

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") without an up-to-date PRIIPS KID being in place with the prior written consent of RBC Europe Limited and provided in accordance with the PRIIPS Regulation. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, save as provided above, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**") without an up-to-date UK PRIIPS KID being in place with the prior written consent of RBC Europe Limited and provided in accordance with the PRIIPS Regulation. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, save as provided above, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Pricing Supplement dated 14 February 2023**



**ROYAL BANK OF CANADA**

*(a Canadian chartered bank)*

Legal entity identifier (LEI): ES7IP3U3RHIGC71XBU11

Issue of USD 20,891,000 Credit Linked Redemption Notes due December 2023  
under the Programme for the Issuance of Securities

## PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer 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 either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either of Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Structured Securities Base Prospectus dated July 29, 2022 as supplemented by the supplements dated August 31, 2022, December 06, 2022 and December 20, 2022 (the “**Base Prospectus**”). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, 160 Queen Victoria Street, London EC4V 4LA, England and in electronic form on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

For the purposes hereof:

“**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA;

“**EUWA**” means the European Union (Withdrawal) Act 2018; and

“**FSMA**” means the Financial Services and Markets Act 2000.

**The purchase of the Notes may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. The following does not represent an exhaustive list or summary of the risks involved in purchasing the Notes and investors should thoroughly familiarise themselves with the risks associated with credit linked notes and credit derivatives before making any investment.**

(a) **Credit-Linkage**

The amount payable on the Notes is dependent upon whether certain Credit Events have occurred in respect of the Reference Entity. If a Credit Event has occurred, the amount payable is dependent on the value of certain specified assets of the Reference Entity. Purchasers should be prepared to sustain a total loss of the purchase price of the Notes. An investment in the Notes presents certain significant risks not associated with conventional debt securities.

If a Credit Event occurs during the credit protection period, and the related Credit Event Notice is delivered or deemed delivered during the Notice Delivery Period, the Notes will be subject to early redemption in accordance with Auction Settlement or, if a Fallback Settlement Event occurs, Cash Settlement. The Credit Event that is the subject of the Credit Event Notice does not have to be continuing on the date of the Credit Event Notice or subsequently. Accordingly, holders of the Notes are exposed to credit default risk with respect to the Reference Entity for Credit Events that may be cured or waived subsequent to their occurrence.

Prospective investors in the Notes should be aware that (i) they may receive no or a limited amount of interest, (ii) the payment of the redemption amount or interest may occur at a different time than

expected and (iii) they may lose all or a substantial portion of their investment. The payment of principal and interest on the Notes is contingent upon the Reference Entity's satisfaction of its present and future financial obligations and holders will be exposed to credit default risk with respect to the Reference Entity in addition to credit risk with respect to the Issuer.

The Issuer's obligations in respect of the Notes are irrespective of the existence or amount of the Issuer's and/or any Affiliates' credit exposure to the Reference Entity and the Issuer and/or any Affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

**(b) Auction Settlement**

If the Notes are redeemed following the occurrence of a Credit Event, the amount payable in respect of the Notes may be determined by reference to the Auction Final Price determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms. Where an Auction Final Price Determination Date occurs, the Auction Final Price will be determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms, available on ISDA's website at [www.isda.org](http://www.isda.org) (or any successor website thereto). Such auction procedure is subject to change at any time. The Auction Final Price determined pursuant to an auction may be less than the market value that would otherwise have been determined in respect of the relevant Reference Obligation.

There is a possibility that the Issuer or the Calculation Agent or any of their respective affiliates would act as a participating bidder in any such auction. In such capacity, any such entity may take certain actions which may influence the Auction Final Price. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), the Issuer or the Calculation Agent or any of their respective affiliates shall be under no obligation to consider the interests of any Noteholder.

**(c) Role of the Credit Derivatives Determinations Committee**

Prospective purchasers should note that the Credit Derivatives Determinations Committee has the power to make binding decisions on critical issues such as whether a Credit Event has occurred and, where Auction Settlement is specified as being applicable, which obligations are to be valued and whether an Auction should take place in accordance with and as more fully described in the Credit Derivatives Determinations Committees Rules as amended from time to time and available on ISDA's website at [www.isda.org](http://www.isda.org) (or any successor website thereto).

**(d) Market price of the Notes may be influenced by many unpredictable factors**

The market price of the Notes may be volatile and will be affected by, amongst other things, the time remaining to the redemption date or settlement date, as applicable, prevailing credit spreads and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions. A Reference Entity could take actions that may adversely affect the value the Notes.

**(e) A holder of the Notes has no rights with respect to the Reference Entity**

As an owner of the Notes, a Noteholder will not have voting rights or the right to receive dividends or other distributions or any other rights with respect to the Reference Entity or the obligations of the Reference Entity.

By investing in the Notes each investor represents that:

- (a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the Conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.
- (b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.
- (c) **Status of Parties.** Neither the Issuer nor any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the Notes.

- |    |   |  |
|----|---|--|
| 1. | Issuer:   | Royal Bank of Canada                   |
|    | Branch of Account / Branch:                           | Toronto Branch                         |
| 2. | (i) Series Number:                                    | 67706                                  |
|    | (ii) Tranche Number:                                  | 1                                      |
| 3. | Specified Currency or Currencies:<br>(Condition 1.12) | USD                                    |
| 4. | Aggregate Principal Amount:                           | USD 20,891,000                         |
|    | (i) Series:   | USD 20,891,000                         |
|    | (ii) Tranche:   | USD 20,891,000                         |
| 5. | Issue Price:  | 100% of the Aggregate Principal Amount |
| 6. | (a) Specified Denominations:                          | USD 1,000                              |
|    | (b) Calculation Amount:                               | USD 1,000                              |
|    | (c) Minimum Trading Size:                             | USD 1,000                              |
| 7. | (i) Issue Date:                                       | 14 February 2023                       |
|    | (ii) Interest Commencement Date                       | Issue Date                             |

(iii) Trade Date:	31 January 2023
8. Maturity Date:	20 December 2023, subject always to the provisions relating to deferral of maturity set out in paragraph 5 (Deferral of Certain Dates) of the Credit Terms.
9. Interest Basis:	5.35% Fixed Rate
10. Redemption Basis:	Credit Linked Redemption
11. Change of Interest or Redemption/Payment Basis:	Not Applicable
12. Put Option/ Call Option/ Trigger Early Redemption:	Not Applicable
13. Date approval for issuance of Notes obtained:	Not Applicable
14. Bail-inable Securities:	No
15. Method of distribution:	Non-syndicated

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

16. <b>Fixed Rate Note Provisions</b> (Condition 4.02/4.02a)	Applicable
(i) Rate of Interest:	5.35% per annum fixed rate payable quarterly in arrears.
(ii) Interest Payment Date(s):	Each 20 <sup>th</sup> of March, June, September and December of each year, commencing on 20 March 2023 and final Interest Payment on 20 December 2023, in accordance with the Business Day Convention set out in (iv) below, provided that, if there is a Credit Event on the Reference Entity, the Credit Event shall be deemed to have occurred and no further coupons will be paid.
(iii) Adjusted Interest Periods:	Not Applicable
(iv) Business Day Convention:	Following Business Day Convention
(v) Fixed Coupon Amount(s):	Rate of Interest multiplied by the Day Count Fraction multiplied by the Calculation Amount.  For the avoidance of doubt, if there is a Credit Event on the Reference Entity, no further coupons will be paid and a Credit Event shall be deemed to have occurred.
(vi) Broken Amount(s):	Not Applicable

- (vii) Day Count Fraction: 30/360
  - (viii) Determination Dates: Not Applicable
  - (ix) Default Rate: As set out in Condition 4.06
  - (x) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
17. **Floating Rate Note Provisions** (Condition 4.03) Not Applicable
18. **Zero Coupon Note Provisions** Not Applicable
19. **Reference Item Linked Interest Notes** Not Applicable
20. **Dual Currency Note Provisions** Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

21. **Call Option** (Condition 5.03) Not Applicable
22. **Put Option** (Condition 5.06) Not Applicable
23. **Notice periods for Early Redemption for Taxation Reasons:**
- (i) Minimum period: 15 days
  - (ii) Maximum period: 30 days
24. **TLAC Disqualification Event:** Not Applicable
25. **Notice periods for Redemption for Illegality:**
- (i) Minimum period: 15 days
  - (ii) Maximum period: 30 days
26. **Trigger Early Redemption** (Condition 5.09) Not Applicable

27. **Final Redemption Amount of each Note** Subject always to the provisions relating to early redemption and the Credit Terms, 100.00% of the Calculation Amount
28. **Early Redemption Amount**
- (i) Early Redemption Amount(s) payable on redemption for taxation reasons, illegality or on event of default or other early redemption and/or the method of calculating the same (including, in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 7, or in the case of Equity Linked Notes, following a Potential Adjustment Event and/or De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer in accordance with Condition 8, or in the case of Equity Linked Notes, Index Linked Notes or Fund Linked Notes (involving ETFs), following an Additional Disruption Event (if applicable), or in the case of Fund Linked Notes, following a Fund Event or De-listing, Material Underlying Event, Merger Event, Nationalisation or
- An amount determined by the Calculation Agent equal to the fair market value of the Notes on or around the date of early redemption, as selected by the Calculation Agent, taking into account, if applicable, the event resulting in the early redemption of the Notes, all as determined by the Calculation Agent in its sole and absolute discretion by reference to such factor(s) as it may deem appropriate and less any Unwind Costs. For the purposes of determining the fair market value of the Notes following an event of default, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Notes.
- For the avoidance of doubt, the Early Redemption Amount shall not apply in respect of an early redemption of the Notes pursuant to paragraph 1 (Cash Settlement) of the Credit Terms.

Tender Offer in accordance with Conditions 11 and 12) (if required):

- (ii) Early Redemption Amount includes amount in respect of accrued interest: Yes: no additional amount in respect of accrued interest to be paid

## PROVISIONS RELATING TO REFERENCE ITEM LINKED NOTES

### 29. Settlement Method

Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery and whether option to vary settlement: Cash Settlement

### 30. Final Redemption Amount for Reference Item Linked Notes

Not Applicable

### 31. Multi-Reference Item Linked Notes

Not Applicable

### 32. Currency Linked Note Provisions

Not Applicable

### 33. Commodity Linked Note Provisions

Not Applicable

### 34. Index Linked Note Provisions (Equity Indices only)

Not Applicable

### 35. Equity Linked Note Provisions

Not Applicable

### 36. Fund Linked Note Provisions

Not Applicable

### 37. Credit Linked Note Provisions

Applicable. The terms set out in the 2014 Credit Terms Annex (the "2014 Credit Terms Annex") annexed to this Pricing Supplement, shall apply in respect of the Notes.

- (i) Final Redemption Amount:

Subject always to the provisions relating to early redemption and the Credit Terms, 100.00% of the Calculation Amount



- (ii) Reference Entity: United States of America
- Transaction Type: STANDARD WESTERN EUROPEAN SOVEREIGN
- (iii) Reference Obligation(s): Standard Reference Obligation as published by ISDA or Markit on their websites from time to time (or by a successor website thereto) or by such third party as designated by ISDA on its website).
- (iv) All Guarantees: Applicable
- (v) Credit Events: Failure to Pay
- Repudiation/Moratorium
- Restructuring
- (A) Financial Reference Entity Terms: Not Applicable
- (B) Subordinated European Insurance Terms: Not Applicable
- (C) Default Requirement: The provisions set out in the 2014 Credit Terms Annex apply
- (D) Payment Requirement: The provisions set out in the 2014 Credit Terms Annex apply
- (vi) Credit Event Determination Date: Notice of Publicly Available Information: Applicable
- (vii) Obligation(s):
- Obligation Category: Borrowed Money
- Obligation Characteristics: None
- (viii) Excluded Obligation(s): Not Applicable
- (ix) Settlement Method: Auction Settlement
- Auction Settlement Date: the later of 3 Business Days following the Auction Final Price Determination Date, and 35 Business Days following the Credit Event Determination Date.

