Date | Automatic Early Redemption Averaging Dates  | Automatic Early Redemption Averaging Start Date  | Automatic Early Redemption Averaging End Date |
|   | [•]                                       | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the fourth Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable]                          |
|   | [[•]                                      | [•] Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies]  | [[•]/Not Applicable] [the fourth Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable]                          |

Part A – Information relating to all Notes  
*Pro Forma Final Terms for Index Linked Notes*

|        | [•]                                       | [•] Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies   | [[•]/Not Applicable] [the fourth Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable] |
|--------|---|---|--|----------------------|
| (iii)  | Averaging Dates:                          | [•]   |  |                      |
| (iv)   | Averaging Dates Market Disruption:        | [[Omission] [Postponement] [Modified Postponement] applies in respect of [Barrier Condition/Automatic Early Redemption/Final/Initial Averaging]/[Not Applicable]  |  |                      |
| (v)    | Barrier Condition Averaging:              | [Applicable/Not Applicable]   |  |                      |
|        | • Barrier Condition Averaging Dates:      | [•]/[Barrier Condition Averaging Period applies]  |  |                      |
|        | • Barrier Condition Averaging Start Date: | [•] [the [•] Scheduled Trading Day prior to the Barrier Condition Averaging End Date]   |  |                      |
|        | • Barrier Condition Averaging End Date:   | [•]   |  |                      |
| (vi)   | Barrier Level:                            | [[•] per cent. of Initial Index Level]  |  |                      |
| (vii)  | Best Strike:                              | [Applicable/Not Applicable]   |  |                      |
|        | • Strike Start Date:                      | [•]   |  |                      |
|        | • Strike End Date:                        | [•]   |  |                      |
| (viii) | 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] |  |                      |
| (ix)   | Constant Monitoring:                      | [Applies in respect of [Barrier Condition/Final Value/Price/[•]]/[Not Applicable]   |  |                      |
| (x)    | Exchange(s):                              | [•]   |  |                      |
| (xi)   | Final Averaging:                          |   |  |                      |
|        | • Final Averaging Dates:                  | [•]/[Final Averaging Period applies]  |  |                      |
|        | • Final Averaging Start Date:             | [•]/[the [•] Scheduled Trading Day prior to the Final Averaging End Date]   |  |                      |
|        | • Final Averaging End Date:               | [•]   |  |                      |
| (xii)  | Index:                                    | [•]   |  |                      |
| (xiii) | Index Sponsor:                            | [•]   |  |                      |
| (xiv)  | Initial Index Level:                      | [the Index Level on the Strike Date] or [•]   |  |                      |
| (xv)   | Multi-Exchange Index:                     | [Yes/No]  |  |                      |

Part A – Information relating to all Notes  
*Pro Forma Final Terms for Index Linked Notes*

- (xvi) Non Multi-Exchange Index: [Yes/No]
- (xvii) Observation Date(s): [•]/[each Scheduled Trading Day in the Observation Period]
- (xviii) Observation Period: [the period from and including the [Issue Date/ Strike Date/[•]] to and including the [Valuation Date/[•]]]
- (xix) Strike Date: [•]
- (xx) Strike Price: [•] [Insert any other relevant terms]]
- (xxi) Valuation Date: [•]
- (xxii) Valuation Time: [•]

**BASKET INDEX LINKED NOTES PROVISIONS**

3.

- (i) Additional Disruption [Change of Law] [Hedging Disruption] [Increased Cost of Hedging] Events:
- (ii) Automatic Early [Applicable/ Not applicable] Redemption:
- [Automatic Early Redemption Event:]

| Automatic Early Redemption Valuation Date | Automatic Early Redemption Date | Automatic Early Redemption Amount | Automatic Early Redemption Level     |
|---|---------------------------------|-----------------------------------|--------------------------------------|
| [•]                                       | [•]                             | [•] per cent. of Issue Price      | [•] per cent. of Initial Index Level |
| [•]                                       | [•]                             | [•] per cent. of Issue Price      | [•] per cent. of Initial Index Level |
| [•]                                       | [•]                             | [•] per cent. of Issue Price      | [•] per cent. of Initial Index Level |
  - [Automatic Redemption Averaging:] Early [Applicable/ Not Applicable]

| Automatic Early Redemption Valuation Date | Automatic Early Redemption Averaging Dates  | Automatic Early Redemption Averaging Start Date   | Automatic Early Redemption Averaging End Date |
|---|---|---|---|
| [•]                                       | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable]                          |
| [[•]                                      | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable]                          |
| [•]                                       | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the [•] Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable]]                         |
- (iii) Averaging Dates: [•]
- (iv) Averaging Dates Market Disruption: [[Omission] [Postponement] [Modified Postponement] applies in respect of [Barrier Condition/Automatic Early Redemption/Final/Initial Averaging]/[Not Applicable]

- |         |   |   |
|---------|---|---|
| (v)     | Barrier Condition Averaging:            | [Applicable/Not Applicable]   |
| •       | Barrier Condition Averaging Dates:      | [•]/[Barrier Condition Averaging Period applies]  |
| •       | Barrier Condition Averaging Start Date: | [•] [the [•] Scheduled Trading Day prior to the Barrier Condition Averaging End Date]   |
| •       | Barrier Condition Averaging End Date:   | [•]   |
| (vi)    | Barrier Level:                          | [[•] per cent. of Initial Index Level]  |
| (vii)   | Basket:                                 | <div style="display: flex; justify-content: space-between; width: 100%;"> <span>Index</span> <span>Index Sponsor</span> <span>Exchange</span> <span>Weighting</span> </div>   |
| (viii)  | Best of n Indices:                      | [Applicable][Not Applicable]  |
| (ix)    | Worst of n Indices:                     | [Applicable][Not Applicable]  |
| (x)     | 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].] |
| (xi)    | Constant Monitoring:                    | [Applies in respect of [Barrier Condition/Final Value/Price/[•]]/Not Applicable]  |
| (xii)   | Final Averaging:                        | [Applicable/Not applicable]   |
| •       | Final Averaging Dates:                  | [•]/[Final Averaging Period applies]  |
| •       | Final Averaging Start Date:             | [•]/[the [•] Scheduled Trading Day prior to the Final Averaging End Date]   |
| •       | Final Averaging End Date:               | [•]   |
| (xiii)  | Index:                                  | [•]   |
| (xiv)   | Index Sponsor:                          | [•]   |
| (xv)    | Initial Index Level:                    | [the Index Level on the Strike Date] or [•]   |
| (xvi)   | Initial Averaging:                      | [Applicable/Not applicable]   |
| •       | Initial Averaging Dates:                | [•]/Initial Averaging Period applies]   |
| •       | Initial Averaging Start Date:           | [•]   |
| •       | Initial Averaging End Date:             | [•]   |
| (xvii)  | Multi-Exchange Index:                   | [Yes/No]  |
| (xviii) | Non Multi-Exchange Index:               | [Yes/No]  |
| (xix)   | Observation Date(s):                    | [•]   |
| (xx)    | Observation Period:                     | [the period from and including the Issue Date, Strike Date or [•] to and including the Valuation Date or [•]]   |

Part A – Information relating to all Notes  
*Pro Forma Final Terms for Index Linked Notes*

(xxi) Strike Date: [•]

(xxii) Strike Price: [•]

[•]

(xxiii) Valuation Date: [•]

(xxiv) Valuation Time: [•]

**[ANNEX 3  
SHARE-LINKED PROVISIONS]**

1. Type of Share-Linked Note: [Single Share Linked Note] [Basket of Shares Linked Note]

**SINGLE SHARE LINKED NOTES PROVISIONS**

2.

(i) Additional Disruption [Change in Law] [Hedging Disruption] [Increased Cost of Events: Hedging]

(ii) Automatic Early [Applicable/ Not applicable]  
Redemption:

|  | [Automatic Redemption Event:] | Early | Automatic Early Redemption Valuation Date | Automatic Early Redemption Date | Automatic Early Redemption Amount | Automatic Early Redemption Price      |
|--|-------------------------------|-------|---|---------------------------------|-----------------------------------|---------------------------------------|
|  |                               |       | [•]                                       | [•]                             | [•] per cent. of Issue Price      | [•] per cent. of Initial Share Price  |
|  |                               |       | [[•]                                      | [•]                             | [•] per cent. of Issue Price      | [•] per cent. of Initial Share Price  |
|  |                               |       | [•]                                       | [•]                             | [•] per cent. of Issue Price      | [•] per cent. of Initial Share Price] |

• [Automatic Redemption Averaging:] Early [Applicable/ Not Applicable]

|  | Automatic Early Redemption Valuation Date | Automatic Early Redemption Averaging Dates  | Automatic Early Redemption Averaging Start Date  | Automatic Early Redemption Averaging End Date |
|--|---|---|--|---|
|  | [•]                                       | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the fourth Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable]                          |
|  | [[•]                                      | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the fourth Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable]                          |
|  | [•]                                       | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the fourth Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable]]                         |

(iii) Averaging Dates: [•]

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

(v) Barrier Condition [Applicable/Not Applicable]  
Averaging:

• Barrier Condition [•]/[Barrier Condition Averaging Period applies]  
Averaging Dates:

• Barrier Condition [•] [the [•] Scheduled Trading Day prior to the Barrier Averaging Start Date: Condition Averaging End Date]

• Barrier Condition [•]

Averaging End Date:

- (vi) Barrier Level: [[•] per cent. of Initial Share Price]
- (vii) Best Strike: [Applicable/Not applicable]
- Strike Start Date: [•]
- Strike End Date: [•]
- (viii) 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]
- (ix) Constant Monitoring: [Applies in respect of [Barrier Condition/Final Value/Price/[•]]/Not Applicable]
- (x) Exchange(s): [•]
- (xi) Final Averaging: [Applicable/Not applicable]
- Final Averaging Dates: [•]/[Final Averaging Period applies]
- Final Averaging Start Date: [•]/[the [•] Scheduled Trading Day prior to the Final Averaging End Date]
- Final Averaging End Date: [•]
- (xii) Share: [•]
- (xiii) Share Issuer: [•]
- (xiv) Initial Share Price: [the Share Price on the Strike Date] or [•]
- (xv) Initial Averaging: [Applicable/Not applicable]
- Initial Averaging Dates: [•]/[Initial Averaging Period applies]
- Initial Averaging Start Date: [•]
- Initial Averaging End Date: [•]
- (xvi) Observation Date(s): [•]/[each Scheduled Trading Day in the Observation Period]
- (xvii) Observation Period: [the period from and including the [Issue Date/Strike Date/[•]] to and including the [Valuation Date/[•]]]
- (xviii) Strike Date: [•]
- (xix) Strike Price: [•] [Insert any other relevant terms]]
- (xx) Valuation Date: [•]
- (xxi) Valuation Time: [•]

**BASKET OF SHARES LINKED NOTES PROVISIONS**

3.

|       |                                     |            |  |   |   |  |   |
|-------|-------------------------------------|------------|--|---|---|--|---|
| (i)   | Additional Events:                  | Disruption | [Change of Law] [Hedging Disruption] [Increased Cost of Hedging]   |   |   |  |   |
| (ii)  | Automatic Redemption:               | Early      | [Applicable/ Not applicable]   |   |   |  |   |
|       | • [Automatic Redemption Event:]     | Early      |  | Automatic Early Redemption Valuation Date | Automatic Early Redemption Date   | Automatic Early Redemption Amount  | Automatic Early Redemption Price              |
|       |                                     |            |  | [•]                                       | [•]   | [•] per cent. of Issue Price   | [•] per cent. of Initial Share Price          |
|       |                                     |            |  | [[•]                                      | [•]   | [•] per cent. of Issue Price   | [•] per cent. of Initial Share Price          |
|       |                                     |            |  | [•]                                       | [•]   | [•] per cent. of Issue Price   | [•] per cent. of Initial Share Price]         |
|       | • [Automatic Redemption Averaging:] | Early      | [Applicable/ Not Applicable]   |   |   |  |   |
|       |                                     |            |  | Automatic Early Redemption Valuation Date | Automatic Early Redemption Averaging Dates  | Automatic Early Redemption Averaging Start Date  | Automatic Early Redemption Averaging End Date |
|       |                                     |            |  | [•]                                       | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the fourth Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable]                          |
|       |                                     |            |  | [[•]                                      | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the fourth Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable]                          |
|       |                                     |            |  | [•]                                       | [•] [Automatic Early Redemption Valuation Date] [Automatic Early Redemption Period Applies] | [[•]/Not Applicable] [the fourth Scheduled Trading Day prior to the Automatic Early Redemption End Date] | [[•]/Not Applicable]]                         |
| (iii) | Averaging Dates:                    |            | [•]  |   |   |  |   |
| (iv)  | Averaging Dates Market Disruption:  |            | [Omission] [Postponement] [Modified Postponement] applies in respect of [Automatic Early Redemption/Barrier Condition/Final/Initial] Averaging]/[Not Applicable] |   |   |  |   |
| (v)   | Barrier Averaging:                  | Condition  | [Applicable/Not Applicable]  |   |   |  |   |
|       | • Barrier Averaging Dates:          | Condition  | [•]/[Barrier Condition Averaging Period applies]   |   |   |  |   |
|       | • Barrier Averaging Start Date:     | Condition  | [•] [the [•] Scheduled Trading Day prior to the Barrier Condition Averaging End Date]  |   |   |  |   |
|       | • Barrier Averaging End Date:       | Condition  | [•]  |   |   |  |   |
| (vi)  | Barrier Level:                      |            | [[•] per cent. of Initial Share Price]   |   |   |  |   |
| (vii) | Basket:                             |            |  | Name and short description of Share       | Share Issuer  | Number of Shares   | Exchange Weighting                            |



Part A – Information relating to all Notes  
*Pro Forma Final Terms for Index Linked Notes*

|         |                               |   |
|---------|-------------------------------|---|
|         |                               | (including<br>ISIN<br>Number)   |
| (viii)  | Best of n Shares:             | [Applicable][Not Applicable]  |
| (ix)    | Worst of n Shares:            | [Applicable][Not Applicable]  |
| (x)     | 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].] |
| (xi)    | Constant Monitoring:          | [Applies in respect of [Barrier Condition/Final Value/Price/[•]]/Not Applicable]  |
| (xii)   | Final Averaging:              | [Applicable/Not applicable]   |
| •       | Final Averaging Dates:        | [•]/[Final Averaging Period applies]  |
| •       | Final Averaging Start Date:   | [•]/[the [•] Scheduled Trading Day prior to the Final Averaging End Date]   |
| •       | Final Averaging End Date:     | [•]   |
| (xiii)  | Initial Index Level:          | [the Index Level on the Strike Date] or [•]   |
| (xiv)   | Initial Averaging:            | [Applicable/Not applicable]   |
| •       | Initial Averaging Dates:      | [•]/[Initial Averaging Period applies]  |
| •       | Initial Averaging Start Date: | [•]   |
| •       | Initial Averaging End Date:   | [•]   |
| (xv)    | Multi-Exchange Index:         | [Yes/No]  |
| (xvi)   | Non Multi-Exchange Index:     | [Yes/No]  |
| (xvii)  | Observation Date(s):          | [•]   |
| (xviii) | Observation Period:           | [the period from and including the Issue Date, Strike Date or [•] to and including the Valuation Date or [•]]   |
| (xix)   | Strike Date:                  | [•]   |
| (xx)    | Strike Price:                 | [•]<br>[•]  |
| (xxi)   | Valuation Date:               | [•]   |
| (xxii)  | Valuation Time:               | [•]   |

**[ANNEX 4  
INFLATION-LINKED PROVISIONS]**

**INFLATION-LINKED INTEREST PROVISIONS**

1. Inflation-linked Interest Provisions

- (i) Fixed Rate of Interest: [•] / [Not applicable]
- (ii) Initial RPI: [[•] / Reference Month: [•]]
- (iii) Interest Payment Dates: [[•] in each year up to and including the Maturity Date / [•]]
- (iv) Margin: [•] / [Not applicable]
- (v) Maximum Rate of Interest: [•] / [Not applicable]
- (vi) Minimum Rate of Interest: [•] / [Not applicable]
- (vii) Reference Month in relation to Interest Payment Dates: [•] / [Not applicable]

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

- (viii) Fallback Bond: [•] / [Not applicable]
- (ix) Related Bond: [•] / [Fallback Bond]
- (x) Related Bond Redemption Event: [Applicable/Not applicable]

2. Inflation-linked Redemption Provisions

- (i) Initial RPI: [[•] / Reference Month: [•]]
- (ii) Minimum Return: [•] / [Not applicable]
- (iii) Redemption / Payment Basis: [Redemption at par]  
[Inflation Formula Applies]
- (iv) Reference Month in relation to the Maturity Date: [•] / Not applicable]
- (v) Fallback Bond: [•] / [Not applicable]
- (vi) Related Bond: [•] / [Fallback Bond]

(vii)      Related                      Bond    [Applicable/Not applicable]  
Redemption Event:

**ANNEX 5**  
**ADDITIONAL PROVISIONS NOT REQUIRED BY THE SECURITIES NOTE RELATING TO**  
**THE UNDERLYING**

|  |   |
|--|---|
| Statements regarding the Collateral Reference Entity:                    | [Applicable – [name of Collateral Reference Entity]/[Not Applicable]<br><br>[ ] |
| Statements Regarding the FTSE 100 Index:                                 | [Applicable/Not Applicable]<br><br>[ ]  |
| Statements regarding the S&P 500 Index:                                  | [Applicable/Not Applicable]<br><br>[ ]  |
| Statements regarding the Euro Stoxx Index:                               | [Applicable/Not Applicable]<br><br>[ ]  |
| Statements regarding the MSCI Emerging Market Index:                     | [Applicable/Not Applicable]<br><br>[ ]  |
| Statements regarding the Hang Seng China Enterprises (HSCEI) Index:      | [Applicable/Not Applicable]<br><br>[ ]  |
| Statements regarding the Deutscher Aktien Index (DAX):                   | [Applicable/Not Applicable]<br><br>[ ]  |
| Statements regarding the S&P/ASX 200 (AS51) Index:                       | [Applicable/Not Applicable]<br><br>[ ]  |
| Statements regarding the CAC 40 Index:                                   | [Applicable/Not Applicable]<br><br>[ ]  |
| Statements regarding the Nikkei 225 Index:                               | [Applicable/Not Applicable]<br><br>[ ]  |
| Statements regarding the JSE Top40 Index:                                | [Applicable/Not Applicable]<br><br>[ ]  |
| Statements regarding the BNP Paribas SLI Enhanced Absolute Return Index: | [Applicable/Not Applicable]   |

Statements regarding the Finvex Sustainable [Applicable/Not Applicable]  
Efficient Europe 30 Price Index:

[ ]

**[SUMMARY – to be inserted]**

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes of each Series will be in either bearer form, with or without interest coupons attached, certificated registered form or uncertificated registered form, in each case without interest coupons attached.

### **Bearer Notes**

Each Tranche of Notes in bearer form will be initially issued in the form of a temporary bearer global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Final Terms, a permanent bearer global note (a "**Permanent Bearer Global Note**" and, together with the Temporary Bearer Global Note, the "**Global Notes**") which, in either case, will be delivered on or prior to the issue date of the relevant Tranche to a common depository (the "**Common Depository**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**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 Bearer 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 and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a similar certification (based on the certifications it has received) to the Principal Paying Agent.

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 either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for 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 Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) 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 (ii) only upon the occurrence of an Exchange Event. Where the applicable Final Terms specify that a Permanent Bearer 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 9 (*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 alternative or successor clearing system satisfactory to the Trustee is available or (iii) the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*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 and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also 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.

The following legend will appear on all Bearer Notes that are not in registered form for U.S. tax purposes 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 Temporary Bearer Global Note or a Permanent 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.

### **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**"). 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 (*Transfers of Registered Notes*) 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 a common depositary for, and registered in the name of a common nominee of, 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 the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5(d) (*Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. 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 the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5(d) (*Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Notwithstanding Condition 5(d) (*Payments in respect of Registered Notes*), for so long as any Registered Note in global form is held through a clearing system, payments of any amount in respect of the Registered Notes will be made to the person shown in the Register as the Registered Holder of the Notes represented by a Registered Note at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where the "**Clearing System Business Day**" means a day on which each clearing system for which the Global Trust Certificate is being held is open for business. 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 the Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

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 only upon the occurrence of an Exchange Event. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*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 Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable see "*Subscription and Sale*".

For purposes of clarity, references herein to "**Registered Notes**" do not include Notes issued in uncertificated registered form (the "**Uncertificated Registered Notes**"), and Registered Notes, in either global or definitive form, are not exchangeable for Uncertificated Registered Notes and *vice versa* (except that Uncertificated Registered Notes shall be exchanged for Registered Definitive Notes in certain limited circumstances specified in the Trust Deed, including in circumstances where such Uncertificated Registered Notes cease to be participating securities capable of being held in CRESTCo. Limited).

#### **Uncertificated Registered Notes**

Each Tranche of Uncertificated Registered Notes will be in uncertificated registered form comprising Notes which are uncertificated units of a security in accordance with the Regulations.

Uncertificated Registered Notes will be credited to the subscribers' accounts with CRESTCo. Limited on the issue date thereof upon certification as to non-U.S. beneficial ownership.

Uncertificated Registered Notes will not be exchangeable for Notes in definitive registered form.

Title to Uncertificated Registered Notes is recorded on the relevant Operator register of corporate securities.

Each person who is for the time being shown in the Record (as defined under "*General Terms and Conditions of the Notes*") as the holder of a particular number of Uncertificated Registered Notes shall be treated by the Issuer, the CREST Registrar and the Trustee as the holder of such number of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Uncertificated Registered Notes**" and related expressions shall be construed accordingly).

#### **Further Tranches**

Pursuant to the Agency Agreement (as defined under "*General Terms and Conditions of the Notes*") (in the case of Notes other than Uncertificated Registered Notes) or the Computershare Agency Agreement (in the case of Uncertificated Registered Notes), the Principal Paying Agent or the CREST Registrar (as the case may be) 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 (except in the case of Uncertificated Registered Notes) and ISIN number 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 applicable to the Notes of such Tranche.