(x)	Adjustment for Unwind Costs:	Not Applicable
(xi)	Fallback Settlement Method:	Cash Settlement
(xii)	Limitation Dates subject to adjustment in accordance with Business Day Convention:	Applicable
(xiii)	Partial Accrual of Interest upon Credit event:	Not Applicable
(xiv)	No Accrual of Interest upon Credit Event:	Applicable
(xv)	Provisions relating to Monoline Insurer as Reference Entity:	The provisions set out in paragraph 12 of the 2014 Credit Terms Annex do not apply
(xvi)	Terms relating to Cash Settlement:	Applicable (if the Fallback Settlement Method applies)
	(A) Credit Event Redemption Amount:	The provisions set out in the 2014 Credit Terms Annex apply
	(B) Credit Event Redemption Date:	The provisions set out in the 2014 Credit Terms Annex apply
	(C) Valuation Obligations:	
	Valuation Obligation Category:	Bond or Loan
	Valuation Obligation Characteristics:	Specified Currency Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer

Excluded Valuation Obligation(s):	None
Sovereign No Asset Package Delivery:	Not Applicable
(D) Valuation Date:	Single Valuation Date: The definition of Valuation Date in the 2014 Credit Terms Annex shall apply provided that (i) references therein to the number "60" shall be deemed to be deleted and replaced with the number "35" and (ii) the words "not less than 5 and" shall be deemed to be deleted
(E) Valuation Time:	3:00 pm
(F) Quotation Method:	The provisions set out in the 2014 Credit Terms Annex apply
(G) Quotation Amount:	USD 20,891,000
(H) Minimum Quotation Amount:	The provisions set out in the 2014 Credit Terms Annex apply
(I) Quotation Dealers:	The provisions set out in the 2014 Credit Terms Annex apply
(J) Quotations:	Exclude Accrued Interest
(K) Valuation Method:	Highest
(xvii) Force Majeure Events:	Applicable Relevant Jurisdiction: United States
(xviii) Merger Event:	Applicable
(xix) Reference Obligation Only Termination Amount:	Not Applicable
(xx) Additional Provisions for Senior Non-Preferred Reference Obligations:	Not Applicable
(xxi) 2014 CoCo Supplement to the 2014 ISDA Credit	Not Applicable

Derivatives  
Definitions:

Trigger Percentage: As set out in the 2014 Credit Terms Annex

(xxii)	2019 Supplement to the 2014 Derivatives Definitions (July 15, 2019)	NTCE to the Credit	Not Applicable
	Credit Deterioration Requirement		Not Applicable
	Fallback Discounting		Not Applicable
38.	<b>Dual Currency Note Provisions</b>		Not Applicable
39.	<b>Preference Share Linked Notes</b>		Not Applicable
40.	<b>Bond Linked Redemption Note Provisions</b>		Not Applicable
41.	<b>Actively Managed Basket Linked Note Provisions</b>		Not Applicable
42.	<b>Physical Delivery</b>		Not Applicable

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

43.	(i) New Global Note:		No
	(ii) Form of Notes:		Registered Notes
44.	Financial Centre(s) or other special provisions relating to payment dates:		London & New York
45.	Relevant Renminbi Settlement Centre:		Not Applicable
46.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): (Condition 1.06)		No


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|-----|---|--|
| 47. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable   |
| 48. | Details relating to Instalment Notes: amount of each instalment (“ <b>Instalment Amounts</b> ”), date on which each payment is to be made (“ <b>Instalment Dates</b> ”):  | Not Applicable   |
| 49. | Redenomination provisions:  | Not Applicable   |
| 50. | Consolidation provisions:   | Not Applicable   |
| 51. | Name and address of Calculation Agent:  | Royal Bank of Canada, London Branch<br>100 Bishopsgate<br>London, EC2N 4AA |
| 52. | Issuer access to the register of creditors ( <i>Sw. skuldboken</i> ) in respect of Swedish Notes:   | Not Applicable   |
| 53. | Other terms or special conditions:  | Not Applicable   |
| 54. | Exchange Date:  | Not Applicable   |
| 55. | The Aggregate Principal Amount of the Notes issued has been translated into U.S. dollars at the rate of U.S.\$1.00 = [□], producing a sum of:   | Not Applicable   |
| 56. | Governing law of Notes (if other than the laws of the Province of Ontario and the federal laws of Canada applicable therein):   | Not Applicable   |

57. Alternative Currency Payment: Not Applicable
58. *Masse*: Not Applicable


**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By:   
Nicole Blackwood  
Vice President, Transaction Management Group

Duly authorized

By:   
Jason Goss  
Managing Director, Head of European Solutions & Structured Product Sales

Duly authorized

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

Listing/Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Euronext Dublin's Global Exchange Market and listed on the Official List of Euronext Dublin.

### 2. RATINGS

Ratings: Not Applicable

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

The Issue Price may include a fee or commission payable to a distributor or third party, such fee or commission will be determined by a number of factors including but not limited to Maturity Date of the note, hedging costs and legal fees. Further details in respect of the fee or commission are available upon request.

### 4. OPERATIONAL INFORMATION

- (i) ISIN: XS2570650221
- (ii) Common Code: 257065022
- (iii) CFI: As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
- (iv) FISN: As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
- (v) Other Identification Number: Not Applicable
- (vi) Any clearing system(s) other than Euroclear and Clearstream Luxembourg, their addresses and the relevant identification number(s): Not Applicable
- (vii) Delivery: Delivery against payment
- (viii) Name(s) and address(es) of Initial Paying Agents, French Paying Agent, Registrar and Transfer Agents: Issuing and Paying Agent:  
The Bank of New York Mellon, London Branch  
160 Queen Victoria Street  
London



EC4V 4LA

England

Registrar:

Vertigo Building – Polaris 2–4 rue Eugène Ruppert L–  
2453 Luxembourg

(ix) Names and addresses of additional Paying Agent(s), [Registrar and Transfer Agents] (if any):

Not Applicable

(x) Intended to be held in a manner which would allow Eurosystem eligibility:

No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safe-keeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

## 5. DISTRIBUTION

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|--|---|
| (i) Method of distribution:                          | Non-syndicated  |
| (ii) If syndicated, names of Managers:               | Not Applicable  |
| (iii) Stabilising Manager(s) (if any):               | Not Applicable  |
| (iv) If non-syndicated, name of Dealer:              | RBC Europe Limited<br>100 Bishopsgate<br>London, EC2N 4AA   |
| (v) U.S. Selling Restrictions:                       | Super Reg S; TEFRA rules not applicable   |
| (vi) Canadian Sales:                                 | Canadian Sales Not Permitted  |
| (vii) Additional selling restrictions:               | Not Applicable  |
| (viii) Prohibition of Sales to EEA Retail Investors: | Applicable, other than with respect to offers of the Notes for which a PRIIPs KID is being prepared.    |
| (ix) Prohibition of Sales to UK Retail Investors:    | Applicable, other than with respect to offers of the Notes for which a UK PRIIPs KID is being prepared. |

(x) Prohibition of Offer to Private Clients in Switzerland: Applicable

6. **HIRE ACT WITHHOLDING** The Notes are not Specified Securities for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986.

## 2014 CREDIT TERMS ANNEX

The terms and conditions applicable to the Notes shall comprise the Terms and Conditions of the Notes under the Programme (the “**Notes Conditions**”) and this 2014 Credit Terms Annex (the “**Credit Terms**”), in each case as completed by the Pricing Supplement. In the event of any inconsistency between the Notes Conditions and the Credit Terms, the Credit Terms shall prevail. In the event of any inconsistency between (i) the Notes Conditions and the Credit Terms and (ii) the Pricing Supplement (excluding these Credit Terms), the Pricing Supplement shall prevail.

### 1 Cash Settlement

#### (a) *If the Notes are Auction Settled Notes*

If the Notes are Auction Settled Notes and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Issuer shall give notice (such notice a “**Settlement Notice**”) to the Noteholders as soon as practicable in accordance with the Notes Conditions, and, subject to these Credit Terms, in particular paragraph 6 (Credit Event Notice after M(M)R Restructuring) below, redeem all but not some only of the Notes on the Auction Settlement Date at, in respect of the Calculation Amount, the Auction Cash Settlement Amount (which Auction Cash Settlement Amount will, if “Adjustment for Unwind Costs” is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, be subject to adjustment to account for any Unwind Costs).

Notwithstanding the above, if a Fallback Settlement Method Event occurs then, notwithstanding that the Notes are Auction Settled Notes, these Terms and Conditions shall apply in respect of such Credit Event as if the Notes were Cash Settled Notes and the Issuer shall redeem the Notes in accordance with paragraph 1(b) below.

#### (b) *If the Notes are not Auction Settled Notes*

If the Notes are Cash Settled Notes and if a Credit Event Determination Date has occurred, the Issuer shall give notice (such notice a “**Settlement Notice**”) to the Noteholders as soon as practicable in accordance with the Notes Conditions, and, subject to these Credit Terms, in particular paragraph 6 (*Credit Event Notice after M(M)R Restructuring*) below, redeem all but not some only of the Notes on the Credit Event Redemption Date at, in respect of the Calculation Amount, the Credit Event Redemption Amount (which Credit Event Redemption Amount will, if “Adjustment for Unwind Costs” is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, be subject to adjustment to account for any Unwind Costs).

Notwithstanding that the Notes are not Auction Settled Notes and notwithstanding anything else to the contrary contained herein, if the Calculation Agent determines that (a) an Auction has taken place, or is expected to take place in respect of the Reference Entity to value obligations of the same seniority as the Reference Obligation and (b) the Auction Final Price Determination Date falls, or is expected to fall, on or before the sixtieth Business Day after the relevant Credit Event Determination Date, the Calculation Agent may elect that the Auction Final Price as so determined pursuant to such Auction shall be deemed to be the Final Price hereunder in respect of the Reference Entity, in which case, the definitions of Valuation Method, Valuation Date, Quotation, Quotation Method and Quotation Amount shall not apply in respect of the Reference Entity and/or Reference Obligation, and the Calculation Agent may make such amendments to the Conditions as it determines appropriate to reflect the change in the determination of the Final Price provided, that if the Calculation Agent has so elected but no appropriate Auction Final Price is determined within such time frame, the Calculation Agent may reverse such election and make such amendments to the Conditions as it determines appropriate to reflect such reversal.

***If a Credit Event Determination Date has occurred and the Notes become redeemable in accordance with this paragraph 1, upon payment of the Credit Event Redemption Amount or Auction Cash Settlement Amount (as applicable) in respect of the Notes, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount or Auction Cash Settlement Amount (as applicable) may be less than the Calculation Amount of a Note. Any shortfall shall be borne by the Noteholder and no liability shall attach to the Issuer.***

## 2 Repudiation/Moratorium Extension

Where a Credit Event Determination Date has not occurred on or prior to the Maturity Date or any Interest Payment Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Maturity Date or any Interest Payment Date or, if paragraph 5 (*Deferral of Certain Dates*) below applies, the Deferred Maturity Date or the Deferred Interest Payment Date (each as defined in paragraph 5 (*Deferral of Certain Dates*) below) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation/Moratorium will, in the determination of the Calculation Agent, fall after, as applicable, the Maturity Date, such Interest Payment Date, the Deferred Maturity Date or such Deferred Interest Payment Date, then the Calculation Agent shall notify the Noteholders in accordance with the Notes Conditions that a Potential Repudiation/Moratorium has occurred and the maturity of the Notes and/or relevant interest payment will be delayed and:

- (a) in relation to such event as of the Maturity Date or Deferred Maturity Date, where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:
  - (A) each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the third Business Day following the Repudiation/Moratorium Evaluation Date (the “**Repudiation/Moratorium Deferred Maturity Date**”); and
  - (B) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest (if any), calculated as provided herein, accrued up to (but excluding) the Maturity Date, but shall only be obliged to make such payment of interest on the Repudiation/Moratorium Deferred Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred, the provisions of paragraph 1 (*Cash Settlement*) shall apply to the Notes; or
- (c) in relation to such event as of an Interest Payment Date or Deferred Interest Payment Date, the Calculation Agent may delay the relevant amount of interest which would otherwise be payable on such Interest Payment Date or Deferred Interest Payment Date. In this case where (i) a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date then the relevant amount of interest shall be payable on the third Business Day following the Repudiation/Moratorium Evaluation Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Interest Period or basis of calculation of the relevant amount of interest, other than as described above; (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be determined in accordance with paragraph 9 (*Accrual of interest*) and may be zero and will be payable on the third Business Day following the applicable Repudiation/Moratorium Evaluation Date, or (iii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date but a Credit Event Determination Date has not occurred thereafter, the relevant amount

of interest will be payable on the third Business Day following the Calculation Agent's determination that a Credit Event Determination Date will not occur.

### 3 **Grace Period Extension**

If "Grace Period Extension" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the provisions of this paragraph 3 shall apply.

If a Credit Event Determination Date has not occurred on or prior to the Maturity Date or any Interest Payment Date but, in the determination of the Calculation Agent, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Maturity Date or relevant Interest Payment Date (and such Grace Period(s) is/are continuing as at that date), then the Calculation Agent shall notify the Noteholders in accordance with the Notes Conditions that a Potential Failure to Pay has occurred and that the maturity of the Notes and/or relevant interest payment will be delayed and:

- (a) in relation to such event as of the Maturity Date, where a Failure to Pay has not occurred on the Grace Period Extension Date:
  - (A) each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the third Business Day following the Grace Period Extension Date (the "**Grace Period Deferred Maturity Date**"); and
  - (B) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accrued up to (but excluding) the Maturity Date but shall only be obliged to make such payment of interest on the Grace Period Deferred Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where a Failure to Pay has occurred on the Grace Period Extension Date and a Credit Event Determination Date has occurred, the provisions of paragraph 1 (*Cash Settlement*) shall apply to the Notes; or
- (c) in relation to such event as of an Interest Payment Date, the Calculation Agent may delay the relevant amount of interest which would otherwise be payable on the relevant Interest Payment Date. In this case where (i) a Failure to Pay has not occurred on the Grace Period Extension Date then the relevant amount of interest shall be payable on the third Business Day following the Grace Period Extension Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Interest Period or basis of calculation of the relevant amount of interest, other than as described above; (ii) where a Failure to Pay has occurred on the Grace Period Extension Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be determined in accordance with paragraph 9 (*Accrual of interest*) and may be zero and will be payable on the third Business Day following the applicable Grace Period Extension Date or (iii) a Failure to Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has not occurred thereafter the relevant amount of interest will be payable on the third Business Day following the Calculation Agent's determination that a Credit Event Determination Date will not occur.

### 4 **Credit Derivatives Determinations Committee Extension**

If, in the determination of the Calculation Agent, a Potential Credit Event has occurred and the Credit Derivatives Determinations Committee has not made its related determination on or prior to the Maturity Date or any Interest Payment Date then the Calculation Agent shall notify Noteholders in accordance with the Notes Conditions that redemption of the Notes and/or payment of the relevant

amount of interest due on the relevant Interest Payment Date has been postponed to a date (the "**DC Determination Postponed Payment Date**") being the day falling five Business Days after (a) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, fifteen Business Days following the relevant DC Credit Event Announcement or (b) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred, the second Business Day following the relevant DC No Credit Event Announcement or, as applicable (c) fifteen Business Days following the DC Credit Event Question Dismissal (the date of the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Dismissal, as applicable, the "**DC Determination Cut-off Date**"), and:

- (a) in the case of the Maturity Date, where a Credit Event has not occurred on or prior to the DC Determination Cut-off Date:
  - (A) each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the DC Determination Postponed Payment Date; and
  - (B) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accrued up to (but excluding) the Maturity Date but shall only be obliged to make such payment of interest on the DC Determination Postponed Payment Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date has occurred, the provisions of paragraph 1 (Cash Settlement) shall apply to the Notes; or
- (c) in relation to such event as of an Interest Payment Date, the Calculation Agent may delay the relevant amount of interest which would otherwise be payable on the relevant Interest Payment Date. In this case where (i) a Credit Event has not occurred on or prior to the DC Determination Cut-off Date then the relevant amount of interest shall be payable on the DC Determination Postponed Payment Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Interest Period or basis of calculation of the relevant amount of interest, other than as described above; or (ii) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be determined in accordance with paragraph 9 (Accrual of interest) and may be zero.

## 5 **Deferral of Certain Dates**

The following provisions may, for the avoidance of doubt, be applied on more than one occasion.

Without prejudice to paragraph 4 (*Credit Derivatives Committee Extension*) above or 11 below (*Settlement Suspension*) below, if:

- (x) on (A) the Maturity Date, (B) if applicable, the Repudiation/Moratorium Evaluation Date, (C) if applicable, the Grace Period Extension Date, (D) the last day of the Notice Delivery Period or (E) the DC Determination Cut-off Date, as the case may be, a Credit Event Determination Date has not occurred but, in the opinion of the Calculation Agent, a Credit Event or (in respect of the Maturity Date only) Potential Credit Event (other than a Potential Repudiation/Moratorium) may have occurred; or
- (y) on the Maturity Date, a Credit Event Determination Date has not occurred but, in the determination of the Calculation Agent, a Potential Repudiation/Moratorium may have occurred; or

- (z) (A) on any Interest Payment Date, a Credit Event Determination Date has not occurred but, in the determination of the Calculation Agent, a Credit Event or Potential Credit Event (other than a Potential Repudiation/Moratorium) may have occurred; or (B) on any Interest Payment Date, a Credit Event Determination Date has not occurred but, in the determination of the Calculation Agent, a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may (at its option) notify the Noteholders in accordance with the Notes Conditions that in the case of (x) or (y) above, redemption of the Notes and/or in the case of (z) above, payment of the relevant amount of interest due on the relevant Interest Payment Date, has been postponed and, as applicable, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period (which shall be postponed in the case of (x)(A), (x)(B) and (x)(C) as well as (x)(D) above) or the DC Determination Cut-off Date has been postponed to a date (such date, in the case of an Interest Payment Date, the “**Deferred Interest Payment Date**”, or in each other case, the “**Deferred Maturity Date**”) specified in such notice falling 21 calendar days after, respectively, the Maturity Date, the relevant Interest Payment Date, the relevant Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be and:

- (a) in the case of sub-paragraph (x) above and if a Credit Event Determination Date has not occurred on or prior to the Deferred Maturity Date or, in the case of sub-paragraph (y) or (z)(B) above, the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Deferred Maturity Date or the Deferred Interest Payment Date respectively or, in the case of sub-paragraph (z)(A) above, a Credit Event Determination Date has not occurred on or prior to the Deferred Interest Payment Date then:
  - (A) in the case of sub-paragraph (x) or (y) above and subject as provided below, each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the Deferred Maturity Date; and
  - (B) in the case of sub-paragraph (x) or (y) above and in the case of interest bearing Notes, the Issuer shall be obliged to pay interest (if any) calculated as provided herein, accrued up to (but excluding) the Maturity Date but shall only be obliged to make such payment of interest on the Deferred Maturity Date, and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
  - (C) in the case of a Deferred Interest Payment Date other than the Deferred Interest Payment Date falling on or about the Deferred Maturity Date, the Issuer shall be obliged to pay the relevant amount of interest on the Deferred Interest Payment Date and no further or other amounts in respect of interest shall be payable as a result of such delay; or
- (b) in the case of:
  - (A) sub-paragraph (x) or sub-paragraph (z)(A) above, if a Credit Event Determination Date has occurred on or prior to the Deferred Maturity Date or relevant Deferred Interest Payment Date, the provisions of paragraph 1 (*Cash Settlement*) shall apply to the Notes; and
  - (B) sub-paragraph (y) or sub-paragraph (z)(B) above, if the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Deferred Maturity Date or Deferred Interest Payment Date, as applicable, the provisions of paragraph 2 (*Repudiation/Moratorium Extension*) above shall apply to the Notes.

## 6 Credit Event Notice after M(M)R Restructuring

If “Partial Redemption Following Restructuring” is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of an M(M)R Restructuring:

- (a) The Calculation Agent may deliver multiple Credit Event Notices with respect to such M(M)R Restructuring, each such Credit Event Notice setting forth an amount to which such Restructuring Credit Event applies (the “**Partial Redemption Amount**”) that may be less than the nominal amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of the Credit Terms shall be deemed to apply to the Partial Redemption Amount only and each such Note shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount) and where applicable, references in the Credit Terms to “the Calculation Amount” shall be interpreted to mean “the Partial Redemption Amount” accordingly.
- (b) For the avoidance of doubt (i) only the nominal amount of each such Note not so redeemed in part shall remain outstanding, the Final Redemption Amount and any other relevant provisions of these Terms and Conditions shall be amended in such manner as the Calculation Agent determines to be appropriate to reflect such partial redemption and (in relation to Notes only) interest (if any) shall continue to accrue on the nominal amount outstanding of such Note as provided in Condition 4 (*Interest*) of the Notes Conditions (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and (ii) the provisions of the Credit Terms shall apply to such nominal amount outstanding of such Note in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (C) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable or deliverable to Noteholders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to these Terms and Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this paragraph and (y) the effective date of such adjustment(s).
- (c) If the provisions of this paragraph 6 (*Credit Event Notice after M(M)R Restructuring*) apply in respect of the Notes, on redemption of part of each such Note, the relevant Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption.

For the purposes of this paragraph 6 (*Credit Event Notice after M(M)R Restructuring*) and, for the purposes of the definition of Credit Event Determination Date set out in paragraph 18 (*Definitions*) below, references to the nominal amount outstanding of each Note shall be deemed to be a reference to the amount of the Calculation Amount of each Note outstanding from time to time.

## 7 Provisions relating to Multiple Holder Obligation

If “Multiple Holder Obligation” is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, notwithstanding anything to the contrary in the definition of “Restructuring” and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in subparagraphs (a) to (e) of the definition of “Restructuring” shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation, where “**Multiple Holder Obligation**” means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event, provided that any Obligation that is a Bond shall be deemed to satisfy the requirements in sub-paragraph (ii) above.

## 8 Redemption



Notwithstanding the provisions of the Notes Conditions, for the purpose of Condition 5.09 (*Early Redemption Amount*), the Early Redemption Amount in respect of each nominal amount of the Notes equal to the Calculation Amount will be determined by reference to the provisions in the Notes Conditions, provided that if “Adjustment for Unwind Costs” is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Early Redemption Amount will be adjusted to take account of any Unwind Costs.

## 9 **Accrual of Interest**

Notwithstanding the provisions of the Conditions but subject to paragraphs 2 (*Reputation/Moratorium Extension*), 3 (*Grace Period Extension*), 4 (*Credit Derivatives Determinations Committee Extension*) and 5 (*Deferral of Certain Dates*) above, if:

- (a) “No Accrual of Interest upon Credit Event” is specified as being applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, no amount of interest will be payable in respect of an Interest Payment Date (and accordingly will be deemed not to have accrued) if the relevant interest payment (as the same may be deferred) has not become due and payable on or prior to the Credit Event Determination Date. Accordingly, if the Credit Event Determination Date falls prior to the first Interest Period Date, no interest shall accrue on the Notes; or
- (b) “Partial Accrual of Interest upon Credit Event” is specified as being applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, each Note shall continue to bear interest up to (but excluding) the Credit Event Determination Date but shall cease to bear interest from (and including) the Credit Event Determination Date.