#### **Other provisions relating to Notes held in Euroclear and/or Clearstream, Luxembourg**

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or 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 conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and their agents 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 Trustee and their agents 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.

The Final Terms in respect of any Notes in the form of a Global Note or a Registered Global Note will provide that, notwithstanding Condition 5(h) (*Payment Day*), "**Payment Business Day**" means, so long as such Notes are represented by a Global Note or, as the case may be, a Registered Global Note, (i) each Additional Financial Centre specified in the applicable Final Terms and (ii) either (1) 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 (2) in relation to any sum payable in euro, a TARGET Settlement Day (as defined in Condition 4 (*Interest*)).

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.

### **USE OF PROCEEDS**

The net proceeds from each issue of Notes will, unless specified in the applicable Final Terms, be used by the Issuer for making profit and/or hedging certain risks. If, in respect of any particular issue of Notes which are derivative securities for the purpose of Article 15 of the Commission Regulation No 809/2004 implementing the Prospectus Directive, there is another particular identified use of proceeds (other than making profit and/or hedging certain risks), this will be stated in the applicable Final Terms.

## **TAXATION**

### **United Kingdom Taxation**

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders should ensure that they understand their tax position before acquiring any Notes. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to make sure they understand their tax position and whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

#### **1. *UK Withholding Tax on UK Source Interest***

The Notes issued by the Issuer which carry a right to interest ("**UK Notes**") will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange. Whilst the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The London Stock Exchange is a recognised stock exchange, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be included in the United Kingdom Official List and admitted to trading on the Regulated Market of the London Stock Exchange.

In addition to the exemption set out above, interest on the UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Issuer is a "bank" for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by the Issuer in the ordinary course of its business. In accordance with the published practice of HMRC, such payments will be accepted as being made by the Issuer in the ordinary course of its business unless either:

- (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the FCA whether or not it actually counts towards tier 1, 2 or 3 capital for regulatory purposes; or
- (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

In all cases falling outside the exemptions described above, interest on the UK Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the

provisions of any applicable double taxation treaty, or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on Notes with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

On 27 March 2012, HMRC published a Consultation Document on "Possible changes to income tax rules on interest" which includes proposals relating to the imposition of United Kingdom withholding tax. One potential change is that the quoted Eurobond exemption from withholding tax on UK interest will not be available where Notes are issued between group companies and listed on a stock exchange on which there is no substantial or regular trading in the Notes. It is also proposed that the withholding tax obligation in respect of UK interest payments be extended so that it may apply to interest on Notes issued for a term of less than one year. It is not possible to identify at this time to what extent, if at all, these proposals will be implemented.

2. ***Provision of Information***

Noteholders should note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. In certain circumstances, the information so obtained may be passed by HMRC to the tax authorities of certain other jurisdictions.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes which constitute "deeply discounted securities" for the purposes of section 430 of the Income Tax (Trading and Other Income) Act 2005 (although, in this regard, HMRC published guidance for the year 2012/2013 which indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year).

Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see below).

3. ***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Prospective investors considering acquiring any Notes should understand the risks posed by the Directive in relation to transactions involving the Notes and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances.

4. ***Other Rules Relating to UK Withholding Tax***

Notes may be issued at an issue price of less than 100 per cent of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom

withholding tax pursuant to the provisions mentioned above, but may be subject to reporting requirements as outlined above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "**interest**" above mean "**interest**" as understood in United Kingdom 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 terms and conditions of the Notes or any related documentation (e.g. See Condition 5 (*Payments*) of the Notes). Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as these terms are understood in United Kingdom tax law. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) of the Notes or otherwise and does not consider the tax consequences of any such substitution.

## SUBSCRIPTION AND SALE

The Dealer has, in a programme agreement (the "**Programme Agreement**") dated on or about 23 July 2013, agreed with the Issuer a basis upon which it and any other dealers from time to time appointed under the Programme or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Summary of Provisions relating to the Notes while in Global Form*" and "*General Terms and Conditions of the Notes*". The Notes may be sold by the Issuer through the Dealer(s), acting as agent(s) of the Issuer. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the 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.

### **Selling Restrictions**

#### ***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.

The Notes may include Notes in bearer form for U.S. tax purposes which 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.

The 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 Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. The 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 Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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.

Each issuance of Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

#### ***Public Offer Selling Restriction under the Prospectus Directive***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of 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 Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Approved Prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that

Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus which has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

**provided that** no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

#### ***United Kingdom***

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) 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
- (b) 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.

#### ***Switzerland***

This document is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this document nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Issuer or the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision of any Swiss regulatory authority, such as, the Swiss Financial Market



Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such regulatory authority.

Should any Series of Notes be publicly offered, admitted to trading or listed in Switzerland, this will be set out in the relevant Final Terms and the Issuer will amend the Final Terms and/or prepare supplemental documents to the extent required by Swiss law and/or the rules and regulations of the SIX Swiss Exchange. Investors should in such case also consult any such document before making any investment decision. In this event, the series of Notes does not represent a participation in any of the collective investment schemes pursuant to Art. 7 et seq. of the Swiss Collective Investment Scheme Act and thus is not subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA. Therefore, investors in the Notes would not be eligible for the specific investor protection under the Swiss Collective Investment Scheme Act.

#### ***South Africa***

The 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 and any other applicable laws and regulations of South Africa in force from time to time. In particular, the 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 Notes for subscription, or otherwise sell any Notes, 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 (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.

#### ***Isle of Man***

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it shall only offer or sell Notes in or from the Isle of Man if it holds an appropriate investment business licence issued by the Isle of Man Financial Supervision Commission (the "**FSC**") under section 7 of the Isle of Man Financial Services Act 2008 (the "**FSA 2008**"); and
- (b) where it does not hold such a licence, it shall only offer or sell Notes to an "**Isle of Man person**" (within the meaning of the Isle of Man Regulated Activities Order 2011 (the "**Order**")) where it is an "**overseas person**" (within the meaning of the Order) who is authorised to offer and sell the Notes by a regulator outside the Isle of Man and either:
  - (i) the offer or sale of the Notes is the direct result of an approach made to the Dealer by or on behalf of the Isle of Man person which has not been solicited by the Dealer (otherwise than by means of an advertisement which is neither targeted at Isle of Man persons nor disseminated by a medium which is targeted at Isle of Man persons); or
  - (ii) the Isle of Man person:
    - (A) holds a licence issued by the FSC under section 7 of the FSA 2008 to carry on, or hold themselves out as carrying on, a regulated activity; or
    - (B) is a person falling within exclusion 2(r) contained in Schedule 1 to the Order; or
    - (C) is a person whose ordinary business activities involve him in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of his business.

***Guernsey***

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes may only be offered or sold in or from within the Bailiwick of Guernsey either (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "**POI Law**"); or (ii) to persons licensed under the POI Law; or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, Etc, (Bailiwick of Guernsey) Law, 2000.

***Jersey***

The Issuer does not hold a consent under the Control of Borrowing (Jersey) Order 1958 ("**COBO**"), however, this prospectus may be circulated in Jersey by the Dealer pursuant to COBO on the basis that this offer is "valid in the United Kingdom" and that the Issuer does not have a "relevant connection" with Jersey, as such terms are defined in COBO.

***General***

The 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 none of the Issuer, the Trustee and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Trustee or any of the Dealers has represented 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 any such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer and set out in the applicable Final Terms.

## **GENERAL INFORMATION**

### **Authorisation**

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 12 July 2013. 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.

### **Listing and Admission to Trading**

This document has been approved by the FCA as a base prospectus in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. Application has also been made for the Notes to be admitted during the twelve months after the date hereof to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange.

### **Documents Available**

So long as any of the Notes are outstanding and throughout the life of the Programme, 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 Agents for the time being in London:

- (i) the Memorandum and Articles of Association of the Issuer;
- (ii) the audited consolidated annual financial statements of the Issuer in respect of the financial years ended 31 March 2013 and 31 March 2012, together with the auditor's reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (iii) the Programme Agreement, the Trust Deed, the Agency Agreement, the Computershare Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (iv) a copy of this Base Prospectus;
- (v) any future offering circulars, prospectuses, information memoranda and supplements including, free of charge, Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive 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 Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference; and
- (vi) in the case of each issue of Notes admitted to trading on the Regulated Market of the London Stock Exchange subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

### **Clearing Systems**

The Notes (other than Uncertificated Registered Notes) have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The relevant ISIN and Common Code 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 Uncertificated Registered Notes are participating securities for the purposes of the Regulations. The Operator is in charge of maintaining the Operator register of corporate securities. Title to the Uncertificated Registered Notes is recorded and will pass on registration in the Operator register of corporate securities. As at the date of this Base Prospectus, the relevant Operator for the purposes of the Regulations is CRESTCo. Limited.

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. The address of CRESTCo. Limited is 33 Cannon Street, London EC4M 5SB, United Kingdom.

#### **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 or trading position of the Issuer and its group since 31 March 2013, being the end of the most recent financial period for which it has published financial statements.

There has been no material adverse change in the prospects of the Issuer since the financial year ended 31 March 2013, the most recent financial year for which it has published audited financial statements.

#### **Litigation**

There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the twelve months preceding the date of this Base Prospectus which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer and/or its group.

#### **Auditors**

The audited consolidated financial statements of the Issuer for the financial years ended 31 March 2012 and 31 March 2013 have been audited without qualification by Ernst & Young LLP, chartered accountants registered auditors and independent auditors whose address is 1 More London Place, London SE1 2AF.

#### **Post-issuance information**

The Issuer does not intend to provide any post-issuance information, except if required by any applicable laws and regulations.

#### **Dealers transacting with the Issuer**

The Dealers from time to time appointed under the Programme and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

#### **Yield**

In relation to each Tranche of Notes, the indication of yield (if any) referred to in the relevant Final Terms will be calculated at the Issue Date of such Tranche on the basis of the Issue Price of such Tranche. This is not an indication of future yield.

## PART B – EQUITY-LINKED NOTES/INDEX-LINKED NOTES

### FURTHER INFORMATION RELATING TO EQUITY-LINKED NOTES/INDEX-LINKED NOTES

#### General

The terms and conditions of the Notes will include one of the sets of Note Redemption Provisions set out below depending on the type of Note Redemption Provision specified as being applicable in the Final Terms of the applicable Notes. These will govern the amount payable upon redemption of the Notes (and, in relation to N-Barrier (Income) Equity-Linked/Index-Linked Notes with Capital at Risk, Range Accrual (Income) Equity-Linked/Index-Linked Notes with Capital at Risk and Range Accrual (Income) Equity-Linked/Index-Linked Notes without Capital at Risk, any amounts payable during the term of such Notes) and will be one of the following:

- i. Kick Out Notes with Capital at Risk
- ii. Kick Out Notes without Capital at Risk
- iii. Upside Notes with Capital at Risk
- iv. Upside Notes without Capital at Risk
- v. N-Barrier (Income) Equity-Linked/Index-Linked Notes with Capital at Risk
- vi. Range Accrual (Income) Equity-Linked/Index-Linked Notes with Capital at Risk
- vii. Range Accrual (Income) Equity-Linked/Index-Linked Notes without Capital at Risk
- viii. Reverse Convertible Notes with Capital at Risk

The Final Terms will also contain certain elections required to be completed for the relevant Redemption Provisions.

**Equity-Linked Notes** issued under the Programme may have a redemption amount which is linked to a **single share** or a **basket of shares** in accordance with the provisions set out below.

**Index-Linked Notes** issued under the Programme may have a redemption amount which is linked to an **index** or a **basket of indices** in accordance with the provisions set out below.

In addition, Notes may be **Zero Coupon** Notes, in which case they will bear no interest, or they may, among other things, be **Fixed Rate Notes** or **Floating Rate Notes**, in which case they will bear interest at a fixed rate or floating rate, as applicable, or may bear interest in an amount which is linked to shares or a basket of shares, an index or a basket of indices in accordance with the provisions set out below.

The terms and conditions of Equity-Linked Notes/Index-Linked Notes may include one or any of the provisions set out below (or any combination thereof), as specified in the applicable Final Terms.

Risk Factors in relation to the Equity-Linked Notes/ Index-Linked Notes

An investment in Equity-Linked Notes/Index-Linked Notes involves risks. For the risks involved, please see the section entitled "*Risk Factors*" set out in Part A of this Base Prospectus and in particular the section entitled "*Risk Factors related to Equity-Linked/Index-Linked Notes*".

#### Standard Terms for Equity-Linked Notes

The Equity-Linked Notes may be designated as being:

1. Equity-Linked Notes linked to a single share ("**Single Share-Linked Notes**"), in which case the standard terms set out in "*Section I: Terms for Single Share-Linked Notes*" below will apply; or
2. Equity-Linked Notes linked to a basket of shares ("**Basket Share Linked Notes**"), in which case the standard terms set out in "*Section II: Terms for Basket Share-Linked Notes*" below will apply,

(in each case, being the "**Terms**" in relation to the Equity-Linked Notes).

### **Standard Terms for Index-Linked Notes**

The Index-Linked Notes may be designated as being:

1. Index-Linked Notes linked to a single index ("**Single Index Linked Notes**"), in which case the standard terms set out in "*Section III: Terms for Single Index-Linked Notes*" below will apply; or
2. Index-Linked Notes linked to a basket of indices ("**Basket Index Linked Notes**"), in which case the standard terms set out in "*Section IV: Terms for Basket of Index-Linked Notes*" below will apply,

(in each case, being the "**Terms**" in relation to the Index-Linked Notes).

This Part provides information in relation to such Equity-Linked Notes and Index-Linked Notes. The Terms for the Equity-Linked Notes/Index-Linked Notes and information in relation to certain types of Equity-Linked Notes/Index-Linked Notes that may be issued are set out below. This Part should be read together with Part A of this Base Prospectus.

### **Standard Terms for Equity-Linked Notes/ Index-Linked Notes**

The Conditions applicable to the Notes shall be supplemented by the following Terms applicable to the Equity-Linked Notes/Index-Linked Notes, unless otherwise indicated in the applicable Final Terms. The Conditions apply to all Equity-Linked Notes/Index-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 Equity-Linked Notes/Index-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 Equity-Linked Notes/Index-Linked Notes, the Final Terms shall prevail.

### **Redemption Provisions**

*The redemption provisions in the following paragraphs 1 to 7 (inclusive) apply to Index-Linked Notes in the same manner as to Equity-Linked Notes, and references to "Share" shall be construed as references to "Index", references to "Basket" (of Shares) shall be construed as reference to "Basket" (of Indices), references to "Price" shall be construed as references to "Index Level" in respect of a single Index, references to "Value" shall be construed as references to "Index Level" in respect of Basket of Indices, references to "Initial Share Price" shall be construed as references to "Initial Index Level" in respect of a single Index, references to "Initial Value" shall be construed as references to "Initial Index Level" in respect of Basket of Indices, references to "Initial Price" shall be construed as references to "Initial Index Level" in respect of a single Index or, as the case may be, "Initial Index Level" in respect of a Basket of Indices, references to "Final Share Price" shall be construed as references to "Final Index Level" in respect of a single Index, references to "Final Value" shall be construed as references to "Final Index Level" in respect of Basket of Indices, references to "Final Price" shall be construed as references to "Final Index Level" in respect of a single Index or, as the case may be, "Final Index Level" in respect of a Basket of Indices.*

*Where the applicable Final Terms specify that the Underlying is a Basket, the Final Terms may further specify either "Best of n Shares" or "Worst of n Shares" as applicable. If "Best of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the highest Prices and/or Final Share Prices, as applicable, in accordance with the Final Terms, as if the Basket is constituted of only those Shares. If "Worst of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the lowest Prices and/or Final Share Prices, in accordance with the Final Terms, as if the Basket is constituted of only those Shares.*

1. **Kickout Notes with Capital at Risk.**

A. ***Further Information relating to Kickout Notes with Capital at Risk.***

Kickout Notes with Capital at Risk are Equity-Linked Notes or Index-Linked Notes (as applicable) which are Zero Coupon Notes. 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 Share or a Basket of Shares, or an underlying Index or Basket of Indices as specified in the applicable Final Terms, which in certain circumstances can result in the investor receiving a return that is less than par.

A description of the potential payouts and market examples relating to Kickout Notes with Capital at Risk can be found at pages 57 to 59 of the Base Prospectus.

B. ***Formulae for determination of Redemption Amounts and other optional provisions relating to Kickout Notes with Capital at Risk***

*Automatic Early Redemption Amount*

The Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Price of the Share, or Value of the Basket, as applicable, as of the applicable Valuation Time, is greater than the relevant Automatic Early Redemption Price 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 Note on its Maturity Date shall be:

- (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:

$$\text{Specified Denomination} \times \text{Digital Return}$$

**OR**

- (ii) if Upside Return is specified as being applicable in the Final Terms

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ 0, \text{Min} \left( \text{Cap, Gearing1} \times \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right) \right\} \right]$$

- (b) 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) the Barrier Condition is not satisfied, and (Y) the Final Price is less than or equal to the Return Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing 2} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right) \right)$$

OR

(ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 2} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

(please note that if the Cap, Gearing 1 and/or Gearing 2 are specified as being Not Applicable in the Final Terms, the Cap shall be unlimited, the Gearing 1 shall be 100% and/or the Gearing 2 shall be 100% as applicable)

where:

"**Barrier Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the price of the Share or the value of the Basket, as applicable, is greater than or equal to the Barrier Level on the Observation Date, or if Barrier Condition Averaging is specified as being applicable, that the arithmetic average of the prices of the Share or value of the Basket on each Barrier Condition Averaging Date is greater than or equal to the Barrier Level;
- (b) if "**American**" is specified in the applicable Final Terms, that the price of the Share or the Value of the Basket, as applicable, is greater than or equal to the Barrier Level during the Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share or the value of the Basket, as applicable, is greater than or equal to the Barrier Level on each and every Observation Date,

where the price or value shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in the applicable Final Terms, in which case the price or value 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 Price**" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"**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, in case of Shares and Initial Value, in case of a Basket.

"**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;

**"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. **Kickout Notes without Capital at Risk**

A. ***Further Information relating to Kickout Notes without Capital at Risk***

Kickout Notes without Capital at Risk are Equity-Linked Notes/Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Kickout 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 Share or a Basket of Shares, or an underlying Index or Basket of Indices, as specified in the applicable Final Terms.

A description of the potential payouts and worked examples relating to Kickout Notes without Capital at Risk can be found at pages 60 to 62 of the Base Prospectus.

B. ***Formulae for determination of Redemption Amounts relating to Kickout Notes with Capital at Risk***

*Automatic Early Redemption Amount*

The Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Price of the Share, or Value of the Basket, as applicable, as of the applicable Valuation Time is greater than (or greater than or equal to) the relevant Automatic Early Redemption Price 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 Note 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

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ 0, \text{Min} \left( \text{Cap, Gearing} \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right) \right\} \right]$$

(b) if the Final Price is less than or equal to the Return Threshold:

Specified Denomination x 100%

(please note that if the Cap and Gearing are specified as being Not Applicable in the Final Terms, the Cap shall be unlimited and the Gearing shall be deemed to be 100%)

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;

"**Gearing**", 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; and

"**Upside Return**", if applicable, means a return determined in accordance with the provisions above.

3. **Upside Notes with Capital at Risk**

A. ***Further Information relating to Upside Notes with Capital at Risk***

Upside Notes with Capital at Risk are Equity-Linked Notes/Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Upside Notes with Capital at Risk is linked to the performance of an underlying Share or a Basket, or an underlying Index or Basket of Indices, as specified in the applicable Final Terms.

A description of the potential payouts and worked examples relating to Upside Notes with Capital at Risk can be found at pages 62 to 64 of the Base Prospectus.

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, the Final Redemption Amount payable by the Issuer in respect of a Note 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:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return}, \text{Min} \left( \text{Cap, Gearing 1} \times \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right) \right\} \right]$$

- (b) 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) the Barrier Condition is not satisfied, and (Y) the Final Price is less than or equal to the Return Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing 2} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right) \right)$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 2} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

(please note that if the Cap, Gearing 1, Gearing 2 and/or Minimum Return are specified as being Not Applicable in the Final Terms, the Cap shall be unlimited, the Gearing 1 shall be 100%, the Gearing 2 shall be 100% and Minimum Return shall be 0%, as applicable)

where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Share or the value of the Basket, as applicable, is greater than or equal to the Barrier Level on the Observation Date, or if Barrier Condition Averaging is specified as being applicable, that the arithmetic average of the prices of the Share or value of the Basket on each Barrier Condition Averaging Date is greater than or equal to the Barrier Level;

- (b) if "**American**" is specified in the applicable Final Terms, that the price of the Share or the Value of the Basket, as applicable, is greater than or equal to the Barrier Level during the Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share or the value of the Basket, as applicable, is greater than or equal to the Barrier Level on each and every Observation Date,

where the price or value shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in the applicable Final Terms, in which case the price or value 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 Price**" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"**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, in case of Shares, and Initial Value, in case of a Basket; 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 Price as specified in the applicable Final Terms; and

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Final Terms.

4. **Upside Notes without Capital at Risk**

A. ***Further Information relating to Upside Notes without Capital at Risk***

Upside Notes with Capital at Risk are Equity-Linked Notes/Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Upside Notes without Capital at Risk is linked to the performance of an underlying Share or a Basket, or an underlying Index or Basket of Indices, as specified in the applicable Final Terms.

A description of the potential payouts and worked examples relating to Upside Notes without Capital at Risk can be found at pages 64 to 66 of the Base Prospectus.

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 a Note 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:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return}, \text{Min} \left( \text{Cap, Gearing} \times \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right) \right\} \right]$$

- (b) if the Final Price is less than or equal to the Return Threshold:

$$\text{Specified Denomination} \times 100\%$$

(please note that if the Cap, Gearing and/or Minimum Return are specified as being Not Applicable in the Final Terms, the Cap shall be unlimited and the Gearing shall be 100% and the Minimum Return shall be 0)

where:

"**Cap**", 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;

"**Gearing**", 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; and

"**Return Threshold**" means *n* per cent. of the Initial Price as specified in the applicable Final Terms.