## 10 **Force Majeure and Merger Event**

If “Force Majeure Events” is specified as applying in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the following provisions in this paragraph 10 shall apply:

### (a) **Notice of Force Majeure Event**

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

- (A) the performance of the Issuer’s obligations under the Notes has become unlawful in whole or in part as a result of compliance by the Issuer with any applicable present or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority (as defined below) or otherwise;
- (B) the performance of the Issuer’s obligations under the Notes is prevented or materially hindered or delayed due to either (1) any act, law, rule, regulation, judgment, order, interpretation, directive, decree or material legislative or administrative interference of any Government Authority or otherwise, or (2) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond the Issuer’s control;
- (C) it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates, or the Issuer or any of its Affiliates are otherwise unable, (1) to convert the relevant currency (the “**Local Currency**”) in which the relevant Reference Obligation or traded instruments or any options or futures contracts or other hedging assets or arrangements in relation to the Reference Entity (for the purposes of hedging the Issuer’s obligations

under the Notes) are denominated or settled, into the Specified Currency or exchange or repatriate any funds in the Local Currency or the Specified Currency outside of the country in which the relevant Reference Obligation or any options or futures contracts in relation to the Reference Obligation are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (2) to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Specified Currency for payment under the Notes;

- (D) it has become impracticable, illegal or impossible for the Issuer or any of its relevant Affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Reference Obligation or any options or futures contracts in relation to the Reference Obligation in order for the Issuer to perform its obligations under the Notes or in respect of any relevant Hedging Arrangements or the costs of so doing would (in the determination of the Calculation Agent) be materially increased; or
- (E) any other event beyond the control of the Issuer has occurred which makes it impracticable, illegal or impossible for the Issuer to perform its obligations under the Notes or to hedge effectively its obligations under the Notes or the costs of so doing would (in the determination of the Calculation Agent) be materially increased.

(b) **Issuer's Option following a Force Majeure Event**

If the Issuer decides to give notice to Noteholders of the occurrence of a Force Majeure Event pursuant to this paragraph 10, it shall state in such notice whether the Notes will be terminated pursuant to paragraph 10(c) or whether the Issuer's obligations under the Notes will be suspended pursuant to paragraph 10(d). If the Issuer elects to give notice to Noteholders of a suspension of its obligations under the Notes pursuant to paragraph 10(d), the Issuer shall nevertheless retain the right at all times to terminate the Notes pursuant to paragraph 10(c) by giving notice to Noteholders in accordance with the Notes Conditions.

(c) **Termination**

Upon the Issuer's election to terminate the Notes as aforesaid, the Issuer will, in respect of each and every Note cause to be paid to the Noteholder an amount determined to be the fair market value of the Note as at termination (which may be nil) taking into consideration all information which the Calculation Agent deems relevant (including the circumstances that resulted in the occurrence of the Force Majeure Event) less any Unwind Costs (including but not limited to selling or otherwise realising the Reference Obligation/Obligations or any options or futures contracts in relation to the Reference Obligation/Obligations or any other such property), all as determined by the Calculation Agent. At the election of the Issuer, such payment may be made in the Local Currency in the Relevant Jurisdiction, in which case the Noteholder will have responsibility for establishing an account in the Relevant Jurisdiction in order to receive such payments; provided that if it is impracticable or unlawful for the Issuer to pay such amount in the Relevant Jurisdiction or the relevant Noteholder does not establish the necessary account in the Relevant Jurisdiction to receive payment(s) in the currency the Issuer elects, the Issuer shall not be obliged to make payment of any such amounts so affected, as applicable. Payment will be made, as the case may be, in such manner as shall be notified to the Noteholders in accordance with the Notes Conditions.

(d) **Suspension**

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

(e) **Loss**

No Noteholder will be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of a Force Majeure Event.

(f) **Redemption following a Merger Event**

If “Merger Event” is specified as applying in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Noteholders in accordance with the Notes Conditions, and redeem all but not some only of the Notes and pay in respect of each nominal amount of Notes equal to the Calculation Amount, the fair market value of such Calculation Amount at termination as determined by the Calculation Agent taking into consideration all information it determines relevant less any Unwind Costs. The Issuer will notify the timing of such early redemption to Noteholders.

For the purposes of this paragraph 10:

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

“**Merger Event**” means that at any time during the period from (and including) the Trade Date to (but excluding) the Maturity Date either (A) the Issuer or a Reference Entity (any such entity, the “**Mergor**”) consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to (i) where the Mergor is the Issuer, a Reference Entity or (ii) where the Mergor is a Reference Entity, the Issuer, or (B) the Issuer and a Reference Entity become Affiliates.

“**Relevant Jurisdiction**” has the meaning specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and if it is not specified, it will mean any jurisdiction determined by the Calculation Agent as having a connection with the Local Currency and/or Hedging Arrangements (if any).

## 11 **Settlement Suspension**

If, following the occurrence of a Credit Event Determination Date but prior to the Auction Settlement Date or, to the extent applicable, a Valuation Date, there is a DC Credit Event Meeting Announcement, the Calculation Agent may, at its option, determine that the applicable timing requirements of the Credit Terms and the definitions of Credit Event Redemption Date, Valuation Date, Settlement Notice, and any other provision of these Terms and Conditions and/or the Pricing Supplement as determined by the Calculation Agent, shall toll and be suspended and remain suspended (such period, a “**Suspension Period**”) until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, the relevant timing requirements of these Terms and Conditions and/or the Pricing Supplement that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary.

In the event of any such Suspension Period, the Calculation Agent may (x) make such consequential or other adjustment(s) or determination(s) to or in relation to the Conditions as may be desirable or required either during or following any Suspension Period to account for or reflect such suspension and (y) determine the effective date of such adjustment(s) or determination(s).

## 12 Additional Provisions for Monoline Insurer Reference Entities

If this paragraph 12 is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the following provisions will apply:

- (a) *Obligation and Valuation Obligation.* Paragraph (a) of the definition of "Obligation" in paragraph 18 (*Definitions*) and paragraph (a) of the definition of "Valuation Obligation" in paragraph 18 (*Definitions*) are hereby amended by adding "or Qualifying Policy" after "as provider of a Relevant Guarantee".
- (b) *Interpretation of Provisions.* In the event that an Obligation or a Valuation Obligation is a Qualifying Policy, paragraph (B) of the definition of "Valuation Obligation" in paragraph 18 (*Definitions*) will apply, with references to the Relevant Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
  - (A) the Obligation Category "Borrowed Money" and the Obligation Category and Valuation Obligation Category "Bond" shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Valuation Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in these Terms and Conditions in respect of such an Insured Instrument shall be construed accordingly;
  - (B) references in the definitions of "Assignable Loan" and "Consent Required Loan" to the "guarantor" and "guaranteeing" shall be deemed to include the "insurer" and "insuring", respectively;
  - (C) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Valuation Obligation Characteristic of "Accelerated or Matured", whether or not that characteristic is otherwise specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement;
  - (D) if the "Assignable Loan", "Consent Required Loan", "Direct Loan Participation" or "Transferable" Valuation Obligation Characteristics are specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and if the benefit of the "Qualifying Policy" is not transferred as part of any transfer of the Insured Instrument, the "Qualifying Policy" must be transferable at least to the same extent as the Insured Instrument;
  - (E) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "Outstanding Principal Balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the "Maximum Maturity" Valuation Obligation Characteristic, shall mean the specified date by which the "Qualifying Policy" guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur; and
  - (F) with respect to a Qualifying Policy and an Insured Instrument, only the Qualifying Policy must satisfy on the relevant date or dates the "Not Subordinated" Obligation Characteristic or Valuation Obligation Characteristic, if applicable.
- (c) *Outstanding Principal Balance.* References in paragraph (a) of the definition of "Outstanding Principal Balance" to a Guarantee, the Underlying Obligation and the Underlying Obligor shall be deemed to include a Qualifying Policy, the Insured Instrument and the Insured Obligor respectively. Any provisions of an Insured Instrument limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority

of payments) or reducing the amount of any Instrument Payments owing under such Insured Instruments shall be disregarded for the purposes of paragraph (b)(ii)(B) of the definition of "Outstanding Principal Balance" provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.

- (d) *Provisions for Determining a Successor.* Paragraph (a) and the paragraphs commencing "If two or more entities..." and "For the purposes of this definition of "Successor"..." in the definition of "Successor" in paragraph 18 (*Definitions*) are hereby amended by adding "or Qualifying Policy" after each occurrence of " a Relevant Guarantee". Such paragraph commencing "If two or more entities..." will be further amended by adding "or provider of a Qualifying Policy" after "as guarantor or guarantors".
- (e) *Original Non-Standard Reference Obligation, Substitute Reference Obligation and Substitution Event.* The definition of "Original Non-Standard Reference Obligation", paragraph (c)(i) of the definition of "Substitute Reference Obligation" and paragraph a(iii) of "Substitution Event" are hereby amended by adding "Qualifying Policy" after "a guarantee".
- (f) Restructuring
  - (A) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (a) to (e) inclusive of the definition of "Restructuring" in paragraph 18 (*Definitions*) are hereby amended to read as follows:
    - "(a) a reduction in the rate or amount of the Instrument Payments in paragraph (A)(x) of the definition thereof that are guaranteed or insured by the "Qualifying Policy" (including by way of redenomination);
    - (b) a reduction in the amount of the Instrument Payments described in paragraph (A)(y) of the definition thereof that are guaranteed or insured by the "Qualifying Policy" (including by way of redenomination);
    - (c) a postponement or other deferral of a date or dates for either (x) the payment or accrual of the Instrument Payments described in paragraph (A)(x) of the definition thereof or (y) the payment of the Instrument Payments described in paragraph (A)(y) of the definition thereof, in each case that are guaranteed or insured by the "Qualifying Policy";
    - (d) a change in the ranking in priority of payment of (x) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (y) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
    - (e) any change in the currency of any payment of Instrument Payments that are guaranteed or insured by the "Qualifying Policy" to any currency (other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole))."

(B) Paragraph (D) of the definition of "Restructuring" in paragraph 18 (*Definitions*) is hereby amended by adding "or, in the case of a Qualifying Policy and an Insured Instrument, where (A) the "Qualifying Policy" continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the "Qualifying Policy" guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy at the end thereof.

(C) The definition of "Restructuring" in paragraph 18 (*Definitions*) is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

"For purposes of this definition of "Restructuring" in and if paragraph 12 is specified as applying in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, for the purposes of the Terms and Conditions the term "Obligation" shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in this definition of "Restructuring" shall be deemed to refer to the Insured Obligor and the references to the Reference Entity in paragraphs (a) to (e) inclusive in this definition of "Restructuring" shall continue to refer to the Reference Entity."

(g) *Fully Transferable Obligation and Conditionally Transferable Obligation.* In the event that M(M)R Restructuring is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition. References in the definition of "Conditionally Transferable Obligation" to the "guarantor" and "guaranteeing" shall be deemed to include "the insurer" and "insuring" respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the definition of "Restructuring Maturity Limitation Date", shall mean the specified date by which the "Qualifying Policy" guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

(h) *Other Provisions.* For purposes of the definitions of "Prohibited Action", "Credit Event" and "Deliver" in paragraph 18 (*Definitions*) references to the "Underlying Obligation" and the "Underlying Obligor" shall be deemed to include "Insured Instruments" and the "Insured Obligor", respectively.

(i) Additional Definitions.

(A) "**Qualifying Policy**" means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in this paragraph 12) (the "**Insured Instrument**") for which another party (including a special purpose entity or trust) is the obligor (the "**Insured Obligor**"). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments).

(B) "**Instrument Payments**" means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case

of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the "Qualifying Policy").

- (C) "**Certificate Balance**" means, in the case of an Insured Instrument that is in the form of a pass through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

### 13 **Calculation Agent Notices**

Any notice to be delivered by the Calculation Agent to the Issuer pursuant to these Terms and Conditions may be given in writing (including by facsimile and/or email) and/or by telephone. Any such notice will be effective when given, regardless of the form in which it is delivered. A notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.

For the purposes of determining the day on which an event occurs for purposes of these Terms and Conditions, the Calculation Agent will determine the demarcation of days by reference to Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time) irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

In addition, if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time), irrespective of the time zone of its place of payment.

The application of any of paragraph 2, 3, 4, 5 or 11 above shall, for the avoidance of doubt, not preclude the application of any other such paragraph either contemporaneously or subsequently and in the event that any such paragraphs are inconsistent or the Calculation Agent becomes entitled to exercise a discretion under one or more of such paragraphs, the Calculation Agent may elect in its sole and absolute discretion which paragraph shall apply and under which paragraph or paragraphs it shall exercise its discretion.

### 14 **Amendment of Terms and Conditions**

The Calculation Agent may from time to time amend any provision of these Terms and Conditions (i) to incorporate and/or reflect (a) further or alternative documents or protocols from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or (b) the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees and/or (ii) in any manner which the Calculation Agent determines in a commercially reasonable manner is necessary or desirable to reflect or account for market practice for credit derivative transactions and/or reflect or account for a Hedge Disruption Event. Any amendment made in accordance with this paragraph 14 shall be notified to the Noteholders in accordance with the Conditions.

### 15 **Early redemption of Reference Obligation Only Notes following a Substitution Event**

If the Notes are Reference Obligation Only Notes relating to a single Reference Entity and the event set out in paragraph (a) of the definition of Substitution Event below occurs with respect to the Reference Obligation, then:

- (a) interest (if any) shall cease to accrue on the Notes from and including the Interest Payment Date immediately preceding the relevant Substitution Event Date or, if no Interest Payment Date has occurred, no interest will accrue on the Notes; and
- (b) each Note will be redeemed by the Issuer at its relevant Reference Obligation Only Termination Amount specified in, or determined in the manner specified in, paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement in the Specified Currency on the Maturity Date, which for the purposes of this paragraph shall be the day falling three Business Days following the relevant Substitution Event Date.

## 16 **No frustration**

No Notes will be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise), solely because:

- (a) any Reference Entity does not exist on, or ceases to exist on or following, the Trade Date; and/or
- (b) Obligations, Valuation Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date.

## 17 **DC Resolution Adjustment Events**

If following the publication of a DC Resolution (the "**Prior DC Resolution**"), a further DC Resolution (the relevant "**Further DC Resolution**") is published the effect of which would be to reverse all or part of the Prior DC Resolution or if any DC Resolution would reverse any determination made by the Calculation Agent and/or the occurrence of a Credit Event Determination Date, notwithstanding any other provisions of these Terms and Conditions the Calculation Agent may, in its sole and absolute discretion, make any adjustment(s) that the Calculation Agent determines is necessary or desirable to the Notes Conditions or these Terms and Conditions to reflect the publication of such Further DC Resolution or DC Resolution, including, without limitation, as a result of the impact or effect of such Further DC Resolution or DC Resolution on the Hedging Arrangements (if any).

## 18 **Definitions**

"**2.5 year Limitation Date**" has the meaning given to that term in the definition of "Limitation Date".

"**10 year Limitation Date**" has the meaning given to that term in the definition of "Limitation Date".

"**Accrued Interest**" means in respect of any Notes for which "Cash Settlement" is specified to be the applicable Settlement Method in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement (or for which Cash Settlement is applicable as the Fallback Settlement Method in accordance with paragraph 1), and:

- (a) "Include Accrued Interest" is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Outstanding Principal Balance of the Reference Obligation shall include accrued but unpaid interest;
- (b) "Exclude Accrued Interest" is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Outstanding Principal Balance of the Reference Obligation shall not include accrued but unpaid interest; or
- (c) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Calculation Agent shall determine, based on the then current market practice in the market of the Reference Obligation



whether the Outstanding Principal Balance of the Reference Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof.

**"Affiliate"** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

**"Asset"** means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or other asset no longer exists).

**"Asset Package"** means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

**"Asset Package Credit Event"** means:

- (a) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement:
  - (A) a Governmental Intervention; or
  - (B) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and such Restructuring does not constitute a Governmental Intervention; and
- (b) if the Reference Entity is a Sovereign and "Restructuring" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, a Restructuring,

in each case, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.

**"Asset Package Delivery"** will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event. Notwithstanding the foregoing, if Sovereign No Asset Package Delivery is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, it shall be deemed that no Package Observable Bond exists with respect to a Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published by ISDA) and accordingly, Asset Package Delivery shall not apply thereto.

**"Auction"** has the meaning as shall be set out in the relevant Transaction Auction Settlement Terms.

**"Auction Cancellation Date"** has the meaning as shall be set out in the relevant Transaction Auction Settlement Terms.

**"Auction Cash Settlement Amount"** means an amount per Calculation Amount calculated by the Calculation Agent equal to (a) the Calculation Amount multiplied by (b) the Auction Final Price;

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

**"Auction Covered Transaction"** has the meaning as shall be set out in the relevant Transaction Auction Settlement Terms.

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

**"Auction Final Price Determination Date"** has the meaning as shall be set for in Transaction Auction Settlement Terms.

**"Auction Settled Notes"** means Notes in respect of which "Auction Settlement" is specified as the applicable Settlement Method in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement.

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

**"Bankruptcy"** means the Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof or before the Maturity Date, whichever is earlier;
- (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for substantially all its assets;

- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter or before the Maturity Date, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (a) to (g) above (inclusive).

**"Cash Settled Notes"** means Notes in respect of which "Cash Settlement" is specified as the applicable Settlement Method in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement or where Cash Settlement is the Fallback Settlement Method and a Fallback Settlement Method Event has occurred.

**"Conditionally Transferable Obligation"** means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds, in each case as of each such date the Calculation Agent determines appropriate in the context of the Notes which dates may include any relevant dates for purposes of the Hedging Arrangements (if any) provided, however, that a Valuation Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Valuation Obligation other than Bonds (or the consent of the relevant obligor if the Reference Entity is guaranteeing such Valuation Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Valuation Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for the purposes of this definition of "Conditionally Transferable Obligation".

**"CoCo Supplement"** means the 2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions, as published by ISDA.

**"Conforming Reference Obligation"** means a Reference Obligation which is a Valuation Obligation determined in accordance with paragraph (a) below of the definition of Valuation Obligation below.

**"Credit Derivatives Auction Settlement Terms"** means any Credit Derivatives Auction Settlement Terms published by ISDA, a form of which will be published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and may be amended from time to time.

**"Credit Derivatives Determinations Committee"** means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions.

**"Credit Event"** means the occurrence of any one or more of the Credit Events specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring, Governmental Intervention and/or, any additional Credit Event specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement.

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

- (a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**"Credit Event Backstop Date"** means (a) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in sub-paragraph (b) of the definition of Repudiation/Moratorium), as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date or (b) otherwise, the date that is 60 calendar days prior to the earlier of (i) if the Notice Delivery Date occurs during the Notice Delivery Period, the Notice Delivery Date; and (ii) if the Notice Delivery Date occurs during the Post Dismissal Additional Period, the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention applicable in respect of the Notes.

**"Credit Event Determination Date"** means, with respect to a Credit Event with respect to which:

- (a) Auction Settlement is specified as the applicable Settlement Method:
  - (A) subject to paragraph (a)(B) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
  - (B) notwithstanding paragraph (a)(A) of this definition, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:
    - (A) (1) the Credit Event is not an M(M)R Restructuring; and
    - (2) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
    - (B) (1) the Credit Event is an M(M)R Restructuring; and
    - (2) a Credit Event Notice is delivered and is effective on or prior to the Exercise Cut-off Date, *provided that* no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, or the Calculation Agent otherwise determines this is consistent with the Hedging Arrangements (if any), or

- (b) if paragraph (a) of this definition does not apply, the Non-Standard Credit Event Determination Date.

Provided further that no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the Credit Event Redemption Date or the Maturity Date as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant event.

If, in accordance with the provisions above, (i) following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date or (B) not to have occurred or (ii) a Credit Event Determination Date is deemed to have occurred prior to one or more preceding Interest Payment Dates, the Calculation Agent will determine (1) such adjustment(s) to these Terms and Conditions (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of Noteholders as would have prevailed had a Credit Event Determination Date occurred on such deemed date of occurrence and (2) the effective date of such adjustment(s).

**"Credit Event Notice"** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

Any Credit Event Notice that describes a Credit Event that occurred after the Maturity Date must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

**"Credit Event Redemption Amount"** means the amount per Calculation Amount specified as such or, determined as specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement or, if no such amount or method of determination is so specified, an amount calculated by the Calculation Agent equal to:

$$A \times B$$

where:

"A" is the Calculation Amount; and

"B" is the Final Price,

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

**"Credit Event Redemption Date"** means, subject to paragraph 11 (*Settlement Suspension*) above, the day falling the number of Business Days specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement after the determination of the Final Price, or, if the number of Business Days is not so specified, ten Business Days, in each case in respect of the Reference Entity

the occurrence of which results in the Notes becoming redeemable. For the avoidance of doubt, a Credit Event Redemption Date may fall on a day that is later than the Maturity Date.

**"Credit Event Resolution Request Date"** means, with respect to a DC Credit Event Question, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

**"DC Announcement Coverage Cut-off Date"** means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable.

**"DC Credit Event Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if the Credit Event occurred after the Maturity Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

**"DC Credit Event Meeting Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

**"DC Credit Event Question"** means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.

**"DC Credit Event Question Dismissal"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

**"DC Determination Cut-off Date"** has the meaning given to that term in paragraph 4 (*Credit Derivatives Determinations Committee Extension*).

**"DC No Credit Event Announcement"** means, with respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.

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

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

**"DC Rules"** means the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

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

**"Default Requirement"** means the amount specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement or its equivalent in the relevant Obligation Currency or, if no such amount is specified in the Pricing Supplement, U.S.\$10,000,000, or its equivalent as calculated

by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

**"Deferred Interest Payment Date"** has the meaning given to that term in paragraph 5 (*Deferral of Certain Dates*).

**"Deferred Maturity Date"** has the meaning given to that term in paragraph 5 (*Deferral of Certain Dates*).

**"Deliverable Obligation Terms"** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

**"Domestic Currency"** means the currency specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and any successor currency thereto or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign

**"Domestic Law"** means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if such Reference Entity is not a Sovereign.

**"Downstream Affiliate"** means an entity at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice or the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are, at the date of the issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity.

**"Due and Payable Amount"** means, the amount that is due and payable by the Reference Entity under the obligation whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on the relevant Valuation Date.

**"Eligible Information"** means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

**"Eligible Transferee"** means:

(a) any:

(A) bank or other financial institution;

(B) insurance or reinsurance company;

(C) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in paragraph (c)(i) below); and

(D) registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least U.S.\$500 million;

- (b) an Affiliate of an entity specified in paragraph (a) above;
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
  - (A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least U.S.\$100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100 million; or
  - (B) that has total assets of at least U.S.\$500 million; or
  - (C) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraphs (a), (b) or (c)(ii) above or (d) or (e) below;
- (d) any Sovereign; or
- (e) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, the European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition to U.S.\$ include equivalent amounts in other currencies in each case as determined by the Calculation Agent.