5. **N Barrier (Income) Equity-Linked Notes/Index-Linked Notes with Capital at Risk**

A. ***Further Information relating to N Barrier (Income) Equity-Linked Notes/Index-Linked Notes with Capital at Risk***

N Barrier (Income) Equity-Linked Notes/Index-Linked Notes are Equity-Linked Notes/Index-Linked Notes in relation to which the Interest Amount for such Notes is only payable if the performance of the underlying Share or Basket of Shares, or, as the case may be, the underlying Index or Basket of Indices, as specified in the applicable Final Terms, fulfils certain conditions described below and set out in the applicable Final Terms.

The Final Redemption Amount of the Notes 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.

A description of the potential payouts and worked examples relating to N Barrier (Income) Equity-Linked Notes/Index-Linked Notes with Capital at Risk can be found at pages 66 to 69 of the Base Prospectus.

B. ***Formulae for determination of Interest Amount relating to N Barrier (Income) Equity-Linked Notes/Index-Linked Notes with Capital at Risk***

*Interest Amount*

Whether or not one or more Interest Amount Event(s) occurs in respect of the Notes depends upon the Price of the Share, or Value of the Basket, as applicable, as compared to one or more relevant Interest Amount Conditions specified in the applicable Final Terms occurs, as determined by the Calculation Agent.

An "**Interest Amount Event**" will occur if on any Coupon Valuation Date or during any Coupon Observation Period or on each and every Coupon Observation Date, the Price of the Share, or Value of the Basket, as applicable, meets the relevant Interest Amount Condition applicable to that Coupon Valuation Date, that Coupon Observation Period or those Coupon Observation Dates.

If the Calculation Agent determines that an Interest Amount 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 or Final Share Price in case of a Share, as applicable, or the Value or Final Value of the Basket, as applicable, is greater than the Interest Amount Level on the Coupon Valuation Date, or, if Interest Amount Averaging is specified as being applicable, that the arithmetic average of the Prices of Share or Value of the Basket, as applicable, is greater than the Interest Amount Level on each Interest Amount Averaging Date, as specified in the applicable Final Terms.
- (b) if "**American**" is specified in the applicable Final Terms, that the Price in case of a Share or the Value of the Basket, as applicable, is greater than the Interest Amount Level during the Coupon Observation Period as specified in the applicable Final Terms.
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the Price or Final Share Price in case of a Share, as applicable, or the Value or Final Value of the Basket, as applicable, is greater than the Interest Amount Level on each and every Coupon Observation Date as specified in the applicable Final Terms.

"**Interest Amount Level**" means  $n$  per cent. as specified in the applicable Final Terms.

"**Coupon Observation Date**" means, in relation to any Interest Payment Date, each date specified as such for such Interest Payment Date in the applicable Final Terms;

**"Coupon Observation Period"** means, in relation to any Interest Payment Date, the period from and including the Coupon Observation Start Date to and including the Coupon Observation End Date specified as such in respect of such Interest Payment Date in the applicable Final Terms;

**"Coupon Valuation Date"** means, in relation to any Interest Payment Date, each date specified as such for such Interest Payment Date in the applicable Final Terms;

**"Final Price"** means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

**"Initial Price"** means the Initial Share Price, in case of Shares and Initial Value, in case of a Basket;

*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 Note on its Maturity Date shall be:

- (a) if the Final Price is greater than the Return Threshold:

$$\text{Specified Denomination} \times \text{Digital Return}$$

- (b) 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) the Barrier Condition is not satisfied, and (Y) the Final Price is less than or equal to the Return Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right) \right)$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

(please note that if Gearing is specified as being Not Applicable in the Final Terms, the Gearing shall be deemed to be 100%)

where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Share or the value of the Basket, as applicable, is greater than or equal to the Barrier Level on the Observation Date, or if Barrier Condition Averaging is specified as being applicable, that the arithmetic average of the prices of the Share or value of the Basket on each Barrier Condition Averaging Date is greater than or equal to the Barrier Level;
- (b) if **"American"** is specified in the applicable Final Terms, that the price of the Share or the Value of the Basket, as applicable, is greater than or equal to the Barrier Level during the Observation Period; and



- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share or the value of the Basket, as applicable, is greater than or equal to the Barrier Level on each and every Observation Date,

where the price or value shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in the applicable Final Terms, in which case the price or value shall be monitored at all times on such date(s);

"**Digital Return**", if applicable, means the Specified Denomination multiplied by  $n$  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, in case of Shares and Final Value, in case of a Basket;

"**Gearing**", 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;

"**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.

6. **Range Accrual (Income) Equity-Linked Notes/Index-Linked Notes with Capital at Risk**

A. ***Further Information relating to Range Accrual (Income) Equity-Linked Notes/Index-Linked Notes with Capital at Risk***

Range Accrual (Income) Equity-Linked Notes/Index-Linked Notes with Capital at Risk are Equity-Linked Notes/Index-Linked Notes that provide for interest to be paid at Interest Payment Dates occurring at regular intervals throughout the life of the Notes, as specified in the Final Terms. The Interest Amount that an investor in the Notes receives is linked to the performance of a Share or a Basket of Shares or, as the case may be, an underlying Index or Basket of Indices, as specified in the applicable Final Terms and on how many actual days during the relevant Interest Period the applicable price or level remains within a range.

The Final Redemption Amount of the Notes 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.

A description of the potential payouts and worked examples relating to Range Accrual (Income) Equity-Linked Notes/Index-Linked Notes with Capital at Risk can be found on pages 70 to 73 of the Base Prospectus.

B. ***Formulae for determination of Rate of Interest relating to Range Accrual (Income) Equity-Linked Notes/Index-Linked Notes with Capital at Risk***

*Rate of Interest*

The Rate of Interest payable in respect of the Notes 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:

"**Accrual Factor**" is calculated as the actual number of Exchange Business Days during each Interest Period in which the Price of Shares, or Value of the Basket, as applicable, is greater than or equal to the Range Lower Level and less than or equal to the Range Upper Level divided by the actual number of days during such Interest Period; **provided that**, (i) for scheduled Exchange Business Days that are not Exchange Business Days, the Price of Shares, or Value of the Basket shall be the same as the previous Exchange Business Day's fixing, and (ii) the final fixing of the Price of Shares or Value of the Basket 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; and

"**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 level or price as specified in the applicable Final Terms; and

"**Range Upper Level**" means *n* per cent. of the initial level or 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, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be:

- (a) if the Final Price is greater than the Return Threshold:

Specified Denomination x Digital Return

- (b) 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%

- (c) if (X) the Barrier Condition is not satisfied, and (Y) the Final Price is less than or equal to the Return Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right) \right)$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

(please note that if Gearing is specified as being Not Applicable in the Final Terms, the Gearing shall be 100%)

where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Share or the value of the Basket, as applicable, is greater than or equal to the Barrier Level on the Observation Date, or if Barrier Condition Averaging is specified as being applicable, that the arithmetic average of the prices of the Share or value of the Basket on each Barrier Condition Averaging Date is greater than or equal to the Barrier Level;
- (b) if **"American"** is specified in the applicable Final Terms, that the price of the Share or the Value of the Basket, as applicable, is greater than or equal to the Barrier Level during the Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the price of the Share or the value of the Basket, as applicable, is greater than or equal to the Barrier Level on each and every Observation Date,

where the price or value shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in the applicable Final Terms, in which case the price or value shall be monitored at all times on such date(s);

**"Digital Return"**, if applicable, means the Specified Denomination multiplied by 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, in case of Shares and Final Value, in case of a Basket;

"**Gearing**", 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;

"**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.

7. **Range Accrual (Income) Equity-Linked Notes/Index-Linked Notes without Capital at Risk**
- A. ***Further Information relating to Range Accrual (Income) Equity-Linked Notes/Index-Linked Notes without Capital at Risk***

Range Accrual (Income) Equity-Linked Notes/Index-Linked Notes without Capital at Risk are Equity-Linked Notes/Index-Linked Notes that provide for interest to be paid at Interest Payment Dates occurring at regular intervals throughout the life of the Notes, as specified in the Final Terms. The Interest Amount that an investor in the Notes receives is linked to the performance of a Share or a Basket of Shares or, as the case may be, an underlying Index or Basket of Indices, as specified in the applicable Final Terms and on how many actual days during the relevant Interest Period the applicable price or level remains within a range.

The Final Redemption Amount of the Notes 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.

A description of the potential payouts and worked examples relating to Range Accrual (Income) Equity-Linked Notes/Index-Linked Notes without Capital at Risk can be found at pages 73 to 75 of the Base Prospectus.

- B. ***Formulae for determination of Rate of Interest relating to Range Accrual (Income) Equity-Linked Notes/Index-Linked Notes without Capital at Risk***

*Rate of Interest*

The Rate of Interest payable in respect of the Notes 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:

"**Accrual Factor**" is calculated as the actual number of Exchange Business Days during each Interest Period in which the Price of Shares, or Value of the Basket, as applicable, is greater than or equal to the Range Lower Level and less than or equal to the Range Upper Level divided by the actual number of days during such Interest Period; **provided that**, (i) for Scheduled Exchange Business Days that are not Exchange Business Days, the Price of Shares, or Value of the Basket shall be the same as the previous Exchange Business Day's fixing, and (ii) the final fixing of the Price of Shares or Value of the Basket 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; and

"**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 level or price specified in the applicable Final Terms; and

"**Range Upper Level**" means *n* per cent. of the initial level or 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 Note on its Maturity Date shall be:

- (a) if the Final Price is greater than the Return Threshold:

Specified Denomination x Digital Return

- (a) if the Final Price is less than or equal to the Return Threshold:

Specified Denomination x 100%

where:

**"Digital Return"**, if applicable, means the Specified Denomination multiplied by  $n$  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;

**"Initial Price"** means the Initial Share Price, in case of Shares and Initial Value, in case of a Basket; and

**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Final Terms.

8. **Reverse Convertible Notes with Capital at Risk**

A. ***Further Information relating to Reverse Convertible Notes***

Reverse Convertible Notes with Capital at Risk are Equity-Linked Notes/Index-Linked Notes that are linked to the performance of a Share or Basket, or, as the case may be, an underlying Index or Basket of Indices, as specified in the applicable Final Terms, designed to provide fixed or floating interest payments either at maturity of the Notes or periodically throughout the life of the Notes. The Final Redemption Amount of the Notes 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.

A description of the potential payouts and worked examples relating to Reverse Convertible Notes with Capital at Risk can be found at pages 75 to 77 of the Base Prospectus.

B. ***Formulae for Final Redemption Amount and other optional provisions relating to Reverse Convertible Equity-Linked Notes/Index-Linked Notes potentially***

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 applicable formula, as follows:

- (a) if (X) the Final Price is greater than the Return Threshold or (Y) the Barrier Condition is satisfied:

$$\text{Specified Denomination} \times 100\%$$

- (b) if (X) the Barrier Condition is not satisfied, and (Y) the Final Price is less than or equal to the Return Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing} \times \left( \frac{(\text{Final Price} - \text{Initial Price})}{\text{Initial Price}} \right), -100\% \right] \right) \right)$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

as specified in the applicable Final Terms.

(please note that if the Cap and/or Gearing are specified as being Not Applicable in the Final Terms, the Cap shall be unlimited and the Gearing shall be deemed to be 100%, as applicable)

where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Final Terms, that the price of the Share or the value of the Basket, as applicable, is greater than or equal to the Barrier Level on the Observation Date, or if Barrier Condition Averaging is specified as being applicable, that the arithmetic average of the prices of the Share or value of the Basket on each Barrier Condition Averaging Date is greater than or equal to the Barrier Level;

- (b) if "**American**" is specified in the applicable Final Terms, that the price of the Share or the Value of the Basket, as applicable, is greater than or equal to the Barrier Level during the Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the price of the Share or the value of the Basket, as applicable, is greater than or equal to the Barrier Level on each and every Observation Date,

where the price or value shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in the applicable Final Terms, in which case the price or value 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, in case of Shares and Final Value, in case of a Basket;

"**Gearing**", 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;

"**Lower Strike**", 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.



## SECTION I: TERMS FOR SINGLE SHARE LINKED NOTES

### 1. Definitions

For the purposes of the terms and conditions of the Single Share 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, as specified in the applicable Final Terms and as determined by the Calculation Agent;

**"Automatic Early Redemption Amount"** means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, an amount specified as such in the applicable Final Terms;

**"Automatic Early Redemption Averaging"** means, if specified as being applicable in the relevant Final Terms, that, for the purposes of determining whether an Automatic Early Redemption Event has occurred, the price per Share will be determined by reference to the average of such prices on certain Automatic Early Redemption Averaging Dates;

**"Automatic Early Redemption Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below, (i) each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, or (ii) if Automatic Early Redemption Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Automatic Early Redemption Averaging Period;

**"Automatic Early Redemption Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Automatic Early Redemption Averaging Period"** means the period from and including the Automatic Early Redemption Averaging Start Date to but including the Automatic Early Redemption End Date;

**"Automatic Early Redemption Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"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, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day subject in each case to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Automatic Early Redemption Event"** means, (i) if "Automatic Early Redemption Averaging" is specified as being applicable in the Final Terms, that the daily arithmetic average of the price per Share at the Valuation Time on each Automatic Early Redemption Averaging Date is greater than the Automatic Early Redemption Price specified in the Final Terms, or (ii) otherwise that the price per Share at the Valuation Time, or (if Constant Monitoring applies) at any time, on the applicable Automatic Early Redemption Valuation Date is greater than the relevant Automatic Early Redemption Price specified in the Final Terms;

**"Automatic Early Redemption Price"** means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, the Price per Share specified as such or otherwise determined in the applicable Final Terms;

**"Automatic Early Redemption Valuation Date(s)"** means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, each of the date(s) specified as such in the applicable Final Terms or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Averaging Date"** means each of the Automatic Early Redemption Averaging Dates, the Barrier Condition Averaging Dates, the Interest Amount Averaging Dates, the Final Averaging Dates and the Initial Averaging Dates;

**"Averaging Date Market Disruption"**, if applicable, means the procedures specified in the relevant Final Terms for determining the consequence of an Averaging Date being a Disrupted day, as described in Term 2 (*Disrupted Days*) below;

**"Averaging Period"** means the period from and including the Averaging Start Date to but including the Averaging End Date;

**"Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Barrier Condition Averaging"** means, if specified as being applicable in the relevant Final Terms, that, for the purposes of determining whether or not the Barrier condition has been satisfied, the price per Share will be determined by reference to the average of prices on certain Barrier Condition Averaging Dates;

**"Barrier Condition Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below, (i) each of the dates specified as such in the Final Term or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Barrier Condition Averaging Period is specified in the Final Term as being applicable, each Scheduled Trading Day in the Barrier Condition Averaging Period;

**"Barrier Condition Averaging End Date"** means the date specified as such in the Final Term or, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Barrier Condition Averaging Period"** means the period from and including the Barrier Condition Averaging Start Date to but including the Barrier Condition Averaging End Date;

**"Barrier Condition Averaging Start Date"** means the date specified as such in the Final Term of, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Best Strike"** means, if applicable, a method for determining the Initial Share Price as described in the definition for "Initial Share Price";

**"Change in Law"** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, 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:

- (1) it is unable to perform its obligations in respect of the Notes or it has become illegal for the Issuer and/or any of its affiliates to hold, acquire or dispose of any relevant hedge positions in respect of the Notes; or
- (2) it or any of its affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes;

**"Delisting"** means that the Exchange announces that pursuant to its rules the Shares have ceased (or will cease) to be listed, traded or publicly quoted on the 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 Exchange (or, where the 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 any Scheduled Trading Day on which (i) the 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) on which a Market Disruption Event has occurred, all as determined by the Calculation Agent;

**"Early Closure"** means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent;

**"Exchange"** means the Exchange specified in the applicable Final Terms or otherwise the principal stock exchange on which the Shares are, 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 the Shares has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Shares on such successor or substitute exchange or quotation system as on the original Exchange);

**"Exchange Business Day"** means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any such Related Exchange closing prior to its Scheduled Closing Time, as determined by the Calculation Agent;

**"Exchange Disruption"** means, in respect of the Shares, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on any Related Exchange;

**"Extraordinary Dividend"** means, in respect of the Shares, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the Calculation Agent;

**"Final Averaging"** means, if specified as being applicable in the relevant Final Terms, that the Final Share Price will be determined on the basis of the average of prices over certain Final Averaging Dates;

**"Final Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below, (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day; or (ii) if Final Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Final Averaging Period;

**"Final Averaging Period"** means the period from and including the Final Averaging Start Date to and including the Final Averaging End Date;

**"Final Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Final Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Final Share Price"** means (i) if Final Averaging is applicable, (a) the daily arithmetic average of the prices of one Share in the Share Currency quoted on the Exchange at the Valuation Time on each Final Averaging Date, (ii) otherwise, the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Valuation Date, as determined by the Calculation Agent;

**"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) it deems necessary to hedge the equity price risk in respect of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

**"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 equity price risk of the Issuer performing its obligations with respect to the 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 or any of its affiliates shall not be deemed an Increased Cost of Hedging;

**"Initial Averaging"** means, if specified as being applicable in the relevant Final Terms, that the Initial Share Price will be determined on the basis of the average of prices over certain Initial Averaging Dates;

**"Initial Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below, (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Initial Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Initial Averaging Period;

**"Initial Averaging Period"** means the period from and including the Initial Averaging Start Date to and including the Initial Averaging End Date;

**"Initial Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Initial Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Initial Share Price"** means (i) if Initial Averaging is applicable, (a) the daily arithmetic average of the prices of one 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 highest price of the Share in the Share Currency quoted on the Exchange as of: (A) the Valuation Time for each Scheduled Trading Day or (B) if Constant Monitoring is applicable, at any time on each Scheduled Trading 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 Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date, as determined by the Calculation Agent;

**"Interest Amount Averaging "** means, if specified as being applicable in the relevant Final Terms, that the Interest Amount will be determined by reference to the average of Prices over certain Interest Amount Averaging Dates;

**"Interest Amount Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Interest Amount Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Interest Amount Averaging Period;

**"Interest Amount Averaging End Date"** means the date specified as such in the Final Terms, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Interest Amount Averaging Period"** means the period from and including the Interest Amount Averaging Start Date to but including the Interest Amount Averaging End Date;

**"Interest Amount Averaging Start Date"** means the date specified as such in the Final Terms of, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Insolvency"** means, in respect of the Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, (A) all the Shares of the Share Issuer are required to be transferred to a trustee, liquidator

or other similar official or (B) holders of the Shares of the Share Issuer become legally prohibited from transferring them, all as determined by the Calculation Agent;

**"Insolvency Filing"** means that the Calculation Agent determines that the Share Issuer 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;

**"Market Disruption Event"** means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, 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 the Shares, any (i) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Valuation Date (or such other date as may be specified in the applicable Final Terms), all as determined by the Calculation Agent;

**"Nationalisation"** means that all the Shares of the Share Issuer or all or substantially all the assets of the 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;

**"New Shares"** means ordinary or common shares, whether of the entity or person (other than the 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 Exchange (or, where the 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;

**"Observation Date"** means each date, if any, specified as such in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

**"Observation Period"** has the meaning given to it in the applicable Final Terms;

**"Other Consideration"** means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the 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 the Shares (unless resulting in a Merger Event), or a free distribution or dividend of any

Shares to existing holders by way of bonus, capitalisation or similar issue; a distribution, issue or dividend to existing holders of the Shares of (A) Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of the Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent; an Extraordinary Dividend; a call by the Share Issuer in respect of Shares that are not fully paid; a repurchase by the Share Issuer or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; with respect to the Share Issuer, 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 the Share Issuer (**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 the Shares, 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;

**"Related Exchange"** means 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 the Shares, or such other options or futures exchange(s) as the Issuer shall (acting on the instructions of the Calculation Agent) select, 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 the Shares has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Shares on such temporary substitute exchange or quotation system as on the original Related Exchange);

**"Scheduled Closing Time"** means, in respect of the Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**"Scheduled Trading Day"** means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions;

**"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;

**"Shares"** has the meaning given to it in the applicable Final Terms;

**"Single Share Linked Notes Currency"** means the currency in which the relevant Single Share Linked Notes are denominated;

**"Strike Date"** means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

**"Strike Price"** means the price (if any) specified as such in the applicable Final Terms;

**"Tender Offer"** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the 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 any suspension of or limitation imposed on trading by the Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or such Related Exchange or otherwise (i) relating to the Shares on the Exchange or (ii) in futures or options contracts relating to the Shares on a Related Exchange, all as determined by the Calculation Agent;

**"Valuation Date"** means the date (if any) specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below; and

**"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. If the 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 (*Disrupted Days*) below) the Valuation Time shall be such actual closing time.

## 2. **Disrupted Days**

2.1 If the Calculation Agent determines that the Strike Date, the Valuation Date, any Automatic Early Redemption Valuation Date or any Observation Date, as the case may be, in respect of the Shares is a Disrupted Day, then the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading 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, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, in respect of the Shares, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one Share as its good faith estimate of the price of one Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

2.2 If any Averaging Date is a Disrupted Day, 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 relevant Final Share Price **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Term 2.1 above will apply for purposes of determining the relevant price on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (b) **"Postponement"**, then Term 2.1 above will apply for purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Single Share Linked Notes; or
- (c) **"Modified Postponement"**, then:
  - (i) the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth

Scheduled Trading Day immediately following the Scheduled Final Averaging Date, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to the relevant Share; and (2) the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Term 2.1 above; and

- (ii) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

Notwithstanding the provisions of any term or condition of the Single Share Linked Notes, if the Calculation Agent determines that a Disrupted Day has occurred on the Valuation Date and/or on any Observation Date, Automatic Early Redemption Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Maturity Date or (as the case may be) the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period as specified in the applicable Final Terms) following the postponed Valuation Date, Observation Date, Automatic Early Redemption Valuation 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 Redemption Price or (as the case may be) the Automatic Early Redemption Amount in accordance with this Term 2 (*Disrupted Days*).

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Single Share 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 Single Share Linked Notes.

### 3. **Adjustments**

#### 3.1 *Adjustments*

If the Calculation Agent determines that a Potential Adjustment Event has occurred or that there has been an adjustment to the settlement terms of listed contracts on the Shares 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 Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the terms and conditions of the Single Share Linked Notes 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 Shares traded on that options exchange.

The Calculation Agent, on behalf of the issuer, shall give notice of such adjustment(s) and determinations to the Issuer and holders of the Single Share Linked Notes.

#### 3.2 *Consequences of a Merger Event*

If the Calculation Agent determines that a Merger Event has occurred, the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Single Share Linked Notes at its Fair Market Value as at the Merger Date on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Single Share Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Single Share Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Single Share 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 Shares or to the Single Share 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 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 "**Shares**" and the "**Share Issuer**", respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Single Share Linked Notes as it may determine.

The Calculation Agent, on behalf of the Issuer, shall give notice of such redemption, adjustment or deemed change to holders of the Single Share Linked Notes (copied to the Issuer).

3.3 ***Consequences of a Tender Offer***

If the Calculation Agent determines that a Tender Offer has occurred, then on or after the relevant Tender Offer Date the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Single Share 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) shall notify to holders of the Single Share Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Single Share Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Single Share 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 Single Share 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 Shares traded on such options exchange and determine the effective date of that adjustment.

The Calculation Agent, on behalf of the Issuer, shall give notice of such redemption or adjustment to holders of the Single Share Linked Notes (copied to the Issuer).

3.4 ***Nationalisation, Insolvency or Delisting***

If in respect of the Shares or the Share Issuer 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 Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Single Share Linked Notes as the Calculation Agent determines to be 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 Single Share 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 (acting on the instructions of the Calculation Agent) shall notify to holders of the Single Share Linked Notes.

The Calculation Agent, on behalf of the Issuer, shall give notice of any redemption of the Single Share Linked Notes, determination or adjustment pursuant to this Term to holders of the Single Share Linked Notes (copied to the Issuer).

3.5 ***Change of Exchange***

If the Exchange is changed, the Issuer shall (acting on the instructions of the Calculation Agent) make such consequential modifications to the Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Single Share Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice of such modification(s) to holders of the Single Share Linked Notes (copied to the Issuer).

3.6 ***Price Correction***

In the event that any value or level published on the Exchange and which is utilised for any calculation or determination made under the Single Share Linked Notes is subsequently corrected and the correction is published by the Exchange 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 Single Share 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 Single Share Linked Notes (copied to the Issuer).

3.7 ***Currency***

If the Calculation Agent determines that any event occurs affecting the Single Share Linked Notes Currency or 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 Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Single Share 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 Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Single Share Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Single Share Linked Notes of any such adjustment(s) (copied to the Issuer).

3.8 ***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 Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Single Share Linked Notes as the Calculation Agent determines to be 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 Single Share 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 shall (acting on the instructions of the Calculation Agent) notify to holders of the Single Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Single Share Linked Notes or determination pursuant to this Term to holders of the Single Share Linked Notes (copied to the Issuer).

3.9 ***Change in currency***

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Single Share Linked Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Single Share 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 Single Share Linked Notes or of any payment obligation arising out of the Single Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any adjustments pursuant to this Term to holders of the Single Share Linked Notes (copied to the Issuer).

4. ***Automatic Early Redemption***

For the purposes of the Single Share Linked Notes, 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 or during any Observation Period the Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Single Share 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 or (in the case of the occurrence of an Automatic Early Redemption

Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Final Terms) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Issuer on such date upon redemption of each Single Share 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 Single Share Linked Notes or determination pursuant to this Term to holders of the Single Share Linked Notes (copied to the Issuer).

**5. Early Redemption Amount on Early Redemption of Notes**

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled Maturity Date, the Issuer shall redeem each Single Share Linked Note at its Fair Market Value as at the date of redemption of the Notes on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Single Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Single Share Linked Notes or determination pursuant to this Term to holders of the Single Share Linked Notes (copied to the Issuer).

**6. Determinations by the Calculation Agent**

The Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Single Share Linked Notes in good faith and acting in a commercially reasonable manner.

## SECTION II: TERMS FOR BASKET SHARE LINKED NOTES

### 1. Definitions

For the purposes of the terms and conditions of the Basket Share 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, as specified in the applicable Final Terms 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;

**"Automatic Early Redemption Averaging"** means, if specified as being applicable in the relevant Final Terms, that, for the purposes of determining whether an Automatic Early Redemption Event has occurred, the prices of each relevant Share constituting the Basket will be determined by reference to the average of such prices on certain Automatic Early Redemption Averaging Dates;

**"Automatic Early Redemption Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below, (i) each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, or (ii) if Automatic Early Redemption Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Automatic Early Redemption Averaging Period;

**"Automatic Early Redemption Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Automatic Early Redemption Averaging Period"** means the period from and including the Automatic Early Redemption Averaging Start Date to but including the Automatic Early Redemption End Date;

**"Automatic Early Redemption Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"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, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day subject in each case to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Automatic Early Redemption Event"** means, (i) if "Automatic Early Redemption Averaging" is specified in the Final Terms as being applicable the weighted average of the daily arithmetic average of the prices of each Share constituting the Basket in the Share Currency quoted on the relevant Exchange at the Valuation Time on each Automatic Early Redemption Averaging Date is greater than the Automatic Early Redemption Price specified in the Final Terms, or (ii) otherwise that the weighted average of the prices of the Shares constituting the Basket in the Share Currency on the relevant Exchange at the Valuation Time or, (if Constant Monitoring applies) at any time, on the applicable Automatic Early Redemption Valuation Date is greater than the relevant Automatic Early Redemption Price specified in the Final Terms;

**"Automatic Early Redemption Price(s)"** means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, the Price(s) per Share specified as such or otherwise determined 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 or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Averaging Date"** means each of the Automatic Early Redemption Averaging Dates, the Barrier Condition Averaging Dates, the Interest Amount Averaging Dates, the Final Averaging Dates Interest Amount Averaging Dates and the Initial Averaging Dates;

**"Averaging Date Market Disruption"**, if applicable, means the procedures specified in the relevant Final Terms for determining the consequence of an Averaging Date being a Disrupted day, as described in Term 2 (*Disrupted Days*) below;

**"Averaging Period"** means the period from and including the Averaging Start Date to but including the Averaging End Date;

**"Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Basket"** means a basket composed of Shares in the relative proportions and/or numbers of Shares of each Share Issuer specified in the applicable Final Terms;

**"Basket Share Linked Notes Share Currency"** means the currency in which the relevant Basket Share Linked Notes are denominated;

**"Barrier Condition Averaging"** means, if specified as being applicable in the relevant Final Terms, that, for the purposes of determining whether or not the Barrier condition has been satisfied, the prices of each relevant Share constituting the Basket will be determined by reference to the average of such prices on certain Barrier Condition Averaging Dates;

**"Barrier Condition Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Barrier Condition Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Barrier Condition Averaging Period;

**"Barrier Condition Averaging End Date"** means the date specified as such in the Final Terms, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Barrier Condition Averaging Period"** means the period from and including the Barrier Condition Averaging Start Date to but including the Barrier Condition Averaging End Date;

**"Barrier Condition Averaging Start Date"** means the date specified as such in the Final Terms of, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Change in Law"** means that, on or after the Issue Date (or as otherwise set forth in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire or dispose of any Shares, or (Y) the Issuer and/or any of its affiliates will incur a materially increased cost in holding, acquiring or disposing of any Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

**"Delisting"** means that an Exchange announces that pursuant to its rules 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, in respect of a Share, any Scheduled Trading 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) on which a Market Disruption Event has occurred, all as determined by the Calculation Agent;

**"Early Closure"** means, in respect of a Share, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or such Related Exchange system for execution at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent;

**"Exchange"** means, 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, any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the relevant Exchange or any relevant Related Exchange closing prior to its Scheduled Closing Time, as determined by the Calculation Agent;

**"Exchange Disruption"** means, 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;

**"Final Averaging"** means, if specified as being applicable in the relevant Final Terms, that the Final Value will be determined on the basis of the average of the Final Share Prices as of the Shares constituting the Basket over certain Final Averaging Dates;

**"Final Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below, (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day; or (ii) if Final Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Final Averaging Period;

**"Final Averaging Period"** means the period from and including the Final Averaging Start Date to and including the Final Averaging End Date;

**"Final Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Final Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Final Share Price"** means, in respect of a Share (i) if Final Averaging is applicable, (a) the daily 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, (ii) otherwise, the price of one such Share in the Share Currency quoted on the Exchange at the Valuation Time on the Valuation Date, as determined by the Calculation Agent;

**"Final Value"** means, in respect of a Basket, on any Exchange Business Day, the weighted average of the Final Share Prices as of the Shares constituting the Basket, as determined by the Calculation Agent;

**"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) it deems necessary to hedge the equity price risk in respect of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

**"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 equity price risk of the Issuer performing its obligations with respect to the 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 or any of its affiliates shall not be deemed an Increased Cost of Hedging;

**"Initial Averaging"** means, if specified as being applicable in the relevant Final Terms, that the Initial Value will be determined on the basis of the average of the Initial Share Prices as of the Shares constituting the Basket over certain Initial Averaging Dates;

**"Initial Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below, (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Initial Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Initial Averaging Period;

**"Initial Averaging Period"** means the period from and including the Initial Averaging Start Date to and including the Initial Averaging End Date;

**"Initial Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Initial Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Initial Share Price"** means, in respect of a Share, (i) if Initial Averaging is applicable, (a) the daily 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) 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, in respect of a Basket, 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, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Share Issuer, (A) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of such Share Issuer 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 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 Amount Averaging "** means, if specified as being applicable in the relevant Final Terms, that the Interest Amount will be determined by reference to the average of prices of the Shares constituting the Basket over certain Interest Amount Averaging Dates;

**"Interest Amount Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Interest Amount Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Interest Amount Averaging Period;

**"Interest Amount Averaging End Date"** means the date specified as such in the Final Terms, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Interest Amount Averaging Period"** means the period from and including the Interest Amount Averaging Start Date to but including the Interest Amount Averaging End Date;

**"Interest Amount Averaging Start Date"** means the date specified as such in the Final Terms of, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Market Disruption Event"** means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, 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 with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Valuation Date (or such other date as may be specified in the applicable Final Terms), all as determined by the Calculation Agent;

**"Nationalisation"** means 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;

**"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;



**"Observation Date"** means each date, if any, specified as such in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

**"Observation Period"** has the meaning given to it in the applicable Final Terms;

**"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 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 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 in respect of relevant Shares that are not fully paid; a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; with respect to a Share Issuer, 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 (**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;

**"Related Exchange"** means, 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 Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**"Scheduled Trading Day"** means, 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;

**"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;

**"Shares"** has the meaning given to it in the applicable Final Terms;

**"Strike Date"** means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

**"Strike Price"** means the price (if any) specified as such in the applicable Final Terms;

**"Tender Offer"** means, in respect of any Shares, 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, 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 the date (if any) specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

**"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 that Share. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Term 2 (*Disrupted Days*) below) the Valuation Time shall be such actual closing time; and

**"Value"** means, in respect of a Basket, on any Exchange Business Day, the weighted average of the price of the Shares constituting the Basket in the Share Currency quoted on the relevant Exchange at the relevant time.

## 2. **Disrupted Days**

2.1 If the Calculation Agent determines that the Strike Date, the Valuation Date, any Automatic Early Redemption Valuation Date or any Observation Date, as the case may be, is a Disrupted Day in respect of a Share, then the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, in respect of that Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, unless each of the eight Scheduled Trading 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, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date for such Share, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, for such Share notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine 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 Trading Day.

2.2 If any Averaging Date is a Disrupted Day, 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 relevant Final Share Price **provided that**, if

through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Term 2.1 above will apply for purposes of determining the relevant price on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;

- (b) **"Postponement"**, then Term 2.1 above will apply for purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Basket Share Linked Notes; or
- (c) **"Modified Postponement"**, then:
  - (i) the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the day specified in the applicable Final Terms as an Averaging Date in relation to the relevant Valuation Date (the **"Scheduled Averaging Date"**) and the Averaging Date for a Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the Scheduled Final Averaging Date, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to the relevant Share; and (2) the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Term 2.1 above; and
  - (ii) **"Valid Date"** shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

Notwithstanding the provisions of any other term or condition of the Basket Share Linked Notes, if the Calculation Agent determines that a Disrupted Day has occurred on the Valuation Date and/or on any Observation Date, Automatic Early Redemption Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Maturity Date or (as the case may be) the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period as specified in the applicable Final Terms) following the postponed Valuation Date, Observation Date, Automatic Early Redemption Valuation 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 Redemption Price or (as the case may be) the Automatic Early Redemption Amount and/or any amount of interest in accordance with this Term 2 (*Disrupted Days*).

The Calculation Agent shall, on behalf of the Issuer, give notice to the holders of the Basket Share 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 Basket Share Linked Notes.

### 3. **Adjustments**

#### 3.1 **Adjustments**

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of one or more of the Shares in the Basket or that there has been an adjustment to the settlement terms of listed contracts on 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 any one or more of the Redemption Price and/or the Strike Price and/or any of the terms and conditions of the Basket Share Linked Notes 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 Basket Share Linked Notes.

### 3.2 *Consequences of a Merger Event*

If the Calculation Agent determines that a Merger Event has occurred in respect of one or more of the Shares in the Basket, the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Basket Share Linked Note at its Fair Market Value as at the Merger Date on such date as the Issuer shall notify to holders of the Basket Share Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Basket Share Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Basket Share 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 Basket Share 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 Basket Share 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 Basket Share Linked Notes (copied to the Issuer).

### 3.3 *Consequences of a Tender Offer*

If the Calculation Agent determines that a Tender Offer has occurred in respect of one or more of the Shares in the Basket, then on or after the relevant Tender Offer Date the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Basket Share 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 Basket Share Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Basket Share Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Basket Share 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 Basket Share 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 Basket Share Linked Notes (copied to the Issuer).

### 3.4 *Nationalisation, Insolvency or Delisting*

If in respect of one or more of the Shares in the Basket or a Share Issuer 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 Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Basket Share Linked Notes as the Calculation Agent determines to be 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 Basket Share 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 Basket Share Linked Notes.

The Calculation Agent, on behalf of the Issuer, shall give notice of any redemption of the Basket Share Linked Notes, determination or adjustment pursuant to this Term to holders of the Basket Share Linked Notes (copied to the Issuer).

3.5 ***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 Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Basket Share Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice of such modification(s) to holders of the Basket Share Linked Notes (copied to the Issuer).

3.6 ***Price Correction***

In the event that any value or level published on an Exchange and which is utilised for any calculation or determination made under the Basket Share Linked Notes is subsequently corrected and the correction is published by the relevant Exchange within three Business Days (or such other period as may be 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 Basket Share 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 Basket Share Linked Notes (copied to the Issuer).

3.7 ***Currency***

If the Calculation Agent determines that any event occurs affecting the Basket Share Linked Notes Currency or 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 Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Basket Share 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 Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Basket Share 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 Share Linked Notes of any such adjustment(s) (copied to the Issuer).

3.8 ***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 Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Basket Share Linked Notes as the Calculation Agent determines to be 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 Basket Share 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 Basket Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Basket Share Linked Notes or determination pursuant to this Term to holders of the Basket Share Linked Notes (copied to the Issuer).

3.9 ***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 Basket Share Linked Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Basket Share 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 Basket Share Linked Notes or any payment obligation arising out of the Basket Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any adjustments pursuant to this Term to holders of the Basket Share Linked Notes (copied to the Issuer).

4. **Automatic Early Redemption**

For the purposes of the Basket Share Linked Notes, 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 or during any Observation Period the Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Basket Share 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 or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Final Terms) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Issuer on such date upon redemption of each Basket Share Linked Notes 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 Basket Share Linked Notes or determination pursuant to this Term to holders of the Basket Share Linked Notes (copied to the Issuer).

5. **Early Redemption amount on Early Redemption of Notes**

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled Maturity Date, the Issuer shall redeem each Basket Share Linked Notes at its Fair Market Value as at the date of redemption of the Notes on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Basket Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Basket Share Linked Notes or determination pursuant to this Term to holders of the Basket Share Linked Notes (copied to the Issuer).

6. **Determinations by the Calculation Agent**

The Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Basket Share Linked Notes in good faith and acting in a commercially reasonable manner.

### SECTION III: TERMS FOR SINGLE INDEX LINKED NOTES

#### 1. Definitions

For the purposes of the terms and conditions of the Single Index Linked Notes, the following terms shall have the meanings set out below:

**"Additional Disruption Event"** means a Hedging Disruption and/or an Increased Cost of Hedging, as specified in the applicable Final Terms and as determined by the Calculation Agent;

**"Automatic Early Redemption Averaging"** means, if specified as being applicable in the relevant Final Terms, that, for the purposes of determining whether an Automatic Early Redemption Event has occurred, the levels of the Index will be determined by reference to the average of such levels on certain Automatic Early Redemption Averaging Dates;

**"Automatic Early Redemption Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below, (i) each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, or (ii) if Automatic Early Redemption Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Automatic Early Redemption Averaging Period;

**"Automatic Early Redemption Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Automatic Early Redemption Averaging Period"** means the period from and including the Automatic Early Redemption Averaging Start Date to but including the Automatic Early Redemption End Date;

**"Automatic Early Redemption Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"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, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day subject in each case to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Automatic Early Redemption Event"** means, (i) if "Automatic Early Redemption Averaging" is specified as being applicable in the applicable Final Terms, that the daily arithmetic average of levels of the Index at the Valuation Time on each Automatic Early Redemption Averaging Date is greater than the Automatic Early Redemption Level specified in the Final Terms, or (ii) otherwise that level of the Index at the Valuation Time, or (if Constant Monitoring applies) at any time, on the applicable Automatic Early Redemption Valuation Date is greater than the relevant Automatic Early Redemption Level specified in the Final Terms, as determined by the Calculation Agent;

**"Automatic Early Redemption Level"** means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, the Index Level specified as such or otherwise determined 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 or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Averaging Dates"** means, each of the Automatic Early Redemption Averaging Dates, the Barrier Condition Averaging Dates, the Interest Amount Averaging Dates, the Final Averaging Dates and the Initial Averaging Dates;

**"Averaging Date Market Disruption"**, if applicable, means the procedures specified in the relevant Final Terms for determining the consequence of an Averaging Date being a Disrupted day, as described in Term 2 (*Disrupted Days*) below;

**"Barrier Condition Averaging"** means, if specified as being applicable in the relevant Final Terms, that, for the purposes of determining whether or not the Barrier condition has been satisfied, the levels of the Index will be determined by reference to the average of such levels on certain Barrier Condition Averaging Dates;

**"Barrier Condition Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Barrier Condition Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Barrier Condition Averaging Period;

**"Barrier Condition Averaging End Date"** means the date specified as such in the Final Terms, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Barrier Condition Averaging Period"** means the period from and including the Barrier Condition Averaging Start Date to but including the Barrier Condition Averaging End Date;

**"Barrier Condition Averaging Start Date"** means the date specified as such in the Final Terms of, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Best Strike"** means, if applicable, a method for determining the Initial Index Level as described in the definition for "Initial Index Level";

**"Disrupted Day"** means any Scheduled Trading Day on which (i) if **"Multi-Exchange Index"** is specified in the applicable Final Terms, the Index Sponsor fails to publish the level of the Index or, if **"Non Multi-Exchange Index"** is specified in the applicable Final Terms, the 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) on which a Market Disruption Event has occurred, all as determined by the Calculation Agent;

**"Early Closure"** means the closure on any Exchange Business Day of the relevant Exchange(s) or Related Exchange(s), if any, prior to its/their Scheduled Closing Time unless such earlier closing time is announced by the relevant 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 such 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;

**"Exchange(s)"** means, if **"Non Multi-Exchange Index"** is specified in the applicable Final Terms, the Exchange specified in the applicable Final Terms or, if **"Multi-Exchange Index"** is specified in the applicable Final Terms, in respect of any securities comprised in the 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 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);

**"Exchange Business Day"** means any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding such relevant Exchange or any such relevant Related Exchange closing prior to its Scheduled Closing Time, as determined by the Calculation Agent;

**"Exchange Disruption"** means 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, if **"Multi-Exchange Index"** is specified in the applicable Final Terms, any security comprised in the Index on any relevant Exchange or, if **"Non Multi-Exchange Index"** is specified in the applicable Final Terms, securities that comprise 20 per cent. or more of the level of the



Index on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange;

**"Final Averaging"** means, if specified as being applicable in the relevant Final Terms, that the Final Index Level will be determined on the basis of the average of the level of the relevant Index over certain Final Averaging Dates;

**"Final Index Level"** means, (i) if Final Averaging is specified as applicable in the applicable Final Terms, the daily arithmetic average of the level of the relevant Index as calculated and published by the Index Sponsor at the Valuation Time on each Final Averaging Date, (ii) otherwise the level of the relevant Index, as calculated and published by the Index Sponsor, at the Valuation Time on the Valuation Date, as determined by the Calculation Agent;

**"Final Averaging Date"** means, subject to adjustment in accordance with Term 2 (Disrupted Days) below, (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day; or (ii) if Final Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Final Averaging Period;

**"Final Averaging Period"** means the period from and including the Final Averaging Start Date to and including the Final Averaging End Date;

**"Final Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (Disrupted Days) below;

**"Final Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (Disrupted Days) below;

**"Final Index Level"** means, (i) if Final Averaging is specified as applicable in the applicable Final Terms, the daily arithmetic average of the level of the relevant Index as calculated and published by the Index Sponsor at the Valuation Time on each Final Averaging Date, (ii) otherwise the level of the relevant Index, as calculated and published by the Index Sponsor, at the Valuation Time on the Valuation Date, as determined by the Calculation Agent;

**"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) it deems necessary to hedge the equity/index price risk in respect of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

**"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 equity/index price risk of the Issuer performing its obligations with respect to the 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 or any of its affiliates shall not be deemed an Increased Cost of Hedging;

**"Index"** means the index specified in the applicable Final Terms, or any Successor Index;

**"Index Cancellation"** means the Index Sponsor cancels the Index and no Successor Index exists;

**"Index Disruption"** means the Index Sponsor fails to calculate and announce the Index Level;

**"Index Level"** means, on any relevant Scheduled Trading Day, the level of the Index, as calculated and published by the Index Sponsor at the relevant time;