**"Excluded Obligation"** means

- (a) any obligation of a Reference Entity specified as such or of a type described in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement;
- (b) if "Financial Reference Entity Terms" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and (i) the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if "Financial Reference Entity Terms" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

**"Excluded Valuation Obligation"** means:

- (i) any obligation of a Reference Entity specified as such or of a type described in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement;
- (i) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (iii) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**"Exercise Cut-off Date"** means either:



- (a) with respect to an M(M)R Restructuring and any Note to which paragraph (a) of the definition of Credit Event Determination Date above applies:
  - (A) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
  - (B) otherwise, the date that is 14 calendar days following the relevant No Auction Announcement Date; or
- (b) with respect to a Credit Event where paragraph (a) of the definition of Credit Event Determination Date does not apply, the relevant Non-Standard Exercise Cut-off Date,

or, in each case, such other date as the relevant Credit Derivatives Determinations Committee Resolves.

**"Extension Date"** means the latest of:

- (a) the Maturity Date;
- (b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Maturity Date; and
- (c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement,

as applicable.

**"Failure to Pay"** means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure provided that, if an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Fallback Settlement Method"** means the fallback settlement method specified (or deemed specified) in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement.

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

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

- (c) a DC Credit Event Question Dismissal occurs; or
- (d) a Credit Event Determination Date was determined pursuant to sub-paragraph (a) of the definition of "Credit Event Determination Date" or paragraph (a) of the definition of Non-Standard Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date.

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

"**Final Price**" means:

- (a) if there is more than one Valuation Obligation, the weighted average of the prices of each such Valuation Obligation, each expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable; or
- (b) otherwise, the price of the relevant Valuation Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, in either case determined in accordance with the Valuation Method specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement.

Notwithstanding the foregoing and anything to the contrary herein, if Asset Package Delivery is applicable and a Prior Deliverable Obligation or a Package Observable Bond is specified in the Valuation Obligation Notification, (i) the related Asset Package may be treated as the Valuation Obligation in lieu of such Prior Deliverable Obligation or Package Observable Bond, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) if such Asset Package is zero, its price shall be deemed to be zero per cent. on the relevant Valuation Date and (iii) if the Calculation Agent determines in its sole and absolute discretion that a price cannot reasonably be determined in accordance with the Valuation Method, then the price of the Asset Package will be calculated by the Calculation Agent in its sole and absolute discretion as equal to the fair market value of the Asset Package, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable. The Calculation Agent shall make available for inspection by Noteholders on request (i) each Quotation for a Valuation Date that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

"**Fixed Cap**" means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

"**Full Quotation**" means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount.

"**Fully Transferable Obligation**" means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Valuation Obligation other than Bonds, in each case, as of each such date as the Calculation Agent determines relevant in the context of the Notes, which dates may include any relevant dates for purposes of the Hedging Arrangements (if any). Any requirement that notification of novation, assignment or transfer of a Valuation Obligation

be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered as a requirement for consent for purposes of this definition of "Fully Transferable Obligation".

**"Further Subordinated Obligation"** means, in respect of a Reference Entity, if the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

**"Governmental Authority"** means

- (a) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above.

**"Governmental Intervention"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (a) any event which would affect creditors' rights so as to cause:
  - (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (B) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (C) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
  - (D) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in paragraphs (a) to (c).

For purposes of this definition of Governmental Intervention, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

**"Grace Period"** means:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of the relevant Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if "Grace Period Extension" is specified as applicable in the Pricing Supplement, a Potential Failure to Pay has occurred on or prior to the Maturity Date or relevant Interest Payment Date and the applicable grace period cannot, by its terms, expire on or prior to the Maturity Date or relevant Interest Payment Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement or, if no period is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, 30 calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless "Grace Period Extension" is specified as applying in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, such deemed Grace Period shall expire no later than the Maturity Date or relevant Interest Payment Date.

**"Grace Period Business Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified (a) if the Obligation Currency is the euro, a day on which the TARGET2 System is open, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**"Grace Period Extension Date"** means, if:

- (a) "Grace Period Extension" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement ; and
- (b) a Potential Failure to Pay occurs on or prior to the Maturity Date or relevant Interest Payment Date,

the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, Grace Period Extension shall not apply.

**"Guarantee"** means a Relevant Guarantee or a guarantee which is the Reference Obligation.

**"Hedge Disruption Event"** means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Valuation Obligations under the terms of the relevant Hedging Arrangements (if any).

**"Hedging Arrangements"** means any underlying or related transaction(s), asset(s) or arrangements (which may include, without limitation, deposits and/or other funding arrangements) the Issuer and/or any of its Affiliates may enter into or hold from time to time directly or indirectly in connection with issuing and performing its obligations with respect to the Notes.

**"ISDA"** means the International Swaps and Derivatives Association, Inc.

**"Largest Asset Package"** means, in respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realisable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.

**"Latest Maturity Restructured Bond or Loan"** has the meaning given to that term in the definition of "Restructuring Maturity Limitation Date".

**"Limitation Date"** means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **"2.5-year Limitation Date"**), 5 years, 7.5 years, 10 years (the **"10-year Limitation Date"**), 12.5 years, 15 years, or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention, unless paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement specifies otherwise.

**"M(M)R Restructuring"** means a Restructuring Credit Event in respect of which either Mod R or Mod Mod R is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement.

**"Market Value"** means, with respect to the Reference Obligation, on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations 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 the Calculation Agent shall determine on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if the Quotations are deemed to be zero, the Market Value shall be zero.

**"Minimum Quotation Amount"** means the amount specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) U.S.\$1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

**"Modified Eligible Transferee"** means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

**"Modified Restructuring Maturity Limitation Date"** means, with respect to a Valuation Obligation, the Limitation Date occurring on or immediately following the Maturity Date.

Subject to the foregoing, if the Maturity Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Maturity Date.

**"Movement Option"** means, with respect to an M(M)R Restructuring for which a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the option of the Issuer to apply to the Notes, for purposes of Settlement, the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the deliverable obligations that could apply in respect of the Reference Transaction (provided that if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply). The Issuer shall be deemed to have exercised such option if the Calculation Agent delivers an effective Notice to Exercise Movement Option to the Issuer on or prior to the Movement Option Cut-off Date. If the Calculation Agent does not deliver an effective Notice to Exercise Movement Option on or prior to the Movement Option Cut-off Date, the Fallback Settlement Method shall apply.

**"Movement Option Cut-off Date"** means the date that is one Relevant City Business Day following the Exercise Cut-off Date, or such other date as the relevant Credit Derivatives Determinations Committee has Resolved.

**"No Auction Announcement Date"** means, with respect to a Credit Event, the date on which the DC Secretary first publicly announces that:

- (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published;
- (b) following the occurrence of an M(M)R Restructuring no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary in circumstances where either:
  - (i) no Parallel Auction will be held; or
  - (ii) one or more Parallel Auctions will be held.

**"Non-Conforming Reference Obligation"** means a Reference Obligation which is not a Conforming Reference Obligation.

**"Non-Conforming Substitute Reference Obligation"** means an obligation which would be a Valuation Obligation determined in accordance with paragraph (a) of the definition of Valuation Obligation on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

**"Non-Standard Credit Event Determination Date"** means with respect to a Credit Event:

- (a) subject to paragraph (b) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit

Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or

(b) notwithstanding paragraph (a) of this definition, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) either:

(iii) the Credit Event Resolution Request Date, if either:

(A) (1) "Auction Settlement" is not the applicable Settlement Method;

(2) the relevant Credit Event is not an M(M)R Restructuring; and

(3) the Trade Date occurs on or prior to the date of the DC Credit Event Announcement; or

(B) (1) the relevant Credit Event is an M(M)R Restructuring; and

(2) a Credit Event Notice is delivered to Noteholders in accordance with the Conditions and is effective on or prior to the Non-Standard Exercise Cut-off Date, or

(iv) the first date on which a Credit Event Notice is delivered and is effective during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the date that is fourteen calendar days thereafter (provided, in each case, that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:

(A) (1) "Auction Settlement" is not the applicable Settlement Method;

(2) the relevant Credit Event is not an M(M)R Restructuring; and

(3) the Trade Date occurs following the date of the related DC Credit Event Announcement and on or prior to a DC Announcement Coverage Cut-off Date; or

(B) the Calculation Agent determines this is otherwise consistent with the Hedging Arrangements (if any),

provided that no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date or the Calculation Agent determines this is otherwise consistent with the Hedging Arrangements (if any).

**"Non-Standard Exercise Cut-off Date"** means, with respect to a Credit Event to which paragraph (a) of the definition of Credit Event Determination Date does not apply:

(a) if such Credit Event is not an M(M)R Restructuring, either:

(A) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;

(B) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or

- (C) the date that is fourteen calendar days following the No Auction Announcement Date, if any,

as applicable; or

- (b) if such Credit Event is an M(M)R Restructuring and:

- (A) the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or

- (B) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date.

**"Non-Standard Reference Obligation"** means, in respect of the Reference Entity, the Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

**"Notice Delivery Date"** means the first date on which both an effective Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, an effective Notice of Publicly Available Information, have been delivered by the Calculation Agent.

**"Notice Delivery Period"** means the period from and including the Trade Date to and including the date that is 21 calendar days after the Extension Date.

**"Notice to Exercise Movement Option"** means, in relation to Auction Settled Notes for which (a) an M(M)R Restructuring is applicable and (b) the Fallback Settlement Method would otherwise be applicable pursuant to paragraph (b) of the definition of "Fallback Settlement Method Event", a notice from the Calculation Agent to the Issuer that (i) specifies the Parallel Auction Settlement Terms applicable with respect to such Auction Settled Notes in accordance with the definition of "Movement Option" and (ii) is effective on or prior to the Movement Option Cut-off Date.

**"Notice of Publicly Available Information"** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy or description in reasonable detail of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is specified as applying in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in paragraph 0.

**"Obligation"** means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in (A) (*Method for Determining Obligations*) below and;

- (b) the Reference Obligation,

in each case unless it is an Excluded Obligation, and



- (c) any Additional Obligation of a Reference Entity specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement.

(A) **Method for Determining Obligations.**

For the purpose of paragraph (a) of this definition of "Obligation", the term "Obligation" may be defined as each obligation of the Reference Entity described by the Obligation Category specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, and having each of the Obligation Characteristics (if any) specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (1) "**Obligation Category**" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, where:
- (i) "**Payment**" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
  - (ii) "**Borrowed Money**" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
  - (iii) "**Reference Obligations Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
  - (iv) "**Bond**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
  - (v) "**Loan**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
  - (vi) "**Bond or Loan**" means any obligation that is either a Bond or a Loan.
- (2) "**Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, where:

- (i) **"Not Subordinated"** means an obligation that is not Subordinated to (1) the Reference Obligation or, (2) the Prior Reference Obligation, if applicable;
- (ii) **"Subordination"** means, with respect to an obligation (the "Second Obligation") and another obligation of the Reference Entity to which such obligation is being compared (the "First Obligation"), a contractual, trust or other similar arrangement providing that (I) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation.