**"Index Modification"** means the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Index or in any

other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalisation and other routine events);

**"Index Sponsor"** means 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 the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the 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 the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person;

**"Initial Averaging"** means, if specified as being applicable in the relevant Final Terms, that the Initial Index Level will be determined on the basis of the average of the level of the relevant Index over certain Initial Averaging Dates;

**"Initial Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below, (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Initial Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Initial Averaging Period;

**"Initial Averaging Period"** means the period from and including the Initial Averaging Start Date to and including the Initial Averaging End Date;

**"Initial Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Initial Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Initial Index Level"** means (i) if Initial Averaging is applicable, (a) the daily arithmetic average of the level 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 highest level of the relevant Index published by the Index Sponsor as of: (A) the Valuation time per each Scheduled Trading Day or (B) if Constant Monitoring is applicable, at any time on each Scheduled Trading 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 level of the relevant Index on the Strike Date, as calculated and published by the Index Sponsor, as determined by the Calculation Agent and specified in the applicable Final Terms;

**"Interest Amount Averaging "** means, if specified as being applicable in the relevant Final Terms, that the Interest Amount will be determined by reference to the average of the level of the relevant Index over certain Interest Amount Averaging Dates;

**"Interest Amount Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Interest Amount Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Interest Amount Averaging Period;

**"Interest Amount Averaging End Date"** means the date specified as such in the Final Terms, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Interest Amount Averaging Period"** means the period from and including the Interest Amount Averaging Start Date to but including the Interest Amount Averaging End Date;

**"Interest Amount Averaging Start Date"** means the date specified as such in the Final Terms of, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Market Disruption Event"** means the occurrence or existence on any Scheduled Trading 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 the applicable Final Terms, the securities comprised in the 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 the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the 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;

**"Multi-Exchange Index"**, if applicable, means an Index in which the components of the Index are traded on more than one exchange, as such term is used in the definition of Disrupted Day, Exchange Disruption, Market Disruption Event, Scheduled Trading Day and Trading Disruption;

**"Non Multi-Exchange Index"**, if applicable, means an Index in which the components of the Index are not traded on more than one exchange, as such term is used in the definition of Disrupted Day, Exchange Disruption, Market Disruption Event, Scheduled Trading Day and Trading Disruption;

**"Observation Date"** means each date, if any, specified as such in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

**"Observation Period"** has the meaning given to it in the applicable Final Terms;

**"Single Index Linked Notes Currency"** means the currency in which the relevant Single Index Linked Notes are denominated;

**"Related Exchange"** means 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 the Index, or such other options or futures exchange(s) as the Issuer shall (acting on the instructions of the Calculation Agent) select, 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 the 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 Index on such temporary substitute exchange or quotation system as on the original Related Exchange);

**"Scheduled Closing Time"** means in respect of the relevant Exchange(s) or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the relevant Exchange(s) or such Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**"Scheduled Trading Day"** means (i) if **"Multi-Exchange Index"** is specified in the applicable Final Terms, any day on which the Index Sponsor is scheduled to publish the level of the Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if **"Non Multi-Exchange Index"** is specified in the applicable Final Terms, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session;

**"Strike Date"** means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

**"Strike Price"** means the price (if any) specified as such in the applicable Final Terms;

**"Successor Index"** means where the Index is (i) not calculated and announced by the 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 Index, such successor index or index calculated and announced by the successor sponsor;

**"Trading Disruption"** means 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 the relevant Related Exchange or otherwise (i) if **"Multi-Exchange Index"** is specified in the applicable Final Terms, on any relevant Exchange(s) relating to any security comprised in the Index or, if **"Non Multi-Exchange Index"** is specified in the applicable Final Terms, on the Exchange relating to securities that comprise 20 per cent. or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on a Related Exchange, all as determined by the Calculation Agent;

**"Valuation Date"** means the date (if any) specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below; and

**"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. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Term 2 (*Disrupted Days*) below) the Valuation Time shall be such actual closing time.

## 2. **Disrupted Days**

2.1 If the Calculation Agent determines that the Strike Date, the Valuation Date, any Averaging Date, any Valuation Date, any Automatic Early Redemption Valuation Date or any Observation Date, as the case may be, in respect of the Index is a Disrupted Day, then the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading 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, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, in respect of the Index, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the Index Level on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the 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 Trading Day of each security comprised in the 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 Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

2.2 If any Averaging Date is a Disrupted Day, 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 Underlying Level or Final Index Level **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Term 2.1 above will apply for purposes of

determining the relevant level on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;

- (b) **"Postponement"**, then Term 2.1 above will apply for purposes of determining the relevant level on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Single Index Linked Notes; or
- (c) **"Modified Postponement"**, then:
  - (i) the Averaging Date shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the Scheduled Final Averaging Date, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index; and (2) the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Term 2.1 above; and
  - (ii) **"Valid Date"** shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

Notwithstanding the provisions of any other term or condition of the Single Index Linked Notes, if the Calculation Agent determines that a Disrupted Day has occurred on the Valuation Date and/or any Observation Date, Automatic Early Redemption Valuation Date, Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Maturity Date or (as the case may be) the Automatic Early Redemption 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, Valuation Date, Automatic Early Redemption Valuation 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 Redemption Price or (as the case may be) the Automatic Early Redemption Amount in accordance with this Term 2 (*Disrupted Days*).

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Single Index 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 Single Index Linked Notes.

### 3. **Adjustments, Consequences of Certain Events and Currency**

#### 3.1 ***Index Modification, Index Cancellation and/or Index Disruption***

If the Calculation Agent determines that an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Redemption Price and/or any other relevant term of the Single Index Linked Notes, the Issuer shall (acting on the instructions of the Calculation Agent) either (i) redeem each Single Index 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 Single Index Linked Notes; and/or (ii) make any adjustment or adjustments to the Redemption Price and/or any other relevant term of the Single Index Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Single Index Linked Notes of any such adjustment or redemption (copied to the Issuer).

#### 3.2 ***Change of Exchange***

If an Exchange is changed, the Issuer shall (acting on the instructions of the Calculation Agent) make such consequential modifications to any of the Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Single Index Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice of such modification(s) to holders of the Single Index Linked Notes (copied to the Issuer).

3.3 ***Price Correction***

In the event that any value or level published on the relevant Exchange(s) or by the Index Sponsor and which is utilised for any calculation or determination made under the Single Index Linked Notes is subsequently corrected and the correction is published by the relevant Exchange(s) or Index Sponsor(s) 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 any such adjustments to the terms and conditions of the Single Index 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 Single Index Linked Notes (copied to the Issuer).

3.4 ***Currency***

If the Calculation Agent determines that any event occurs affecting the Single Index Linked Notes Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Redemption Price, Strike Price and/or any other relevant term of the Single Index 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 Redemption Price, Strike Price and/or any other relevant term of the Single Index Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent shall, on behalf of the Issuer, give notice of any adjustments pursuant to this Term to holders of the Single Index Linked Notes (copied to the Issuer).

3.5 ***Additional Disruption Event***

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 Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Single Index Linked Notes as the Calculation Agent determines to be 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 Single Index 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 Single Index Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Single Index Linked Notes or determination pursuant to this Term to holders of the Single Index Linked Notes (copied to the Issuer).

4. ***Automatic Early Redemption***

For the purposes of the Single Index Linked Notes, 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 or during any Observation Period the Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Single Index 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 or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is

specified in the applicable Final Terms) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Issuer on such date upon redemption of each Single Index Linked Notes 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 Single Index Linked Notes or determination pursuant to this Term to holders of the Single Index Linked Notes (copied to the Issuer).

**5. Early Redemption amount on Early Redemption of Notes**

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled Maturity Date, the Issuer shall redeem each Single Index Linked Note at its Fair Market Value as at the date of redemption of the Notes on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Single Index Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Single Index Linked Notes or determination pursuant to this Term to holders of the Single Index Linked Notes (copied to the Issuer).

**6. Determinations by the Calculation Agent**

The Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Single Index Linked Notes in good faith and acting in a commercially reasonable manner.

## SECTION IV: TERMS FOR BASKET INDEX LINKED NOTES

### 1. Definitions

For the purposes of the terms and conditions of the Basket Index Linked Notes, the following terms shall have the meanings set out below:

**"Automatic Early Redemption Averaging"** means, if specified as being applicable in the relevant Final Terms, that, for the purposes of determining whether an Automatic Early Redemption Event has occurred, the levels of the relevant Indices comprising the Basket will be determined by reference to the average of such levels on certain Automatic Early Redemption Averaging Dates;

**"Automatic Early Redemption Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below, (i) each of the dates specified as such in the Final Terms, or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, or (ii) if Automatic Early Redemption Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Automatic Early Redemption Averaging Period;

**"Automatic Early Redemption Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Automatic Early Redemption Averaging Period"** means the period from and including the Automatic Early Redemption Averaging Start Date to but including the Automatic Early Redemption End Date;

**"Automatic Early Redemption Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"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, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day subject in each case to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Additional Disruption Event"** means a Hedging Disruption and/or an Increased Cost of Hedging, as specified in the applicable Final Terms and as determined by the Calculation Agent;

**"Automatic Early Redemption Event"** means, (i) if "Automatic Early Redemption Averaging" is specified as being applicable in the applicable Final Terms, that the weighted average of the daily arithmetic average of the levels of the relevant Indices comprising the Basket as of the Valuation Time on each Automatic Early Redemption Averaging Date is greater than the relevant Automatic Early Redemption Level(s), or (ii) otherwise that the weighted average of the levels of the Indices comprising the Basket as of the Valuation Time, or (if Constant Monitoring applies) at any time on the applicable Automatic Early Redemption Valuation Date is greater than the relevant Automatic Early Redemption Level as determined by the Calculation Agent;

**"Automatic Early Redemption Level(s)"** means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, the Index Level(s) specified as such or otherwise determined 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 or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Averaging Dates"** means, each of the Automatic Early Redemption Averaging Dates, the Barrier Condition Averaging Dates, the Interest Amount Averaging Dates, the Final Averaging Dates and the Initial Averaging Dates;



**"Averaging Date Market Disruption"**, if applicable, means the procedures specified in the relevant Final Terms for determining the consequence of an Averaging Date being a Disrupted day, as described in Term 2 (*Disrupted Days*) below;

**"Barrier Condition Averaging"** means, if specified as being applicable in the relevant Final Terms, that, for the purposes of determining whether or not the Barrier condition has been satisfied, the levels of the relevant Indices comprising the Basket will be determined by reference to the average of such levels on certain Barrier Condition Averaging Dates;

**"Barrier Condition Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Barrier Condition Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Barrier Condition Averaging Period;

**"Barrier Condition Averaging End Date"** means the date specified as such in the Final Terms, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Barrier Condition Averaging Period"** means the period from and including the Barrier Condition Averaging Start Date to but including the Barrier Condition Averaging End Date;

**"Barrier Condition Averaging Start Date"** means the date specified as such in the Final Terms of, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Basket"** means a basket composed of the Indices specified in the applicable Final Terms;

**"Basket Index Linked Notes Currency"** means the currency in which the relevant Basket Index Linked Notes are denominated;

**"Change in Law"** means that, on or after the Issue Date (or as otherwise set forth in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire or dispose of any Shares, or (Y) the Issuer and/or any of its affiliates will incur a materially increased cost in holding, acquiring or disposing of any Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

**"Disrupted Day"** means, in respect of an Index, any Scheduled Trading 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 **"Non Multi-Exchange Index"** is specified in relation to that Index in the applicable Final Terms, 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) on which a Market Disruption Event has occurred, all as determined by the Calculation Agent;

**"Early Closure"** means, in respect of an Index, 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;

**"Exchange(s)"** means, in respect of an Index, if **"Non Multi-Exchange Index"** is specified in relation to that Index in the applicable Final Terms, the Exchange specified for such Index in the applicable Final Terms 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);

**"Exchange Business Day"** means, in respect of an Index, any Scheduled Trading 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, 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 **"Non Multi-Exchange Index"** 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 relevant 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;

**"Final Averaging"** means, if specified as being applicable in the relevant Final Terms, that the Final Index Level will be determined on the basis of the average of the levels of the relevant Indices comprising the Basket over certain Final Averaging Dates;

**"Final Averaging Date"** means, subject to adjustment in accordance with Term 2 (Disrupted Days) below, (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day; or (ii) if Final Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Final Averaging Period;

**"Final Averaging Period"** means the period from and including the Final Averaging Start Date to and including the Final Averaging End Date;

**"Final Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (Disrupted Days) below;

**"Final Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (Disrupted Days) below;

**"Final Index Level"** means, (i) if Final Averaging is specified as applicable in the applicable Final Terms, the daily weighted arithmetic average of the arithmetic mean of the levels of the relevant Indices comprising the Basket, each as calculated and published by the relevant Index Sponsor, as of each relevant Valuation Time on each relevant Final Averaging Date, (ii) otherwise, the weighted average of the levels of the relevant Indices comprising the Basket, each as calculated and published by the relevant Index Sponsor, as of the Valuation Time on the Valuation Date, as determined by the Calculation Agent;

**"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) it deems necessary to hedge the equity/index price risk in respect of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

**"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 equity/index price risk of the Issuer performing its obligations with respect to the 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 or any of its affiliates shall not be deemed an Increased Cost of Hedging;

**"Index"** 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 Index Level;

**"Index Level"** means, in respect of an Index, on any relevant Scheduled Trading Day, the level of the Index, as calculated and published by the Index Sponsor, (i) if **"Constant Monitoring"** is specified as being applicable in the applicable Final Terms, at any given time on such Scheduled Trading Day or (ii) if **"Official Closing Level Only"** is specified as being applicable in the applicable Final Terms, the official closing level of the Index on such Scheduled Trading Day;

**"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 Trading 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 Trading 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 relevant Final Terms, that the Initial Index Level will be determined on the basis of the average of the levels of the relevant Indices comprising the Basket over certain Initial Averaging Dates;

**"Initial Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below, (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Initial Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Initial Averaging Period;

**"Initial Averaging Period"** means the period from and including the Initial Averaging Start Date to and including the Initial Averaging End Date;

**"Initial Averaging Start Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Initial Averaging End Date"** means the date specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Initial Index Level"** means (i) if Initial Averaging is applicable, (a) the daily weighted arithmetic average of the levels of the relevant Indices comprising the Basket, each as calculated and published by the relevant Index Sponsor at the Valuation Time on each Initial Averaging Date or (ii) otherwise the weighted average of the levels of the relevant Indices comprising the Basket as of the Strike Date, each as calculated and published by the relevant Index Sponsor, as determined by the Calculation Agent and specified in the applicable Final Terms;

**"Interest Amount Averaging "** means, if specified as being applicable in the relevant Final Terms, that the Interest Amount will be determined by reference to the average of the levels of the relevant Indices comprising the Basket over certain Interest Amount Averaging Dates;

**"Interest Amount Averaging Date"** means, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below (i) each of the dates specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or (ii) if Interest Amount Averaging Period is specified in the Final Terms as being applicable, each Scheduled Trading Day in the Interest Amount Averaging Period;

**"Interest Amount Averaging End Date"** means the date specified as such in the Final Terms, if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Interest Amount Averaging Period"** means the period from and including the Interest Amount Averaging Start Date to but including the Interest Amount Averaging End Date;

**"Interest Amount Averaging Start Date"** means the date specified as such in the Final Terms of, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

**"Market Disruption Event"** means, in respect of an Index, the occurrence or existence on any Scheduled Trading 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;

**"Multi-Exchange Index"**, if applicable, means an Index in which the components of the Index are traded on more than one exchange, as such term is used in the definition of Disrupted Day, Exchange Disruption, Market Disruption Event, Scheduled Trading Day and Trading Disruption;

**"Non Multi-Exchange Index"**, if applicable, means an Index in which the components of the Index are not traded on more than one exchange, as such term is used in the definition of Disrupted Day, Exchange Disruption, Market Disruption Event, Scheduled Trading Day and Trading Disruption;

**"Observation Date"** means, in respect of an Index, each date, if any, specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day in respect of such Index, the next following such Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

**"Observation Period"** has the meaning given to it in the applicable Final Terms;

**"Related Exchange"** means, 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);

**"Scheduled Closing Time"** means in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or such Related Exchange on such

Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**"Scheduled Trading Day"** means, 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 **"Non Multi-Exchange Index"** is specified in relation to that Index in the applicable Final Terms, any day on which each relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session;

**"Strike Date"** means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

**"Strike Price"** means the price (if any) specified as such in the applicable Final Terms;

**"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;

**"Trading Disruption"** means, 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 **"Non Multi-Exchange Index"** is specified in relation to that Index in the applicable Final Terms, on the Exchange 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;

**"Valuation Date"** means the date (if any) specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below; and

**"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. 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 (*Disrupted Days*) below) the Valuation Time shall be such actual closing time.

## 2. **Disrupted Days**

2.1 If the Calculation Agent determines that the Strike Date, the Valuation Date, any Averaging Date, any Valuation Date, any Automatic Early Redemption Valuation Date or any Observation Date, as the case may be, is a Disrupted Day in respect of an Index, then the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, for such Index shall be the first succeeding Scheduled Trading Day in respect of such Index that is not a Disrupted Day, unless each of the eight Scheduled Trading 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, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, is a Disrupted Day for such Index. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, for such Index, notwithstanding the fact that such day is a Disrupted Day; and

- (b) the Calculation Agent shall determine the Index Level of such Index on that eighth Scheduled Trading 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 Trading 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 Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).
- 2.2 If any Averaging Date is a Disrupted Day, 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 relevant Index Level or Final Index Level **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Term 2.1 above will apply for purposes of determining the relevant level on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
  - (b) "**Postponement**", then Term 2.1 above will apply for purposes of determining the relevant level on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Basket Index Linked Notes; or
  - (c) "**Modified Postponement**", then:
    - (i) the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the day specified in the applicable Final Terms as an Averaging Date in relation to the relevant Valuation Date (the "**Scheduled Averaging Date**") and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the Scheduled Final Averaging Date, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index; and (2) the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Term 2.1 above; and
    - (ii) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

Notwithstanding the provisions of any other term or condition of the Basket Index Linked Notes, if the Calculation Agent determines that a Disrupted Day has occurred in respect of an Index on the Valuation Date and/or any Observation Date, Automatic Early Redemption Valuation Date, Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Maturity Date or (as the case may be) the Automatic Early Redemption 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, Automatic Early Redemption Valuation Date, Valuation Date or Averaging Date, as the case may be, in respect of the Indices. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount in accordance with this Term 2 (*Disrupted Days*).

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Basket Index 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 Basket Index Linked Notes.

3. **Adjustments, Consequences of Certain Events and Currency**

3.1 ***Index Modification, Index Cancellation and/or Index Disruption***

If the Calculation Agent determines that, in respect of any Index, an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Redemption Price and/or any other relevant term of the Basket Index Linked Notes, the Issuer shall (acting on the instructions of the Calculation Agent) either (i) redeem each Basket Index 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 Basket Index Linked Notes; and/or (ii) make any adjustment or adjustments to the Redemption Price and/or any other relevant term of the Basket Index 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 Index Linked Notes of any such adjustment or redemption (copied to the Issuer).

3.2 ***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 Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Basket Index Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice of such modification(s) to holders of the Basket Index Linked Notes (copied to the Issuer).

3.3 ***Price Correction***

In the event that any value or level published on any relevant Exchange or by any relevant Index Sponsor in respect of an Index and which is utilised for any calculation or determination made under the Basket Index 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 as 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 Basket Index 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 Basket Index Linked Notes (copied to the Issuer).

3.4 ***Currency***

If the Calculation Agent determines that any event occurs affecting the Basket Index Linked Notes Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Redemption Price, Strike Price and/or any other relevant term of the Basket Index Linked Notes, the Issuer shall (acting on the instructions of the Calculation Agent) make such adjustment or adjustments to the Redemption Price, Strike Price and/or any other relevant term of the Basket Index 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 Index Linked Notes of any such adjustment (copied to the Issuer).

**3.5 Additional Disruption Event**

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 Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Basket Index Linked Notes as the Calculation Agent determines to be 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 Basket Index 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 Basket Index Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Basket Index Linked Notes or determination pursuant to this Term to holders of the Basket Index Linked Notes (copied to the Issuer).

**4. Automatic Early Redemption**

For the purposes of the Basket Index Linked Notes, 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 or during any Observation Period the Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Basket Index 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 or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Final Terms) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Issuer on such date upon redemption of each Basket Index 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 Basket Index Linked Notes or determination pursuant to this Term to holders of the Basket Index Linked Notes (copied to the Issuer).

**5. Early Redemption amount on Early Redemption of Notes**

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled Maturity Date, the Issuer shall redeem each Basket Index Linked Note at its Fair Market Value as at the date of redemption of the Notes on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Basket Index Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Basket Index Linked Notes or determination pursuant to this Term to holders of the Basket Index Linked Notes (copied to the Issuer).

**6. Determinations by the Calculation Agent**

The Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Basket Index Linked Notes in good faith and acting in a commercially reasonable manner.



**ADDITIONAL PROVISIONS NOT REQUIRED BY THE SECURITIES NOTE RELATING TO  
THE UNDERLYING**

Statements regarding the Collateral Reference Entity: [Applicable – [name of Collateral Reference Entity]/[Not Applicable]

**[STATEMENTS REGARDING THE REFERENCE ENTITY]**

The Collateral Reference Entity has not sponsored or endorsed the Notes or the related plan in any way, nor has it undertaken any obligation to perform any regulated activity in relation to the Notes or the related plan.]

Statements Regarding the FTSE 100 Index: [Applicable/Not Applicable]

**[STATEMENTS REGARDING THE FTSE™ 100 INDEX]**

The Notes are not sponsored, endorsed or promoted by the FTSE ("FTSE") or by The London Stock Exchange plc (the "Exchange") or by The Financial Times Limited ("FT") and neither FTSE or Exchange or FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE™ 100 Index (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated solely by FTSE. However, neither FTSE or Exchange or FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE or Exchange or FT shall be under any obligation to advise any person of any error therein.