"Subordinated" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date, and further provided that, where the relevant Reference Entity is a Senior Non-Preferred Reference Entity, such definition shall be applied in the assessment of any Obligation without regard to how the Obligation is described by the laws of any relevant jurisdiction, including any characterisation of the Obligation as senior or unsubordinated by the laws of any relevant jurisdiction; and

- (iii) **"Prior Reference Obligation"** means, in circumstances where there is no Reference Obligation applicable to the Notes, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;
- (iv) **"Specified Currency"** means an obligation that is payable in the currency or currencies specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement (or, if "Specified Currency" is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and no currency is so specified, any Standard Specified Currency) provided that if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental

Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;

- (v) **"Not Sovereign Lender"** means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt";
- (vi) **"Not Domestic Currency"** means any obligation that is payable in any currency other than the applicable Domestic Currency provided that a Standard Specified Currency shall not constitute a Domestic Currency;
- (vii) **"Not Domestic Law"** means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law;
- (viii) **"Listed"** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (ix) **"Not Domestic Issuance"** means any obligation other than an obligation that was issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

(B) ***Interpretation of Provisions.***

- (1) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.
- (2) In the event that an Obligation is a Relevant Guarantee, the following will apply:
  - (i) for the purposes of the application of the Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (ii) for the purposes of the application of the Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics, if any, specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";

- (iii) for the purposes of the application of the Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics, if any, specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement from the following list: "Listed", and "Not Domestic Issuance", and
  - (iv) for the purposes of the application of the Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (3) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, if an obligation would otherwise satisfy a particular Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic.

**"Obligation Acceleration"** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

**"Obligation Currency"** means the currency or currencies in which an Obligation is denominated.

**"Obligation Default"** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

**"Original Non-Standard Reference Obligation"** means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in respect of such Reference Entity in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the relevant Notes (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Valuation Obligation Characteristic) unless the relevant Notes are Reference Obligation Only Notes.

**"Outstanding Amount"** means, in respect of a Valuation Obligation, the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency of such Valuation Obligation.

**"Outstanding Principal Balance"** means the outstanding principal balance of an obligation which will be calculated as follows:

- (a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if

references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);

- (b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the "**Non-Contingent Amount**"); and
- (c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,
- (d) in each case, determined:
  - (A) unless otherwise specified, in accordance with the terms of the obligation in effect on the relevant Valuation Date; and
  - (B) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

**"Package Observable Bond"** means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within paragraphs (a) or (b) of the definition of Valuation Obligation, in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

**"Parallel Auction"** means "Auction" as defined in the relevant Parallel Auction Settlement Terms.

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

**"Parallel Auction Settlement Terms"** means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which (i) the Deliverable Obligation Terms are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction provided that if no such Credit Derivatives Auction Settlement Terms are published, the Calculation Agent may select in its sole discretion the applicable Credit Derivatives Auction Settlement Terms.

**"Payment Requirement"** means the amount specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement or its equivalent in the relevant Obligation Currency or, if no such amount is so specified, U.S.\$1,000,000 or its equivalent, as calculated by the Calculation Agent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable, as calculated by the Calculation Agent.

**"Permissible Deliverable Obligations"** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the deliverable obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

**"Permitted Contingency"** means, with respect to an obligation, any reduction to the Reference Entity's payment obligations:

- (a) as a result of the application of:

- (A) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
  - (B) provisions implementing the Subordination of the obligation;
  - (C) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
  - (D) if "Subordinated European Insurance Terms" are specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, any Solvency Capital Provisions; or
  - (E) if "Financial Reference Entity Terms" are specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

**"Permitted Transfer"** means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

**"Post Dismissal Additional Period"** means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

**"Potential Credit Event"** means:

- (a) a Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity),
- (b) a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity); or
- (c) if a Credit Event Resolution Request Date has occurred and the relevant Credit Derivatives Determinations Committee has not made its determination.

A Credit Derivatives Determinations Committee and the Calculation Agent may each determine whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred.

**"Potential Failure to Pay"** means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

**"Potential Repudiation/Moratorium"** means the occurrence of an event described in paragraph (a) of the definition of "Repudiation/Moratorium".

**"Prior Deliverable Obligation"** means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within paragraphs (a) or (b) of the definition of Valuation Obligation, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

**"Prohibited Action"** means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in (a) to (d) of the definition of Credit Event above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor.

**"Private-side Loan"** means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

**"Public Source"** means each source of Publicly Available Information specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement or if no such source is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources.

**"Publicly Available Information"** means:

- (a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:
  - (i) has been published in or on not less than the Specified Number of Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information);
  - (ii) is information received from or published by (A) the Reference Entity or (if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank of such Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
  - (iii) is information contained in any order, decree, notice, petition or filing however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

provided that where any information of the type described in paragraphs (ii) or (iii) above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in paragraphs (a)(ii) and (iii) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.

- (b) Publicly Available Information need not state (i) in relation to the determination of any Downstream Affiliate, the percentage of Voting Shares owned, by the Reference Entity and (ii) that the relevant occurrence:
  - (A) has met the Payment Requirement or Default Requirement;
  - (B) is the result of exceeding any applicable Grace Period; or
  - (C) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in paragraphs (a) and (b) of the definition of Repudiation/Moratorium below.

**"Qualifying Affiliate Guarantee"** means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
  - (A) by payment;
  - (B) by way of Permitted Transfer;
  - (C) by operation of law;
  - (D) due to the existence of a Fixed Cap; or
  - (E) due to:
    - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement; or



- (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy above in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (1) the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and
- (2) if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

**"Qualifying Participation Seller"** means any participation seller that meets the requirements specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement. If no such requirements are specified, there shall be no Qualifying Participation Seller.

**"Quantum of the Claim"** means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

**"Quotation"** means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be zero.

**"Quotation Amount"** means the amount specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Calculation Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

**"Quotation Dealer"** means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Quotation Dealer specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement. If no Quotation Dealer(s) are specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Calculation Agent shall select the Quotation Dealers. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

**"Quotation Method"** means the applicable Quotation Method specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement by reference to one of the following terms:

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

If a Quotation Method is not specified in the applicable Pricing Supplement, Bid shall apply.

**"Reference Entity"** means the entity specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and any Successor. Any Successor to the Reference Entity either (a) identified pursuant to the definition of "Successor" on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity for the purposes of the relevant Notes.

**"Reference Obligation"** means the Standard Reference Obligation, if any, unless:

- (a) "Standard Reference Obligation" is specified as not applicable in Pricing Supplement, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any provided that, irrespective of any Original Non-Standard Reference Obligation specified in the relevant Pricing Supplement, if (i) a Senior Non-Preferred Level Standard Reference Obligation of the relevant Reference Entity is specified on the SRO List, such Standard Reference Obligation shall be deemed to constitute the Reference Obligation, or (ii) no such Senior Non-Preferred Level Standard Reference Obligation of the relevant Reference Entity is specified on the SRO List but such Standard Reference Obligation has previously been specified on the SRO List, there shall be deemed to be no Reference Obligation applicable to the Credit Derivative Transaction and such previously specified Senior Non-Preferred Level Standard Reference Obligation of the relevant Reference Entity shall be deemed to constitute the Prior Reference Obligation; or
- (b) (i) "Standard Reference Obligation" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement (or no election is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Valuation Obligation Characteristic) and there shall be no

Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the Reference Entity shall constitute the Reference Obligation.

**"Reference Obligation Only Notes"** means any Notes in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category and the Valuation Obligation Category in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and (b) "Standard Reference Obligation" is specified as not applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement.

**"Reference Transaction"** means a hypothetical credit derivative transaction:

- (a) in respect of which the Deliverable Obligation Terms and the reference obligation are (i) the same as the Valuation Obligation terms and the Reference Obligation specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement (if the same are specified) and (ii) otherwise, determined by the Calculation Agent in its sole discretion to be comparable to the credit-linked terms of the Notes;
- (b) with a scheduled termination date matching the Maturity Date of the Notes; and

otherwise having such other characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Hedging Arrangements (if any) and/or any credit derivative elections made in relation to the Notes.

**"Relevant City Business Day"** has the meaning given to that term in the DC Rules.

**"Relevant Guarantee"** means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, a Qualifying Guarantee.

**"Relevant Holder"** means a holder of the latest Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Amount specified in respect of such Prior Deliverable Obligation or Package Observable Bond in the Valuation Obligation Notification as applicable.

**"Relevant Obligations"** means the Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

- (a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (a) of the definition of Successor below, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
- (c) if "Financial Reference Entity Terms" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement and (i) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or

Prior Reference Obligation, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan"; and

- (d) if "Financial Reference Entity Terms" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan".

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market and at the relevant time, which amount will be determined by the Calculation Agent.

**"Repudiation/Moratorium"** means the occurrence of both of the following events:

- (a) an authorised officer of the Reference Entity or a Governmental Authority:
  - (A) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
  - (B) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**"Repudiation/Moratorium Evaluation Date"** means, if a Potential Repudiation/Moratorium occurs on or prior to the Maturity Date or relevant Interest Payment Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

**"Repudiation/Moratorium Extension Condition"** is satisfied:

- (a) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is 21 calendar days after the Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Maturity Date; or
- (b) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and unless Notice of Publicly Available Information is specified as not applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, a Notice of Publicly Available Information by the Calculation Agent to the Issuer that are each effective on or prior to the date that is 21 calendar days after the Maturity Date,

provided that the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Maturity Date).

**"Repudiation/Moratorium Extension Notice"** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

**"Resolve"** has the meaning given to that term in the DC Rules, and **"Resolved"** and **"Resolves"** shall be interpreted accordingly.

**"Restructured Bond or Loan"** means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**"Restructuring"** means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all the holders of the Obligation, or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (A) the payment in euro of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has

adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

- (B) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
- (C) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a) to (e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (D) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a) to (e) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of paragraph (e) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For purposes of this definition of Restructuring and paragraph 7 above, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of Restructuring (other than in paragraphs (A) to (D) of this definition of Restructuring) and the definition of Subordination shall be deemed to refer to the Underlying Obligor and the references to the Reference Entity in paragraphs (A) to (D) of this definition of Restructuring shall continue to be deemed to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs (a) to (e) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

**"Restructuring Date"** means, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**"Restructuring Maturity Limitation Date"** means, with respect to a Valuation Obligation, the Limitation Date occurring on or immediately following the Maturity Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **"Latest Maturity Restructured Bond or Loan"**) and the Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan. For these purposes, the final maturity date shall be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

**"Seniority Level"** means, with respect to an obligation of the Reference Entity:

- (a) "Senior Level" or "Subordinated Level" as specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, or
- (b) if no such seniority level is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which
- (c) "Senior Level",
- (d) where the relevant Reference Entity is a Senior Non-Preferred Reference Entity, the "Senior Non-Preferred Level".

**"Senior Obligation"** means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the relevant Reference Entity.

**"Settlement Currency"** means the currency specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, or if no currency is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Specified Currency of the Notes.

**"Settlement Method"** means the settlement method specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement.

**"Solvency Capital Provisions"** means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

**"Sovereign"** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

**"Sovereign Restructured Valuation Obligation"** means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within paragraph (a) of the definition of "Valuation Obligation", immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**"Sovereign Succession Event"** means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or, other similar event.

**"Specified Number"** means the number of Public Source(s) specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, or if no such number is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, two.