"FTSE™" and "Footsie™" are trade marks of The London Stock Exchange plc and The Financial Times Limited and are used by FTSE International Limited under licence.

*(Source: The Financial Times Limited)]*

Statements regarding the S&P 500 Index: [Applicable/Not Applicable]

**[STATEMENTS REGARDING THE S&P 500® INDEX]**

NEITHER S&P, ITS AFFILIATES NOR THEIR THIRD PARTY LICENSORS GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN OR ANY COMMUNICATIONS, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATIONS (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P, ITS AFFILIATES AND THEIR THIRD PARTY LICENSORS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS OR DELAYS THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE MARKS, THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P, ITS AFFILIATES OR THEIR THIRD PARTY LICENSORS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.

The S&P 500® is a trademark of Standard & Poor's and has been licensed for use by Investec Bank plc.

*(Source: Standard & Poor's)]*

Statements regarding the Euro Stoxx Index: [Applicable/Not Applicable]

**[STATEMENTS REGARDING THE EURO STOXX 50® INDEX]**

*The following statement is required by the licensor of the Euro STOXX® 50 Index:*

STOXX and its licensors (the "**Licensors**") have no relationship to Investec Bank plc other than the licensing of the Euro STOXX® 50 Index and the related trademarks for use in connection with the Notes.

**STOXX and its Licensors do not:**

- sponsor, endorse, sell or promote the Notes;
- recommend that any person invest in the Notes or any other securities;
- have any responsibility or liability for or make any decisions about the timing, amount or pricing of the Notes;
- have any responsibility or liability for the administration, management or marketing of the Notes;
- consider the needs of the Notes or the owners of the Notes in determining, composing or calculating the Euro STOXX® 50 Index or have any obligation to do so.

**STOXX and its Licensors will not have any liability in connection with the Notes. Specifically,**

- STOXX and its Licensors do not make any warranty, express or implied and disclaim any and all warranty about:
  - the results to be obtained by the Notes, the owner of the Notes or any other person in connection with the use of the Euro STOXX® 50 Index, and the data included in the Euro STOXX® 50 Index;
  - the accuracy or completeness of the Euro STOXX® 50 Index and its data;
  - the merchantability and the fitness for a particular purpose or use of the Euro STOXX® 50 Index and its data;
- STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the Euro STOXX® 50 Index or its data; and
- under no circumstances will STOXX or its Licensors be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or its Licensors knows that they might occur.

**The licensing agreement between Investec Bank plc and STOXX is solely for their benefit and not for the benefit of the owners of the Notes or any other third parties.**

(Source: STOXX)]

Statements regarding the MSCI Emerging Market Index: [Applicable/Not Applicable]

**[STATEMENTS REGARDING THE MSCI EMERGING MARKETS INDEX]**

The Notes are not sponsored, endorsed, sold or promoted by MSCI inc. ("**MSCI**"), any affiliate of MSCI or any other party involved in, or related to, making or compiling any MSCI Index. The MSCI Indexes

are the exclusive property of MSCI. MSCI and the MSCI Index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by Investec Bank plc. Neither MSCI, any of its affiliates nor any other party involved in, or related to, making or compiling any MSCI Index makes any representation or warranty, express or implied, to the owners of this financial product or any member of the public regarding the advisability of investing in financial securities generally or in this financial product particularly or the ability of any MSCI Index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI Indexes which are determined, composed and calculated by MSCI without regard to this financial product or the issuer or owner of this financial product. Neither MSCI, any of its affiliates nor any other party involved in, or related to, making or compiling any MSCI Index has any obligation to take the needs of the issuers or owners of this financial product into consideration in determining, composing or calculating the MSCI Indexes. Neither MSCI, its affiliates nor any other party involved in, or related to, making or compiling any MSCI Index is responsible for or has participated in the determination of the timing of, prices at, or quantities of this financial product to be issued or in the determination or calculation of the equation by which this financial product is redeemable for cash. Neither MSCI, any of its affiliates nor any other party involved in, or related to, the making or compiling any MSCI Index has any obligation or liability to the owners of this financial product in connection with the administration, marketing or offering of this financial product. Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI Indexes from sources which MSCI considers reliable, neither MSCI, any of its affiliates nor any other party involved in, or related to making or compiling any MSCI Index warrants or guarantees the originality, accuracy and/or the completeness of any MSCI Index or any data included therein. Neither MSCI, any of its affiliates nor any other party involved in, or related to, making or compiling any MSCI Index makes any warranty, express or implied, as to results to be obtained by licensee, licensee's customers or counterparties, issuers of the financial securities, owners of the financial securities, or any other person or entity, from the use of any MSCI Index or any data included therein in connection with the rights licensed hereunder or for any other use. Neither MSCI, any of its affiliates nor any other party involved in, or related to, making or compiling any MSCI Index shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI Index or any data included therein. Further, neither MSCI, any of its affiliates nor any other party involved in, or related to, making or compiling any MSCI Index makes any express or implied warranties of any kind, and MSCI, any of its affiliates and any other party involved in, or related to making or compiling any MSCI Index hereby expressly disclaim all warranties of merchantability or fitness for a particular purpose, with respect to any MSCI Index and any data included therein. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other party involved in, or related to, making or compiling any MSCI Index have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller or holder of the Notes, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this product without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

(Source: MSCI Inc.)]

#### **[STATEMENTS REGARDING THE HANG SENG CHINA ENTERPRISES (HSCEI) INDEX]**

"The Hang Seng China Enterprises Index (for the purpose of this section, the "**Index**") is published and compiled by HSI Services Limited pursuant to a license from Hang Seng Data Services Limited. The mark and name "Hang Seng China Enterprises Index" ("**HSCEI**") is proprietary to Hang Seng Data Services Limited. HSI Services Limited and Hang Seng Data Services Limited have agreed to the use of, and reference to, the Index by Investec Bank plc in connection with the Notes referencing the Index (for the purpose of this section, the "**Product**"), **BUT NEITHER HSI SERVICES LIMITED NOR HANG SENG DATA SERVICES LIMITED WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE PRODUCT OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER**

**RELATING TO THE INDEX IS GIVEN OR MAY BE IMPLIED.** The process and basis of computation and compilation of the Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSI Services Limited without notice. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HSI SERVICES LIMITED OR HANG SENG DATA SERVICES LIMITED (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE INDEX BY INVESTEC BANK PLC IN CONNECTION WITH THE PRODUCT; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HSI SERVICES LIMITED IN THE COMPUTATION OF THE INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE PRODUCT OR ANY OTHER PERSON DEALING WITH THE PRODUCT AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HSI SERVICES LIMITED AND/OR HANG SENG DATA SERVICES LIMITED** in connection with the Product in any manner whatsoever by any broker, holder or other person dealing with the Product. Any broker, holder or other person dealing with the Product does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSI Services Limited and Hang Seng Data Services Limited. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSI Services Limited and/or Hang Seng Data Services Limited and must not be construed to have created such relationship."

*(Source: Hang Seng Indexes Company Limited and Hang Seng Data Services Limited)*

**[STATEMENTS REGARDING THE JSE TOP40 INDEX]**

[The [NAME OF LICENSED FUND OR LICE NSED PRODUCT] are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), the London Stock Exchange Group companies ("LSEG") or JSE Limited ("JSE") (collectively the "**Licensors Parties**") and none of the Licensors Parties make any warranty or representation whatsoever, expressly or implied/y, either as to the results to be obtained from the use of the [NAME OF FTSE/JSE INDEX] (the "**Index**") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE in conjunction with the JSE. None of the Licensors Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensors Parties shall be under any obligation to advise any person of any error therein.

"FTSE®" is a trade mark of LSEG, "JSE" is a trade mark of the JSE and both are used by FTSE under licence.]

**[STATEMENTS REGARDING THE DEUTSCHER AKTIEN INDEX (DAX)]**

The Notes are neither sponsored nor promoted, distributed or in any other manner supported by Deutsche Börse AG (the "**DBAG**"). DBAG does not give any explicit or implicit warranty or representation, neither regarding the results deriving from the use of the DAX® Index, its underlying index data and/or the index trademark nor regarding the DAX® Index value at a certain point in time or on a certain date nor in any other respect. The DAX® Index and its underlying Index Data are calculated and published by DBAG. Nevertheless, as far as admissible under statutory law DBAG will not be liable vis-à-vis third parties for potential errors in the DAX® Index or its underlying index data. Moreover, there is no obligation for DBAG vis-à-vis third parties, including investors, to point out potential errors in the DAX® Index. Neither the publication of the DAX® Index by DBAG nor the granting of any right to use the DAX® Index, its underlying index data as well as the index trademark for the utilization in connection with the financial instrument or other securities or financial products, which derived from the DAX® Index, represents a recommendation by DBAG for a capital investment or contains in any manner a warranty or opinion by DBAG with respect to the attractiveness on an investment in the Notes.

In its capacity as sole owner of all rights to the DAX® Index, its underlying index data, and the index trademark DBAG has solely granted to the Issuer the utilization of the index data and the index trademark as well as any reference to the index data and the index trademark in connection with the Notes.

"DAX® is a registered trademark of Deutsche Börse AG and has been licensed for use by the Issuer. The Notes are not sponsored, endorsed, sold or promoted by Deutsche Börse and Deutsche Börse makes no representation regarding the advisability of investing in the Notes.

**[STATEMENTS REGARDING THE S&P/ASX 200 (AS51) INDEX]**

Standard & Poor's®, "S&P®", are trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trade mark of Dow Jones trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by S&P Dow Jones Indices LLC. Standard & Poor's®, "S&P®" are trademarks of S&P and have been licensed for use by S&P Dow Jones Indices LLC and its affiliates and sublicensed for certain purposes by Investec Bank plc. Dow Jones® is a trademark of Dow Jones and have been licensed for use by S&P Dow Jones Indices LLC and its affiliates and sublicensed for certain purposes by Investec Bank plc. The S&P ASX Index to which the Notes referred (for the purpose of this section, the "**Index**") is a product of S&P Dow Jones Indices LLC and/or Australian Securities Exchange ("**ASX**") and has been licensed for use by Investec Bank plc. The Notes referencing the Index (for the purpose of this section, the "**Products**") are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P, any of their respective affiliates (collectively, "**S&P Dow Jones Indices**") or ASX. Neither S&P Dow Jones Indices nor ASX makes any representation or warranty, express or implied, to the owners of Investec Bank plc's Products or any member of the public regarding the advisability of investing in securities generally or in Investec Bank plc's Products particularly or the ability of the Index to track general market performance. S&P Dow Jones Indices' and ASX's only relationship to Investec Bank plc with respect to the Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or ASX. The Index is determined, composed and calculated by S&P Dow Jones Indices and/or ASX without regard to Investec Bank plc or Investec Bank plc's Products. S&P Dow Jones Indices and ASX have no obligation to take the needs of Investec Bank plc or the owners of Investec Bank plc's Products into consideration in determining, composing or calculating the Index. Neither S&P Dow Jones Indices nor ASX are responsible for and have not participated in the determination of the prices, and amount of Investec Bank plc's Products or the timing of the issuance or sale of Investec Bank plc's Products or in the determination or calculation of the equation by which Investec Bank plc's Products is to be calculated. S&P Dow Jones Indices and ASX have no obligation or liability in connection with the administration, marketing or trading of Investec Bank plc's Products. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within the Index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

NEITHER S&P DOW JONES INDICES NOR ASX GUARANTEES THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES AND ASX SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES AND ASX MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY INVESTEC BANK PLC, OWNERS OF INVESTEC BANK PLC'S PRODUCTS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES OR ASX BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND INVESTEC BANK PLC, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

*(Source: S&P Dow Jones Indices LLC)*

**[STATEMENTS REGARDING THE CAC 40 INDEX]**

Euronext Paris S.A. has all proprietary rights with respect to the CAC-40 Index. In no way do Euronext Paris S.A. and any direct or indirect affiliates sponsor, endorse or are otherwise involved in the issue and offering of the Notes. Euronext Paris S.A. and any direct or indirect affiliates disclaim any liability to any party for any inaccuracy in the data on which the CAC-40 Index is based, for any mistakes, errors, or omissions in the calculation and/or dissemination of the CAC-40 Index, or for the manner in which it is applied in connection with the issue and offering thereof.

"CAC40®" and "CAC®" are registered trademarks of Euronext N.V. subsidiary: Euronext Paris S.A..

**[STATEMENTS REGARDING THE NIKKEI 225 INDEX]**

The Nikkei Stock Average ("**Index**") is an intellectual property of Nikkei Inc (formerly known as Nihon Keizai Shimbun, Inc). "Nikkei", "Nikkei Stock Average" and "Nikkei 225" are the service marks of Nikkei Inc. Nikkei Inc. reserves all the rights, including copyright, to the index. Nikkei Digital Media, Inc., a wholly owned subsidiary of Nikkei Inc. calculates and disseminates the Index under exclusive agreement with Nikkei Inc. Nikkei Inc. and Nikkei Digital Media Inc. are collectively "**Index Sponsor**".

The Notes are not in any way sponsored, endorsed or promoted by the Index Sponsor. The Index Sponsor does not make any warranty or representation whatsoever, express or implied, either as to the results to be obtained as to the use of the Index or the figure as which the Index stands at any particular day or otherwise. The Index is compiled and calculated solely by the Index Sponsor. However, the Index Sponsor shall not be liable to any person for any error in the Index and the Index Sponsor shall not be under any obligation to advise any person, including a purchase or vendor of the Notes, of any error therein.

In addition, the Index Sponsor gives no assurance regarding any modification or change in any methodology used in calculating the Index and is under no obligation to continue the calculation, publication and dissemination of the Index.

**[STATEMENTS REGARDING THE BNP PARIBAS SLI ENHANCED ABSOLUTE RETURN INDEX]**

[The BNP Paribas SLI Enhanced Absolute Return Index (the "**Index**") is the exclusive property of BNP Paribas (the "**Index Sponsor**"). BNP Paribas Arbitrage SNC (the "**Calculation Agent**") and the Index Sponsor do not guarantee the accuracy and/or completeness of the composition, calculation, publication and adjustment of the Index, any data included therein, or any data from which it is based, and the Calculation Agent and the Index Sponsor shall have no liability for any errors, omissions, or interruptions therein. The Calculation Agent and the Index Sponsor make no warranty, express or implied, as to results to be obtained from the use of the Index. The Calculation Agent and the Index Sponsor make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, in no event shall the Calculation Agent and the Index Sponsor have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.]

**[STATEMENTS REGARDING THE FINVEX SUSTAINABLE EFFICIENT EUROPE 30 PRICE INDEX]**

[The Finvex Sustainable Efficient Europe 30 Net Return Index, the Finvex Sustainable Efficient Europe 30 Price Index, and the Dow Jones Sustainability Europe Index<sup>SM</sup> are calculated by S&P Dow Jones Indices LLC and its affiliates ("**Calculation Agent**"). The Dow Jones Sustainability Indices are a joint product of S&P Dow Jones Indices LLC and/or its affiliates and RobecoSAM AG ("**RobecoSAM**"). S&P® is a registered trademark of Standard & Poor's Financial Services LLC, Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("**Dow Jones**") and RobecoSAM® is a registered trademark of Robeco Groep N.V. The trademarks have been licensed to S&P Dow Jones Indices LLC and its affiliates. Inclusion of a company within a Dow Jones Sustainability Index is not a

recommendation to buy, sell, or hold such company, nor is it investment advice. Investment products based on the Dow Jones Sustainability Indices are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, RobecoSAM, Dow Jones or their affiliates. S&P Dow Jones Indices LLC, RobecoSAM, Dow Jones or their affiliates make no representation regarding the advisability of investing in such product(s).

Finvex Group ("**Finvex**") is acting as Index Sponsor and Index Composition Advisor for the Finvex Sustainable Efficient Europe 30 Net Return Index (RSEURER) and the Finvex Sustainable Efficient Europe 30 Price Index (RSEURE). Any use of these indices or their name must be with the consent of the Index Sponsor. The Index's composition methodology and the composition is the exclusive intellectual property of Finvex.

The Index Sponsor and the Index Composition Advisor make no express or implied representation or warranty whether or not the Index may achieve any particular level or meet or correlate with any particular objective.

While the Calculation Agent, the Index Sponsor and the Index Composition Advisor will make reasonable efforts to ensure the accuracy of the composition, calculation and adjustment of the Index, the Calculation Agent, the Index Sponsor and the Index Composition Advisor shall have no liability in the back-dated calculation prior to the launch date or in relation to any index calculation for any error, omission, suspension or interruption in calculating the Index. Although some adjustments or calculation information have been provided by the Calculation Agent, such adjustments or calculations are based on information furnished by third parties believed to be reliable, the accuracy and completeness of such information has not been verified by the Calculation Agent.

Neither the Calculation Agent nor the Index Sponsor and the Index Composition Advisor can be held liable for any modification or change in the Index methodology used in the calculation the Index. Neither the Calculation Agent nor the Index Sponsor and the Index Composition Advisor are under obligation to continue the calculation, publication or dissemination of the Index and cannot be held liable for any suspension or interruption in the calculation, dissemination and publication of the Index.

The Calculation Agent, the Index Sponsor and the Index Composition Advisor shall not have any liability whether by wilful negligence, fraud or default in connection with the Index value at any given time. None of the Calculation Agent, the Index Sponsor and the Index Composition Advisor shall be liable whether by wilful negligence, fraud or default to any person for any error in the Index and the Index Sponsor, Calculation Agent and the Index Composition Advisor are under no obligation to advise any person of any error therein. None of the Calculation Agent, the Index Sponsor and the Index Composition Advisor can be held liable for any loss whatsoever, directly or indirectly related to the Index. Without limiting any of the foregoing, in no event shall the Index Sponsor nor the Index Composition Advisor, have any liability (whether in negligence or otherwise) to any person for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility of such damages.]

## **PART C – INFLATION-LINKED NOTES**

### **GENERAL DESCRIPTION**

Under the Programme, the Issuer may from time to time issue "**Inflation-Linked Notes**", being Notes in relation to which the interest payable and/or redemption amount payable at maturity is determined by reference to the performance of the UK Retail Prices Index over a defined period, as may be specified in the applicable Final Terms of each Series of Notes. This Part provides information in relation to such Inflation-Linked Notes, including standard terms for Inflation-Linked Notes set out below (the "**Terms**" in relation to Inflation-Linked Notes) and information in relation to the following types of Inflation-Linked Notes that may be issued:

- (i) Inflation (RPI Principal and Interest) Linked Notes;
- (ii) Inflation (RPI Interest Only) Linked Notes,

This Part should be read together with Part A of this Base Prospectus.

The Final Terms will also contain certain elections required to be completed for the relevant interest and/or redemption provisions.

### ***Risk Factors in relation to the Inflation-Linked Notes***

An investment in Inflation-Linked Notes involves risks. For the risks involved, please see the section entitled "*Risk Factors*" set out in Part A of the Base Prospectus and in particular the section entitled "*Risk Factors related to Inflation-Linked Notes*".



## STANDARD TERMS FOR INFLATION-LINKED NOTES

The Conditions applicable to the Notes shall be supplemented by the following Terms for the Inflation-Linked Notes, unless otherwise indicated in the applicable Final Terms. 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 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 tax, solvency or capital requirements) 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 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 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;

**"Fallback Bond"** means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same day as the 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 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 Trade 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;

**"Index"** or **"Indices"** means the UK Retail Prices Index;

**"Index Cancellation"** means a level for the relevant Index has not been published or announced for two consecutive months and/or the relevant Index Sponsor cancels the Index and/or the relevant Index Sponsor announces that it will no longer continue to publish or announce the Index and no Successor Index exists;

**"Index Modification"** means 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 the relevant Index or in any other way materially modifies the Index;

**"Index Sponsor"** means the entity that publishes or announces (directly or through an agent) the level of the relevant Index which as of the Issue Date of the Inflation-Linked Notes is the index sponsor;

**"Optional Additional Disruption Event"** means Increased Cost of Hedging, if specified in the applicable Final Terms;

**"Rebased Index"** has the meaning given to it under Term 4 (*Adjustments*);

**"Reference Month"** means the calendar month for which the level of the relevant 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 relevant 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 relevant 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 Index Level Event;

**"Successor Index"** has the meaning given to it in under Term 3 (*Successor Index*); and

**"Substitute Inflation Index Level"** means, in respect of a Delayed 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 Index Level Event in respect of an 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 relevant 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 relevant Final Terms, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (a) above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

*[Substitute Inflation Index Level = Base Level x (Latest Level/Reference Level)]; or*

- 2.3 otherwise in accordance with any formula specified in the relevant Final Terms,

where:

"**Base Level**" means the level of the relevant Index (excluding any "flash" estimates) published or announced by the relevant 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 Index (excluding any "flash" estimates) published or announced by the relevant 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 Index (excluding any "flash" estimates) published or announced by the relevant Index Sponsor in respect of the month that is 12 calendar months prior to the month 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 13 (*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 Index**

If the Calculation Agent determines that the level of an Index is not calculated and announced by the relevant Index Sponsor for two consecutive months and/or the relevant Index Sponsor announces that it will no longer continue to publish or announce the Index and/or the relevant Index Sponsor cancels the Index, then the Calculation Agent shall determine a successor index (a "**Successor Index**") (in lieu of any previously applicable Index) for the purposes of the Inflation-Linked Notes as follows:

- 3.1 if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a "Successor Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
- 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, the relevant Index Sponsor announces that it will no longer publish or announce the Index but that it will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Index is calculated using

the same or a substantially similar formula or method of calculation as used in the calculation of the Index, such replacement index shall be designated a "Successor Index";

- 3.3 if no Successor Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the 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 Index"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Index"; if fewer than three responses are received by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index for such affected payment date, and such index will be deemed a "Successor Index"; or
- 3.4 if the Calculation Agent determines that there is no appropriate alternative index, there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Inflation-Linked Notes. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to Inflation-Linked Noteholders by the Issuer in accordance with Condition 13 (*Notices*).

#### 4. **Adjustments**

##### 4.1 ***Successor Index***

If a Successor Index is determined in accordance with Term 3 (*Successor 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 13 (*Notices*).

##### 4.2 ***Substitute Inflation***

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 13 (*Notices*).

##### 4.3 ***Index Level Adjustment Correction***

- (a) The first publication or announcement of the Relevant Level (disregarding estimates) by the 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 13 (*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 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 13 (*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 13 (*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 13 (*Notices*).

#### 4.5 ***Rebasing***

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the 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 relevant 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 Index so that the Rebased 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 relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased and in each case the Issuer may make any 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 13 (*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 13 (*Notices*).

#### 4.6 ***Index Modification***

- (a) If on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred the Calculation Agent may (A) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the 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 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 Index to continue as the Index and to account for the economic effect of the Index Modification.

- (b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Calculation Agent may determine either (i) to ignore such 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 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 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 13 (*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 13 (*Notices*).

#### 4.8 ***Index Cancellation***

If the Calculation Agent determines that an 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 13 (*Notices*) at its Fair Market Value taking into account the 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 13 (*Notices*).

## FURTHER INFORMATION RELATING TO CERTAIN TYPES OF INFLATION-LINKED NOTES

Inflation-Linked Notes issued under the Programme may have a redemption amount and/or interest payments which are linked to the UK Retail Prices 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 (RPI Principal and Interest) Linked Notes**

#### A. ***Further Information relating to Inflation (RPI Principal and Interest) Linked Notes***

Inflation (RPI Principal and Interest) Linked Notes are Inflation-Linked Notes that:

- (a) bear interest at a fixed rate that is adjusted to take account of the change in the level of the UK Retail Prices Index (the "**RPI**") 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. The applicable Rate of Interest 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 the change in the level of RPI 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 the Final Redemption Amount may be subject to a Minimum Return at least equal to par.

#### B. ***Formulae for Rate of Interest and Final Redemption Amounts relating to Inflation (RPI Principal and Interest) Linked Notes potentially to be included in Final Terms***

##### *Interest Amount*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the provisions of Condition 4(a) (*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:

$$\text{Fixed Rate of Interest} \times (\text{Current RPI} / \text{Initial RPI})$$

where:

"**Fixed Rate of Interest**" has the meaning given to in the applicable Final Terms;

"**Initial RPI**" means the Initial RPI as specified in the applicable Final Terms, or if a Reference Month is specified for the Initial RPI, the level of the RPI determined by the Calculation Agent in respect of that Reference Month;

"**Current RPI**" in respect of an Interest Payment Date the level of RPI 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, either:

- (a) if Redemption at Par is specified as being applicable in the Final Terms:

$$\text{Specified Denomination} \times 100\%$$

- (b) if Inflation Formula is specified as being applicable in the relevant Final Terms an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return, } \text{Min} \left( 0, \frac{\text{Final RPI} - \text{Initial RPI}}{\text{Initial RPI}} \right) \right\} \right]$$

where:

**"Final RPI"** means the Index observation level determined in respect of the Reference Month relating to the Maturity Date as specified in the applicable Final Terms;

**"Initial RPI"** means the Initial RPI 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 (RPI Interest Only) Linked Notes

### A. Further Information relating to Inflation (RPI Interest Only) Linked Notes

Inflation (RPI Interest Only) Linked Notes are Inflation-Linked Notes that:

- (a) pay an amount of interest determined by the change in the level of the RPI 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 or a Maximum Rate of Interest; and
- (b) pay a Final Redemption Amount equal to par (regardless of the performance of the RPI).

### B. Formulae for Rate of Interest and Final Redemption Amounts relating to Inflation (RPI Interest Only) Linked Notes potentially to be included in the Final Terms

#### Interest Amount

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the provisions of Condition 4(a) (*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:

$$\text{Max} \left[ \text{Minimum Rate of Interest, } \text{Min} \left[ \text{Maximum Rate of Interest, Fixed Rate of Interest} \times \left( \frac{\text{Current RPI} - \text{Previous RPI}}{\text{Previous RPI}} \right) + \text{Margin} \right] \right]$$

Where:

**"Current RPI"** means, in respect of an Interest Payment Date, the level of RPI 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 in the applicable Final Terms;

**"Initial RPI"** means the Initial RPI as specified in the applicable Final Terms, or if a Reference Month is specified for the Initial RPI, the level of RPI 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 RPI"** means, in respect of an Interest Payment Date, the level of RPI 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 RPI.

(please note 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 there shall be no Maximum Rate of Interest)

*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:

$$\text{Specified Denomination} \times 100\%$$

**PART D – ADDITIONAL TERMS AND CONDITIONS OF THE SECURED NOTES WITH  
CREDIT-LINKAGE**

*The following are Additional Terms and Conditions which will apply in relation to Secured Notes with Credit-Linkage. Accordingly, the term "Conditions" when used in relation to Secured Notes with Credit-Linkage shall include the following:*

**1. SECURITY**

If the applicable Final Terms specify that a Series is a Series of Secured Notes with Credit-Linkage, then such Notes shall have the benefit of security granted by the Issuer over a pool of collateral (the "**Collateral Pool**") of certain Posted Collateral and other Secured Assets, as specified in the applicable Final Terms and the Supplemental Trust Deed relating to such Series, in favour of the Trustee for the benefit of itself and the Noteholders, Receiptholders and Couponholders to secure its obligations under the Notes, Receipts and Coupons (if any) in respect of such Series and any other Series of Secured Notes with Credit-Linkage which are or will be secured by the same Collateral Pool (each a "**Related Covered Series**" and, together with such other Series of Secured Notes with Credit-Linkage, the "**Covered Series**").

Any such security shall be created by a Supplemental Trust Deed substantially in the form scheduled to the Principal Trust Deed, with such amendments as the Issuer and the Trustee may agree from time to time. A Collateral Pool may secure the Issuer's obligations in respect of a single Series of Secured Notes with Credit-Linkage or may be available to secure other Series of Secured Notes with Credit-Linkage, if so specified in the applicable Final Terms and the relevant Supplemental Trust Deed.

Pursuant to the terms of the Trust Deed, the Posted Collateral in relation to all Covered Series in respect of a single Collateral Pool and the Exposure under such Covered Series will be required to be valued by the Valuation Agent on the Valuation Dates specified in the applicable Final Terms and the Supplemental Trust Deed and the Issuer may be required to post further Eligible Collateral or be entitled to request the return of any Posted Collateral based on such valuations. In addition, subject to the detailed provisions of the Trust Deed, the Issuer may be entitled to substitute Posted Collateral with other Eligible Collateral. The applicable Final Terms and the Supplemental Trust Deed may specify a Maximum Percentage in relation to any item(s) of Eligible Collateral, in which case the Issuer shall not be entitled to post such item(s) of Eligible Collateral to a Collateral Pool to the extent that it would result in the Value (as determined by the Valuation Agent) of such item(s) of Eligible Collateral, expressed as a percentage of the total Value (as determined by the Valuation Agent) of Posted Collateral in relation to such Collateral Pool, exceeding such Maximum Percentage. In addition, to the extent that the Value on a Valuation Date of any item(s) of Posted Collateral, expressed as a percentage of the total Value of Posted Collateral for such Collateral Pool, exceeds the applicable Maximum Percentage, the Issuer will be required to substitute some or all of such items of Posted Collateral with other Eligible Collateral so that such Maximum Percentage is not exceeded.

The Supplemental Trust Deed relating to a Collateral Pool (and the Final Terms of each Series of Secured Notes with Credit-Linkage that is a Covered Series in relation to such Collateral Pool) shall specify (a) whether the Collateral Pool is to secure one Series of Secured Notes with Credit-Linkage only or may secure more than one Series, (b) the eligible collateral (the "**Eligible Collateral**") and related valuation percentages (each, a "**Valuation Percentage**"), (c) the maximum percentage (the "**Maximum Percentage**") relating to each item of Eligible Collateral, (d) the valuation dates (each, a "**Valuation Date**"), (e) the base currency (the "**Base Currency**") and the eligible currencies (each, an "**Eligible Currency**"), (f) the minimum transfer amount (the "**Minimum Transfer Amount**") and (g) the independent amount (if any) (the "**Independent Amount**").

The Security in relation to the Collateral Pool of any Covered Series shall become immediately enforceable following an Event of Default in relation to such Covered Series, upon the Trustee giving notice to the Issuer pursuant to Condition 9 (*Events of Default*).

In the event that the Security created by the Trust Deed in relation to the Collateral Pool of any Covered Series becomes enforceable as provided in these Conditions and the Trust Deed, the Trustee may at its discretion, and if so requested by holders of at least one quarter in nominal amount of the Notes of such Covered Series then outstanding or if so directed by an Extraordinary Resolution of the Noteholders of such Covered Series shall, (subject in each case to being indemnified and/or secured and/or prefunded to

its satisfaction) enforce the Security, **provided, however, that** the Trustee shall not be required to take any action that would involve the Trustee in any personal liability or which may be contrary to applicable laws and/or regulations. In each case, the Trustee may act without any liability as to the consequence of such action and without having regard to the effect of such action on any individual Noteholders, Receiptholders or Couponholders.

Following any enforcement of the Security in relation to the Collateral Pool of any Covered Series, the proceeds from the Secured Assets shall be held by the Trustee upon trust to be applied in the following order of priority: (a) in and towards payment of all amounts due to the Trustee, any appointee and/or any receiver in relation to such Covered Series and any Related Covered Series, together with accrued interest, (b) in and towards payment of all amounts of principal/redemption amount and interest due but unpaid to the Noteholders and any Receiptholders and Couponholders of such Covered Series and any Related Covered Series on a *pari passu* and *pro rata* basis according to the amount due to be paid to each Noteholder, Receiptholder and Couponholder and (c) the balance (if any) to the Issuer.

## 2. **ADDITIONAL EVENTS OF DEFAULT**

The following events shall constitute additional Events of Default in relation to Secured Notes with Credit-Linkage:

- (i) default is made in the payment of any principal, premium or interest due in respect of any Related Covered Series or any of them and the default continues for a period of 7 days in the case of principal or premium or 14 days in the case of interest; or
- (ii) the Issuer fails to:
  - (A) make, when due, any transfer of Eligible Collateral required to be made by it in relation to the related Collateral Pool and that failure continues for 7 days after notice of such failure is given to it by the Trustee; or
  - (B) perform any other of its obligations under the Trust Deed in relation to the Collateral Pool relating to such Notes and such failure continues for 45 days after notice of such failure is given to it by the Trustee.

## 3. **ADDITIONAL DEFINITIONS APPLICABLE TO SECURED NOTES WITH CREDIT-LINKAGE**

The following definitions are only applicable to a Series of Secured Notes with Credit-Linkage issued under the Programme:

**"Base Currency"**, in relation to any Collateral Pool, has the meaning specified in the Security Documents relating to such Collateral Pool;

**"Base Currency Equivalent"** means, with respect to the Valuation Time in respect of a Valuation Date, in the case of an amount denominated in the Base Currency, such Base Currency amount and, in the case of an amount denominated in a currency other than the Base Currency (the **"Other Currency"**), the amount of Base Currency required to purchase such amount of the Other Currency at the spot exchange rate determined by the Valuation Agent for value at such Valuation Time;

**"Early Redemption Amount"** means, in relation to any Series of Notes, the aggregate amount that would be payable by the Issuer in accordance with the Conditions in respect of such Series if such Series of Notes were to be redeemed pursuant to Condition 6(c) (*Redemption for tax reasons*) on a Valuation Date;

**"Encumbrance"** means any mortgage, pledge, lien, hypothecation, security interest or other arrangement having similar effect;

**"Exposure"** means, in relation to any Covered Series, the aggregate of the Early Redemption Amounts in respect of each Series of Secured Notes with Credit-Linkage that is part of such Covered Series and secured by the same Collateral Pool;

**"Posted Collateral"** means, in relation to any Collateral Pool, all Eligible Collateral, other property, Distributions, interest and all proceeds of any such Eligible Collateral, other property, Distributions or

interest that have been transferred to or received by the Trustee under the Security Documents relating to such Collateral Pool and not transferred to the Issuer pursuant to the terms set out in the Trust Deed or realised by the Trustee under the terms set out in the Trust Deed;

**"Secured Assets"** means, in relation to any Collateral Pool, the assets and rights from time to time the subject of the Security constituted by the Security Documents relating to such Collateral Pool;

**"Security"** means, in relation to any Series of Secured Notes with Credit-Linkage, the Encumbrances created or intended to be created, or which may at any time be intended to be created, in favour of the Trustee as trustee for the Noteholders, the Receipholders and the Couponholders of such Series of Secured Notes with Credit-Linkage, by or pursuant to the Security Documents in relation to such Series;

**"Security Documents"** means, in relation to any Series of Secured Notes with Credit-Linkage, this Principal Trust Deed, the Supplemental Trust Deed relating to such Series and any other documents which may be specified in the relevant Supplemental Trust Deed and the applicable Final Terms as additional Security Documents in relation to such Series;

**"Valuation Time"** means (i) in relation to any Collateral Pool, the close of business in London on the London Business Day immediately preceding the Valuation Date or date of calculation, as applicable, **provided that** the calculations of Value and Exposure in relation to any Collateral Pool will, as far as practicable, be made as of approximately the same time on the same date; and (ii) in relation to any Collateral Reference Obligation, 11:00 a.m. in the principal trading market of the Collateral Reference Obligation; and

**"Value"** means:

- (a) in the case of Eligible Collateral or Posted Collateral that is:
  - (i) an amount of cash, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage, if any; and
  - (ii) a security, the Base Currency Equivalent of its bid price multiplied by the applicable Valuation Percentage (if any), **provided, however, that** for the purposes of determining whether the Maximum Percentage for any item of Eligible Collateral has been exceeded, **"Value"** shall mean nominal value multiplied by the applicable Valuation Percentage (if any); and
- (b) in the case of Posted Collateral that consists of items that are not specified as Eligible Collateral, zero,

in each case, as at the Valuation Time in respect of a Valuation Date.

#### 4. **COLLATERAL CREDIT-LINKAGE FOR SECURED NOTES WITH CREDIT-LINKAGE**

##### (a) **General**

The applicable Final Terms shall specify whether Simplified Credit-Linkage or ISDA Credit-Linkage applies to each Series of Secured Notes with Credit-Linkage.

##### (b) **Simplified Credit-Linkage**

###### **General**

- (i) This Condition 21(b) only applies to Secured Notes with Credit-Linkage in relation to which the applicable Final Terms specifies that Simplified Credit-Linkage applies.
- (ii) Each Note will be credit-linked to one or more Collateral Reference Entity(ies) specified in the applicable Final Terms, with each Collateral Reference Entity having the Collateral Reference Entity Weighting specified therein. The portion of each Note linked to a particular Collateral Reference Entity (the **"Relevant Portion"**) shall be a percentage portion of its Specified Denomination equal to the Collateral Reference

Entity Weighting of such Collateral Reference Entity. Each Relevant Portion of the Note shall be redeemed and bear interest in accordance with the Conditions (including this Condition 21(b)), which shall apply separately to each Relevant Portion as if each Relevant Portion were a separate Note.

***Redemption following Credit Event Notice***

- (iii) If the Calculation Agent delivers a Credit Event Notice to the Issuer in relation to a Collateral Reference Entity linked to a Relevant Portion of a Note prior to the Maturity Date, then:
  - (A) the Calculation Agent shall determine the Adjusted Fair Market Value of such Relevant Portion as of the Credit Event Notice Date;
  - (B) the Issuer shall not redeem such Relevant Portion on the scheduled Maturity Date or (if applicable) any Automatic Early Redemption Date or other date fixed for its redemption falling after the Credit Event Notice Date, but shall redeem such Relevant Portion on its Credit Event Redemption Date at its Credit Event Redemption Amount; and
  - (C) the Issuer shall have no other payment obligations in respect of such Relevant Portion (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 or (if applicable), any amount payable on any Automatic Early Redemption Date or other date fixed for its redemption falling after the giving of the Credit Event Notice).
- (iv) 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) the giving of any Credit Event Notice; and
  - (B) the determination of any Credit Event Redemption Date or Credit Event Redemption Amount.

***Interest***

- (v) Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from (but excluding) the Credit Event Notice Date.

***Definitions***

- (vi) For the purposes of the Conditions, the following terms shall have the meanings set out below:

**"Adjusted Fair Market Value"** means, in relation to any Note or Relevant Portion thereof as of any date, its fair market value as of such 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 or Relevant Portions thereof (as the case may be) in respect of the early redemption of the Notes (all as determined by the Calculation Agent without taking into account the occurrence of a Credit Event with respect to the relevant Collateral Reference Entity).

**"Collateral Reference Entity"** means, in relation to any Series of Notes, an entity specified as such in the applicable Final Terms.

**"Collateral Reference Entity Weighting"** means, in relation to any Series of Notes, the weighting assigned to a specific Collateral Reference Entity specified as such in the applicable Final Terms.

**"Collateral Reference Obligation"** means, in relation to any Series of Notes, any obligation specified as such in the applicable Final Terms.

**"Credit Event"** means the determination by the Calculation Agent, acting in good faith and in a commercially reasonable manner, that a Collateral Reference Entity has become Insolvent.

**"Credit Event Notice"** means, in relation to any Collateral Reference Entity, a written notice from the Calculation Agent to the Issuer stating that a Credit Event has occurred. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred.

**"Credit Event Notice Date"** means the date on which the Calculation Agent gives a Credit Event Notice to the Issuer.

**"Credit Event Redemption Amount"** means, in relation to any Relevant Portion of a Note, the product of:

- (A) the Adjusted Fair Market Value of such Relevant Portion as of the Credit Event Notice Date; and
- (B) the relevant Recovery Rate.

**"Credit Event Redemption Date"** means, in relation to the Relevant Portion of a Note relating to a Collateral Reference Entity, such date (which shall be a Business Day) as the Calculation Agent may in its absolute discretion specify by written notice to the Issuer, being no later than 30 days after the date which the Calculation Agent, acting in good faith and in a commercially reasonable manner, determines to be:

- (A) where General Recovery Rate is specified in the applicable Final Terms, the date on which the holders of Relevant Debt actually received or are likely to receive final payment in respect of the same from or on behalf of the Collateral Reference Entity; and
- (B) where Specific Recovery Rate is specified in the applicable Final Terms, the date on which the holders of the specified Collateral Reference Obligation actually received or are likely to receive final payment in respect of the same from or on behalf of the Collateral Reference Entity.

**"Insolvent"** means, in relation to any Collateral 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) a liquidator or administrator or other similar officer has been appointed in relation to such Collateral Reference Entity;
- (D) it enters into a company voluntary arrangement or a scheme of arrangement with its creditors; or
- (E) any Insolvency Proceedings are taken in relation to such Collateral 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.

**"General Recovery Rate"** means, in relation to any Collateral Reference Entity, the percentage which the Calculation Agent, acting in good faith and in a commercially

reasonable manner, determines its absolute discretion to represent the likely final recovery rate of holders generally of Relevant Debt of such Collateral Reference Entity.

**"Recovery Rate"** means:

- (A) the General Recovery Rate; or
- (B) the Specific Recovery Rate,

as specified in the applicable Final Terms, and if the applicable Final Terms does not specify a Collateral Reference Obligation, then the General Recovery Rate shall apply.

**"Relevant Debt"** means, in relation to any Collateral Reference Entity, unsecured, unsubordinated or subordinated (as specified in the applicable final Terms) structured debt obligations of such Collateral Reference Entity for the payment or repayment of borrowed money.

**"Specific Recovery Rate"** means, in relation to any Collateral Reference Entity, the percentage which the Calculation Agent, acting in good faith and in a commercially reasonable manner, determines in its absolute discretion to represent the likely final recovery rate of a holder of the specified Collateral Reference Obligation.

(c) **ISDA Credit-Linkage**

***General***

- (i) This Condition 21(c) only applies to Secured Notes with Credit-Linkage in relation to which the applicable Final Terms specifies that ISDA Credit-Linkage applies.
- (ii) Each Note will be credit-linked to one or more Collateral Reference Entity(ies) specified in the applicable Final Terms, with each Collateral Reference Entity having the Collateral Reference Entity Weighting specified therein. The portion of each Note linked to a particular Collateral Reference Entity (the **"Relevant Portion"**) shall be a percentage portion of its Specified Denomination equal to the Collateral Reference Entity Weighting of such Collateral Reference Entity. Each Relevant Portion of the Note shall be redeemed and bear interest in accordance with the Conditions (including this Condition 21(c)), which shall apply separately to each Relevant Portion as if each Relevant Portion were a separate Note.

***Redemption and Settlement following CDS Event Notice***

- (iii) If the Calculation Agent delivers a CDS Event Notice to the Issuer in relation to a Collateral Reference Entity linked to a Relevant Portion of a Note prior to the Maturity Date (as may be extended pursuant to Condition 21(c)(v) (*Maturity Date Extension*) below), then:
  - (A) the Calculation Agent shall determine the Adjusted Fair Market Value of such Relevant Portion as of the Event Determination Date;
  - (B) the Issuer shall not redeem such Relevant Portion on the scheduled Maturity Date or (if applicable) any Automatic Early Redemption Date or other date fixed for its redemption falling after the CDS Event Notice Date, but shall redeem such Relevant Portion on its Credit Event Redemption Date at its Credit Event Redemption Amount; and
  - (C) the Issuer shall have no other payment obligations in respect of such Relevant Portion (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 or (if applicable), any amount payable on any Automatic Early Redemption Date or other date fixed for its redemption falling after the giving of the CDS Event Notice).

- (iv) 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) the giving of any CDS Event Notice; and
  - (B) the determination of any Credit Event Redemption Date or Credit Event Redemption Amount.

***Maturity Date Extension***

- (v) 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 3 Business Days following the date the Calculation Agent determines an Event Determination Date will not occur under the Notional CDS.

***Interest***

- (vi) Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from (but excluding) the Event Determination Date.

***Interest Postponement***

- (vii) If the Calculation Agent determines that the Credit Derivatives Determinations Committee is considering a request as to whether or not a Credit Event has occurred in respect of the Collateral 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 13 (*Notices*) as soon as is reasonably practicable should any payment of interest be suspended and/or postponed pursuant to this paragraph.

***Restructuring Credit Event***

- (viii) If the Calculation Agent determines that any Event Determination Date under the Notional CDS is in relation to a "Restructuring" Credit 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 Condition 21(c)(iii) (*Redemption and Settlement following CDS Event Notice*) shall apply only to such part of the Relevant Portion. The provisions of this Condition 21(c) shall continue to apply to any subsequent CDS Event Notice(s) delivered in respect of such remaining Relevant Portion.



**Definitions**

- (ix) Terms used in this Condition 21(c) but not defined in the Conditions shall have the meanings set out below or if not defined below, the 2003 ISDA Credit Derivatives Definitions, (as defined below):

**"Adjusted Fair Market Value"** means, in relation to any Note or Relevant Portion thereof as of any date, its fair market value as of such 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 or Relevant Portions thereof (as the case may be) in respect of the early redemption of the Notes (all as determined by the Calculation Agent without taking into account the occurrence of a Credit Event with respect to the relevant Collateral Reference Entity).

**"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 Collateral Reference Entity, 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 Valuation Date"** means the date that is five Business Days after the Event Determination Date;

**"Collateral Reference Entity"** means, in relation to any Series of Notes, an entity specified as such in the applicable Final Terms or any successor thereto that the Calculation Agent determines would be a successor to such entity under the relevant Notional CDS.

**"Collateral Reference Entity Weighting"** means, in relation to any Series of Notes, the weighting assigned to a specific Collateral Reference Entity specified as such in the applicable Final Terms.

**"Collateral Reference Obligation"** means, in relation to any Series of Notes, any obligation specified as such in the applicable Final Terms.

**"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 Event Redemption Amount"** means in relation to any Relevant Portion of a Note, the product of:

- (A) the Adjusted Fair Market Value of such Relevant Portion as of the CDS Event Notice Date; and
- (B) the relevant Recovery Rate.

**"Credit Event Redemption Date"** means, in relation to the Relevant Portion of a Note relating to a Collateral Reference Entity, the Settlement Date under the relevant Notional CDS.

**"Event Determination Date"** shall have the meaning given such term in the Notional CDS.

**"Full Quotation"** means each firm bid quotation (expressed as a percentage of the outstanding principal balance of the Collateral Reference Obligation) obtained from a Relevant Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Collateral Reference Obligations the case may be, with an outstanding principal balance equal to the Quotation Amount;

**"General Recovery Rate"** means in relation to any Collateral Reference Entity, 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 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.

**"ISDA Credit Derivatives Definitions"** means the 2003 ISDA Credit Derivatives Definitions as supplemented by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, each as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as may be further supplemented from time to time as of the Trade Date; and as may be further supplemented or amended after the Trade Date in accordance with any industry protocols.

**"Market Value"** means, with respect to a Collateral Reference Obligation 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 Collateral Reference Obligation, 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 Collateral Reference Entity, a notional credit derivative transaction issued on market standard terms:

- (i) incorporating (a) the ISDA Credit Derivatives Definitions, and (b) the latest version of the ISDA Physical Settlement Matrix published by ISDA as of the Trade Date, as published by ISDA;
- (ii) 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
- (iii) and under which any permitted determinations, elections or notices shall be made or deemed sent at the discretion of the Calculation Agent.

**"Quotation"** means, in respect of a Collateral Reference Obligation 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 Collateral Reference Obligation 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 Collateral Reference Obligation whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination; 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 Collateral Reference Obligation;

**"Quotation Amount"** means with respect to a Collateral Reference Obligation, 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; or
- (b) Specific Recovery Rate,

so specified in the applicable Final Terms, and if the applicable Final Terms does not specify a Collateral Reference Obligation, then the General Recovery Rate shall apply;

**"Relevant Dealer"** means, a dealer in obligations of the type of the Collateral Reference Obligation, as determined by the Calculation Agent;

**"Specific Recovery Rate"** means in relation to only Collateral Reference Entity and a specified Collateral Reference Entity, the Market Value of such Collateral Reference Obligation as determined by the Calculation Agent;

**"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 Collateral Reference Obligation 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 Collateral Reference Obligation) 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.

## INDEX OF DEFINED TERMS

|  |                    |
|--|--------------------|
| £ viii   |                    |
| € viii   |                    |
| 2010 PD Amending Directive .....   | 151                |
| 30/360.....  | 94                 |
| 30E/360 .....  | 94                 |
| 30E/360 (ISDA) .....   | 95                 |
| 360/360.....   | 94                 |
| Accrual Period.....  | 93                 |
| Act/365L.....  | 95                 |
| Actual/360 .....   | 94                 |
| Actual/365 (Fixed) .....   | 94                 |
| Actual/365 (Sterling).....   | 94                 |
| Actual/Actual .....  | 93                 |
| Actual/Actual – ISDA .....   | 93                 |
| Actual/Actual (ICMA).....  | 93                 |
| Additional Disruption Event176, 187, 198, 207, 224                           |                    |
| Adjusted Fair Market Value .....   | 236, 240           |
| Agency Agreement.....  | 84                 |
| Agents.....  | 85                 |
| applicable Final Terms .....   | 85                 |
| Auction Final Price.....   | 240                |
| Automatic Early Redemption .....   | 176                |
| Automatic Early Redemption Amount . 176, 187                                 |                    |
| Automatic Early Redemption Averaging .... 176, 187, 198, 207                 |                    |
| Automatic Early Redemption Averaging Date .....                              | 207                |
| Automatic Early Redemption Averaging End Date .....                          | 207                |
| Automatic Early Redemption Averaging Period .....                            | 207                |
| Automatic Early Redemption Averaging Start Date .....                        | 207                |
| Automatic Early Redemption Date(s)176, 187, 198, 207                         |                    |
| Automatic Early Redemption Event158, 161, 198, 207                           |                    |
| Automatic Early Redemption Level.....  | 198                |
| Automatic Early Redemption Level(s).....                                     | 207                |
| Automatic Early Redemption Price .....                                       | 176                |
| Automatic Early Redemption Price(s).....                                     | 187                |
| Automatic Early Redemption Valuation Date(s) .....                           | 176, 187, 198, 207 |
| Averaging Date Market Disruption177, 188, 198, 208                           |                    |
| Averaging Dates .....  | 53, 198, 207       |
| Averaging Period.....  | 177, 188           |
| Averaging Start Date .....   | 177, 188           |
| Barrier Condition.....   | 159, 163, 174      |
| Barrier Condition Averaging.177, 188, 199, 208                               |                    |
| Barrier Condition Averaging Date177, 179, 188, 191, 199, 201, 208, 211       |                    |
| Barrier Condition Averaging End Date177, 179, 188, 191, 199, 201, 208, 211   |                    |
| Barrier Condition Averaging Period177, 179, 188, 191, 199, 202, 208          |                    |
| Barrier Condition Averaging Start Date177, 179, 188, 191, 199, 202, 208, 211 |                    |
| Base Currency.....   | 234                |
| Base Currency Equivalent.....  | 234                |
| Base Level.....  | 226                |
| Base Prospectus .....  | 114                |
| Basket .....   | 188, 208           |
| Basket Index Linked Notes .....  | 157                |
| Basket Index Linked Notes Currency .....                                     | 208                |
| Basket Share Linked Notes .....  | 156                |
| Basket Share Linked Notes Share Currency . 188                               |                    |
| Bearer Notes .....   | 6, 84              |
| Best Strike.....   | 53, 177, 199       |
| Bond Basis .....   | 94                 |
| Business Day.....  | 91                 |
| Calculation Agent .....  | 85, 92             |
| Cap .....  | 159, 161, 164, 165 |
| Change in Law .....  | 177, 188, 208, 224 |
| Clearing System Business Day .....   | 143                |
| Clearstream, Luxembourg.....   | 86, 142            |
| CLN Dealer.....  | 243                |
| CLN Event Notice .....   | 240                |
| CLN Event Notice Date .....  | 240                |
| CMD .....  | 47                 |
| COBO .....   | 153                |
| Collateral Pool .....  | 19, 233            |
| Collateral Reference Entity .....  | 236, 240           |
| Collateral Reference Entity Weighting . 236, 240                             |                    |
| Collateral Reference Obligation.....   | 237, 240           |
| Common Depositary .....  | 142                |
| Computershare Agency Agreement .....   | 85                 |
| Conditions.....  | 84, 233            |
| Coupon Observation Date.....   | 166                |
| Coupon Observation Period .....  | 167                |
| Coupon Valuation Date.....   | 167                |
| Couponholders .....  | 85                 |
| Coupons .....  | 85                 |
| Covered Series .....   | 233                |
| CRA Regulation.....  | i                  |
| Credit Derivatives Determinations Committee .....                            | 240                |
| Credit Event .....   | 237                |
| Credit Event Notice.....   | 41, 237            |
| Credit Event Notice Date .....   | 237                |
| Credit Event Redemption Amount.....  | 237, 240           |
| Credit Event Redemption Date .....   | 237, 240           |
| CREST Registrar .....  | 85                 |
| CRESTCo .....  | 6                  |
| Crisis Management Directive.....   | 47                 |
| Custodian .....  | 84                 |
| Cut-Off Date .....   | 224                |
| Day Count Fraction.....  | 89, 93             |
| Dealer.....  | vi                 |
| Dealers .....  | vi                 |
| Delayed Index Level Event.....   | 224                |
| Delisting.....   | 177, 188           |
| Designated Account .....   | 99                 |
| Designated Bank .....  | 99                 |

|                                   |                              |   |                              |
|-----------------------------------|------------------------------|---|------------------------------|
| Designated Maturity .....         | 92                           | Hedging Disruption.....                         | 178, 190, 200, 209, 224      |
| Determination Period .....        | 91                           | Hedging Event .....                             | 104                          |
| Digital Return .....              | 159, 162                     | Hedging Transaction .....                       | 104                          |
| Directive .....                   | 148                          | HMRC.....                                       | 147                          |
| Disrupted Day .....               | 177, 189, 199, 208           | holder of Notes.....                            | 86, 145                      |
| Early Closure.....                | 178, 189, 199, 208           | holder of Uncertificated Registered Notes ..... | 87, 144                      |
| Early Redemption Amount.....      | 234                          | HSCEI.....                                      | 218                          |
| Eligible Collateral.....          | 20                           | Illegality Event.....                           | 104                          |
| Encumbrance .....                 | 234                          | Increased Cost of Hedging.....                  | 179, 190, 200, 209, 225      |
| Equity-Linked Notes .....         | 51                           | Index .....                                     | 200, 210, 216, 218, 221, 225 |
| EURIBOR .....                     | 91                           | Index Cancellation .....                        | 200, 210, 225                |
| euro.....                         | viii                         | Index Disruption .....                          | 200, 210                     |
| Eurobond Basis.....               | 94                           | Index Level .....                               | 200, 210                     |
| Euroclear .....                   | 86, 142                      | Index Modification.....                         | 200, 210, 225                |
| Event Determination Date .....    | 240                          | Index Sponsor .....                             | 201, 210, 221, 225           |
| Event of Default .....            | 107                          | Index-Linked Notes .....                        | 51                           |
| Exchange .....                    | 178, 189, 216                | Indices.....                                    | 210, 225                     |
| Exchange Business Day .....       | 178, 189, 199, 209           | Inflation-Linked Noteholders.....               | 226                          |
| Exchange Date.....                | 142                          | Inflation-Linked Notes.....                     | 51, 223                      |
| Exchange Disruption .....         | 178, 189, 199, 209           | Inflation-Related Variable .....                | 37                           |
| Exchange Event.....               | 142                          | Initial Averaging .....                         | 179, 190, 201, 210           |
| Exchange(s).....                  | 199, 208                     | Initial Averaging Date... ..                    | 179, 189, 190, 201, 210      |
| Exercise Notice.....              | 105                          | Initial Averaging End Date.....                 | 179, 189, 190, 201, 210      |
| Exposure.....                     | 234                          | Initial Averaging Period .....                  | 179, 189, 190, 201, 210      |
| Extension Notice .....            | 239                          | Initial Averaging Start Date.....               | 179, 189, 190, 201, 210      |
| Extraordinary Dividend.....       | 178, 189                     | Initial Price.....                              | 159, 162, 164, 165, 167, 175 |
| Fair Market Value .....           | 102                          | Initial Share Price.....                        | 179, 190                     |
| Fallback Bond .....               | 224                          | Initial Value .....                             | 190                          |
| FATCA withholding.....            | 106                          | Insolvency.....                                 | 179, 190                     |
| FCA .....                         | i                            | Insolvency Filing .....                         | 180, 190                     |
| Final Averaging.....              | 178, 189, 200, 209           | Insolvency Proceedings .....                    | 237                          |
| Final Averaging Date .....        | 178                          | Insolvent .....                                 | 237                          |
| Final Averaging End Date .....    | 178                          | interest.....                                   | 149                          |
| Final Averaging Period.....       | 178                          | Interest Amount .....                           | 93                           |
| Final Averaging Start Date.....   | 178                          | Interest Amount Averaging... ..                 | 179, 191, 201, 211           |
| Final Index Level.....            | 200, 209                     | Interest Amount Averaging Period .....          | 211                          |
| Final Price .....                 | 159, 162, 164, 165, 167, 175 | Interest Amount Condition .....                 | 166                          |
| Final Share Price .....           | 178, 189                     | Interest Amount Level .....                     | 66                           |
| Final Terms .....                 | 51                           | Interest Payment Date .....                     | 90                           |
| Final Value .....                 | 190                          | Interest Period .....                           | 90                           |
| Fitch.....                        | i                            | Investor's Currency .....                       | 45                           |
| Fixed Interest Period .....       | 89                           | ISDA Credit Derivatives Definitions .....       | 241                          |
| Floating Rate .....               | 92                           | ISDA Definitions .....                          | 91                           |
| Floating Rate Option .....        | 92                           | ISDA Rate.....                                  | 91                           |
| Footsie™ .....                    | 216                          | Isle of Man person .....                        | 152                          |
| FSA 2008.....                     | 152                          | Issuer.....                                     | i, 3, 84                     |
| FSC.....                          | 152                          | Latest Level.....                               | 226                          |
| FT .....                          | 216                          | LIBOR .....                                     | 91                           |
| FTSE .....                        | 216                          | Licensors.....                                  | 217                          |
| FTSE™ .....                       | 216                          | London Business Day .....                       | 96                           |
| Full Quotation .....              | 241                          | London Stock Exchange .....                     | 8                            |
| Gearing .....                     | 165, 175                     | Long Maturity Note .....                        | 99                           |
| Gearing 1 .....                   | 159, 162, 164                | Lower Strike .....                              | 159, 164, 168, 171, 175      |
| Gearing 2 .....                   | 159, 164                     | Market Disruption Event.....                    | 180, 191, 202, 211           |
| General Recovery Rate.....        | 241                          | Market Value .....                              | 241                          |
| general unsecured creditors ..... | 42                           | Maturity Date.....                              | 51                           |
| Global Credit Rating .....        | i                            |   |                              |
| Global Note .....                 | 84                           |   |                              |
| Global Notes.....                 | 142                          |   |                              |
| Group.....                        | 4                            |   |                              |

|  |                    |  |   |
|--|--------------------|--|---|
| Merger Date.....                                 | 180, 191           | Related Bond.....                        | 225                                       |
| Merger Event.....                                | 180, 191           | Related Bond Redemption Event.....       | 225                                       |
| Minimum Return .....                             | 164, 165           | Related Covered Series .....             | 233                                       |
| Moody's.....                                     | i                  | Related Exchange .....                   | 181, 192, 202, 211                        |
| MSCI.....  | 217                | Relevant Date.....                       | 106                                       |
| Multi-Exchange Index .....                       | 202, 211           | Relevant Debt .....                      | 238                                       |
| Nationalisation.....                             | 180, 191           | Relevant Implementation Date.....        | 150                                       |
| New Shares.....                                  | 180, 191           | Relevant Level .....                     | 224, 225                                  |
| Non Multi-Exchange Index .....                   | 202, 211           | Relevant Member State .....              | 113, 150                                  |
| Non-exempt Offer .....                           | 150                | Relevant Portion .....                   | 41, 53, 235, 238                          |
| Noteholder.....                                  | 86, 87, 144, 145   | relevant system .....                    | 87  |
| Noteholders .....                                | 85                 | Reset Date.....                          | 92  |
| Notes .....                                      | i, 84              | Return Threshold.....                    | 31, 33, 160, 162, 164, 165, 168, 171, 173 |
| Notional CDS .....                               | 242                | Reverse Merger.....                      | 180, 191                                  |
| Observation Date.....                            | 180, 192, 202, 211 | Scheduled Averaging Date .....           | 194, 213                                  |
| Observation Period.....                          | 180, 192, 202, 211 | Scheduled Closing Time .....             | 181, 192, 202, 211                        |
| offer of Notes to the public.....                | 151                | Scheduled Trading Day.....               | 181, 192, 202, 212                        |
| Operator.....                                    | 88                 | Secured Assets .....                     | 235                                       |
| Operator register of corporate securities.....   | 87                 | Secured Notes with Credit-Linkage .....  | 6   |
| Optional Additional Disruption Event.....        | 225                | Security .....                           | 235                                       |
| Order .....                                      | 152                | Security Documents .....                 | 235                                       |
| Other Consideration .....                        | 180, 192           | Series.....                              | 85  |
| Other Currency .....                             | 234                | Share Currency .....                     | 181, 192                                  |
| overseas person.....                             | 152                | Share Issuer.....                        | 181, 184, 192, 195                        |
| participating securities.....                    | 87                 | Shares.....                              | 181, 184, 192, 195                        |
| Paying Agents .....                              | 84                 | Single Index Linked Notes.....           | 157                                       |
| Payment Business Day .....                       | 145                | Single Index Linked Notes Currency ..... | 202                                       |
| Payment Day .....                                | 101                | Single Share Linked Notes.....           | 156                                       |
| Permanent Bearer Global Note.....                | 142                | Single Share Linked Notes Currency ..... | 181                                       |
| POI Law .....                                    | 153                | Specific Recovery Rate.....              | 243                                       |
| Posted Collateral.....                           | 234                | Specified Currency .....                 | 6   |
| Potential Adjustment Event.....                  | 180, 192           | Specified Denomination.....              | 48  |
| Price.....                                       | 181, 192           | Sterling.....                            | viii                                      |
| Principal Paying Agent.....                      | 84                 | Strike Date .....                        | 181, 192, 202, 212                        |
| Principal Trust Deed.....                        | 84                 | Strike Price.....                        | 181, 193, 203, 212                        |
| Product .....                                    | 218                | Substitute Inflation Index Level.....    | 225, 226                                  |
| Programme .....                                  | i                  | sub-unit .....                           | 90  |
| Programme Agreement.....                         | 150                | Successor Index .....                    | 203, 212, 225, 226                        |
| Prospectus Directive.....                        | i, 113, 114, 151   | Supplemental Trust Deed.....             | 84  |
| Quotation.....                                   | 242                | Talons .....                             | 85  |
| Quotation Amount.....                            | 242                | TARGET Settlement Day .....              | 91  |
| Rebased Index .....                              | 225, 228           | TARGET2.....                             | 91  |
| Receiptholders .....                             | 85                 | Tax Jurisdiction.....                    | 106                                       |
| Receipts .....                                   | 85                 | Temporary Bearer Global Note.....        | 142                                       |
| Record .....                                     | 87                 | Tender Offer .....                       | 181, 193                                  |
| Record Date.....                                 | 99, 143            | Tender Offer Date .....                  | 182, 193                                  |
| record of uncertificated corporate securities... | 87                 | Terms .....                              | 157, 223                                  |
| Recovery Rate .....                              | 20, 238, 242       | Trading Disruption.....                  | 182, 193, 203, 212                        |
| Redemption Provisions.....                       | 51                 | Tranche .....                            | 85  |
| Reference [Entity/Entities] .....                | 19                 | Transfer Agents.....                     | 84  |
| Reference Entities.....                          | 9                  | Trust Deed.....                          | 84  |
| Reference Entity .....                           | 9                  | Trustee .....                            | 84  |
| Reference Level.....                             | 226                | U.S. dollars .....                       | viii                                      |
| Reference Month .....                            | 225                | U.S.\$ .....                             | viii                                      |
| Register.....                                    | 99                 | UK Notes .....                           | 147                                       |
| Registered Global Note .....                     | 143                | Uncertificated Registered Notes .....    | 6, 144                                    |
| Registered Notes.....                            | 6, 84, 144         | Underlying .....                         | 51  |
| Registrar .....                                  | 84                 | Upper Strike.....                        | 160, 164, 168, 171, 175                   |
| Registration Document.....                       | 50                 | Valid Date.....                          | 183, 194, 204, 213                        |
| Regulations.....                                 | 6, 87              |  |   |

Part D – Secured Notes  
*Additional Terms and Conditions of the Secured Notes*

|  |                                    |
|--|------------------------------------|
| Valuation Date.....53, 182, 193, 203, 212, 240 | Verification Agent .....20, 84     |
| Valuation Time.....182, 193, 203, 212, 235     | Weighted Average Quotation.....243 |
| Value ..... 193, 235                           |                                    |



**THE ISSUER**

**Investec Bank plc**  
2 Gresham Street  
London EC2V 7QP

**TRUSTEE**

**Deutsche Trustee Company Limited**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

**PRINCIPAL PAYING AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

**REGISTRAR**

*With respect to Registered Notes*

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

**CREST REGISTRAR**

*With respect to Uncertificated Registered Notes*

**Computershare Investor Services plc**  
The Pavilions  
Bridgwater Road  
Bristol BS13 8AE

**CUSTODIAN**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

**VERIFICATION AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

**CALCULATION AGENT AND VALUATION AGENT**

**Investec Bank plc**  
2 Gresham Street  
London EC2V 7QP

**LEGAL ADVISERS**

*To the Issuer as to English law*

**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ

*To the Trustee as to English law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AO

**DEALER**

**Investec Bank plc**  
2 Gresham Street  
London EC2V 7QP