**"SRO List"** means the list of Standard Reference Obligations as published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

**"Standard Reference Obligation"** means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

**"Standard Specified Currency"** means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

**"Steps Plan"** means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

**"Subordinated Obligation"** means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the Reference Entity existed.

**"Substitute Reference Obligation"** means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Valuation Obligation Characteristic and paragraph (c)(ii)). If the event set forth in paragraph (b)(i) of the definition of Substitution Event below has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event below occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
  - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
  - (ii) satisfies the Not Subordinated Valuation Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
  - (iii)
    - (B) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
      - (1) is a Valuation Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Valuation Obligation; or if no such obligation is available,



- (2) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with paragraph (a) of the definition of Valuation Obligation;
  - (C) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
    - (1) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
    - (2) is a Valuation Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Valuation Obligation; or if no such obligation is available,
    - (3) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
    - (4) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with paragraph (a) of the definition of Valuation Obligation; or
  - (D) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
    - (1) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
    - (2) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
    - (3) is a Valuation Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Valuation Obligation; or if no such obligation is available,
    - (4) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with paragraph (a) of the definition of Valuation Obligation.
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer under the Notes as determined by the Calculation Agent. The Calculation Agent will notify the Noteholders in accordance with the Notes Conditions of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) above and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be

the Reference Obligation in accordance with paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

- (f) For the avoidance of doubt, no Substitute Reference Obligation shall be determined in respect of any Notes that are Reference Obligation Only Notes.

**"Substitute Reference Obligation Resolution Request Date"** means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve a Substitute Reference Obligation to the Non-Standard Reference Obligation, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**"Substitution Date"** means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies the Issuer of the Substitute Reference Obligation that it has identified in accordance with the definition of Substitute Reference Obligation above.

**"Substitution Event"** means, with respect to the Non-Standard Reference Obligation:

- (a) the Non-Standard Reference Obligation is redeemed in whole; or
- (b) provided that the Notes to which the Non-Standard Reference Obligation relates are not Reference Obligation Only Notes:
- (A) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
- (B) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event. If an event described in paragraphs (a) or (b)(i) above has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraphs (a) or (b)(i) above as the case may be, on the Trade Date.

**"Substitution Event Date"** means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to paragraph (a) of the definition of Successor below would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

**"Successor"** means:

- (a) subject to paragraph (b) below, the entity or entities, if any, determined as follows:

- (A) subject to paragraph (b), if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to 75 per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
  - (B) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;
  - (C) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor, and the Calculation Agent shall adjust such of these Terms and Conditions and/or the Pricing Supplement as it shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment;
  - (D) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor, and the Calculation Agent shall adjust such of these Terms and Conditions and/or the provisions of the Pricing Supplement as it shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment;
  - (E) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;
  - (F) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations each such entity will be a Successor and the Calculation Agent shall adjust such of these Terms and Conditions and/or the provisions of the Pricing Supplement as it shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment); and
  - (G) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the Universal Successor) will be the sole Successor; and
- (b) an entity may only be a Successor if:

- (A) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after January 1, 2014;
- (B) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
- (C) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph (a) above, provided that the Calculation Agent will not make any such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Calculation Agent will make all calculations and determinations required to be made under this definition of Successor on the basis of Eligible Information and will, as soon as practicable after such calculation or determination, make such calculation or determination available for inspection by Noteholders at the specified office of each of the Paying Agents. In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a) above, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

If two or more entities (each, a "**Joint Potential Successor**") jointly succeed to a Relevant Obligation (the "**Joint Relevant Obligation**") either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

For the purposes of this definition of "**Successor**", "**succeed**" means, with respect to the Reference Entity and its Relevant Obligations that an entity other than the Reference Entity (1) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (2) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans as applicable. For purposes of this definition of "Successor", "succeeded" and "succession" shall be construed accordingly. In the case of an exchange offer, the determinations required pursuant to paragraph (a) of this definition of "Successor" shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

Where pursuant to paragraph (a)(iii) or (iv) or (vi) above, more than one Successor has been identified, the Calculation Agent shall adjust such terms of the Terms and Conditions as it determines appropriate to reflect the fact that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be entitled but not obliged to make such adjustments in such a manner as to reflect the adjustment

to and/or division of any credit derivative transaction(s) related to or underlying the Notes under the provisions of the 2014 ISDA Credit Derivatives Definitions. Upon making such adjustment, the Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with the Notes Conditions, stating the adjustment to these Terms and Conditions and/or the Pricing Supplement and giving brief details of the relevant Successor event.

Notwithstanding the provisions above and sub-paragraph (b) of the definition of Reference Entity, where one or more Reference Entities (each an "**Affected Reference Entity**") and/or the Issuer would, but for this provision, be identified as a Successor to another Reference Entity pursuant to the above provisions and at least one other entity which is not a Reference Entity or the Issuer is also identified as a Successor for the purposes of any succession, each Affected Reference Entity and/or the Issuer, as applicable, shall not be regarded as a "**Successor**" for the purposes of the Notes. Where pursuant to the provisions above or sub-paragraph (b) of the definition of Reference Entity one or more Reference Entities (each an "Affected Reference Entity") and/or the Issuer would, but for this provision, be identified as a Successor to another Reference Entity pursuant to the above provisions but no other entities (that are not Reference Entities or the Issuer) are identified as a Successor in respect of the relevant succession, each Affected Reference Entity and/or the Issuer, as applicable, shall not be regarded as a "Successor" for the purposes of the Notes and, in respect of each Affected Reference Entity or the Issuer, as applicable, the Calculation Agent shall use reasonable endeavours to (a) select an Alternative Reference Entity to be the Successor in respect of the relevant succession and (b) select an Alternative Reference Obligation to be the Reference Obligation in respect of such Alternative Reference Entity after the relevant succession and the Calculation Agent may make such adjustments to the Conditions and/or the Pricing Supplement as it determines to be necessary or desirable to reflect such Alternative Reference Entity and Alternative Reference Obligation. If the Calculation Agent is unable to select an Alternative Reference Entity or an Alternative Reference Obligation, then: (i) no Successor shall be appointed; (ii) the Affected Reference Entity to which the relevant succession relates shall be deemed to have ceased to be a Reference Entity; (iii) that portion of any interest payable which is referable to the purchase of credit protection purchased by the Issuer under the Notes in respect of the Affected Reference Entity shall be reduced accordingly as determined by the Calculation Agent; and (iv) the Calculation Agent may make such adjustments to the Conditions and/or the Pricing Supplement to account for the Successor Associated Costs, which may include, without limitation, reducing the Final Redemption Amount, Credit Event Redemption Amount, Auction Cash Settlement Amount or the Asset Amount (as the case may be) by an amount equal to the Successor Associated Costs, in each case with effect from the date determined by the Calculation Agent to be the relevant Succession Date.

Where:

"**Alternative Reference Entity**" means an entity which satisfies both the Industry Requirement (other than in the case of a Sovereign) and the Spread Requirement as determined by the Calculation Agent;

"**Alternative Reference Obligation**" means any obligation of the Alternative Reference Entity selected by the Calculation Agent which, as far as practicable, in the determination of the Calculation Agent is substantially similar in economic terms to the relevant Reference Obligation of the Reference Entity for which a Successor falls to be determined pursuant to this definition of "Successor". An Alternative Reference Obligation may or may not be the applicable Standard Reference Obligation for the Alternative Reference Entity;

"**Industry Requirement**" means an entity that is in the same industry group as the Reference Entity for which a Successor falls to be determined pursuant to this definition of "Successor", as determined by the Calculation Agent by reference to such source(s) as it determines appropriate, including any international market data sources;

**"Senior Non-Preferred Reference Entity"** means the Reference Entity in respect of which "Additional Provisions for Senior Non-Preferred Reference Obligations", as published by ISDA on December 8, 2017, is specified as applicable in the relevant Pricing Supplement.

**"Spread"** means the bid-side quotation obtained by the Calculation Agent from such leading dealer in the credit default swap market selected by the Calculation Agent for a credit default swap in respect of the relevant entity with a credit protection period commencing on the date determined by the Calculation Agent to be the date of the relevant Succession Date and ending on the Maturity Date and with the Reference Obligation(s) specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement or Alternative Reference Obligation(s), as applicable;

**"Spread Requirement"** means an entity that, as at the date of selection, has a Spread not greater than the Spread of the Reference Entity for which a Successor falls to be determined pursuant to this definition of "Successor", immediately prior to the relevant Succession Date as determined by the Calculation Agent; and

**"Successor Associated Costs"** means an amount per nominal amount of the Notes (which may not be less than zero) equal to such Notes' pro rata share of the total amount of any and all costs and losses associated with or incurred by the Issuer and/or any Affiliate in connection with the Affected Reference Entity ceasing to be a Reference Entity, including, without limitation, any costs and losses associated with or incurred by the Issuer and/or any Affiliate in connection with unwinding, substituting, re-establishing and/or incurring any funding relating to the Notes and/or any hedge positions (including without limitation, any derivative transaction) relating to the Notes, and any related costs due to costs or losses being incurred prior to the maturity or settlement of the Notes, all as determined by the Calculation Agent.

**"Successor Backstop Date"** means for purposes of any Successor determination determined by DC Resolution, the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**"Successor Notice"** means an irrevocable notice from the Calculation Agent to the Issuer that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined.

A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to paragraph (a) of the definition of Successor above.

**"Successor Resolution Request Date"** means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**"Trade Date"** means the date specified as such in paragraph 7 (*Credit Linked Note Provisions*) of the Pricing Supplement.

**"Transaction Auction Settlement Terms"** means the Credit Derivatives Auction Settlement Terms selected by the Calculation Agent in accordance with this provision. In relation to a Credit Event (and as set out in the definition of Credit Derivatives Auction Settlement Terms), ISDA may publish one or more form(s) of Credit Derivatives Auction Settlement Terms on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) and may amend such forms from time to time. Each such form of Credit Derivatives Auction Settlement Terms shall set out, inter alia, definitions of "Auction", "Auction Cancellation Date", "Auction Covered Transaction" and "Auction Final Price Determination Date" in relation to the relevant Credit Event. The Transaction Auction Settlement Terms for purposes of the Notes shall be the relevant form of Credit Derivatives Auction Settlement Terms for which the Reference Transaction would be an Auction Covered Transaction (as such term will be set out in the relevant Credit Derivatives Auction Settlement Terms). The Reference Transaction (as set out in the definition thereof) is a hypothetical credit derivative transaction included in these Conditions principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the Notes.

**"Transaction Type"** means, in respect of a Reference Entity, the transaction type specified in respect of such Reference Entity in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement.

**"Underlying Obligation"** means, with respect to a guarantee, the obligation which is the subject of the guarantee.

**"Underlying Obligor"** means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

**"Unwind Costs"** means an amount determined by the Calculation Agent, in its sole discretion, equal to the sum of (without duplication) all costs and expenses (including loss of funding and break funding charges and fees and legal fees, tax and duties) incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any Hedging Arrangements or related trading positions, including but not limited to, any unwind fees or charges incurred by the Issuer upon termination of any credit default swaps, interest rate swaps or cross currency swaps entered into by the Issuer (whether internal within the Issuer, or with its Affiliates or other swap counterparties), and the cost, charges, fees howsoever described, incurred by the Issuer upon terminating any of its term funding transactions that were entered into in connection with the issuance of the Notes (whether internal within the Issuer, or with its Affiliates or other third parties), such amount to be apportioned pro rata among the Notes.

**"Valuation Date"** means (a) if "Single Valuation Date" is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement subject to paragraph 11 (*Settlement Suspension*) above, the date that is the number of Business Days specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement after the Credit Event Determination Date or, if the number of Business Days is not so specified, a Business Day selected by the Calculation Agent that is not less than 5 and not more than 60 Business Days after the Credit Event Determination Date (or if the Credit Event Determination Date occurs pursuant to paragraph (a)(ii) of the definition of Credit Event Determination Date above or paragraph (b)(i) of the definition of Non-Standard Credit Event Determination Date, the day on which the DC Credit Event Announcement occurs) or (c) following the occurrence of a Fallback Settlement Method Event in respect of Auction Settled Notes for which "Cash Settlement" is specified as the applicable Fallback Settlement Method in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the date that is the number of Business Days specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement after the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any (as applicable) or the date of such other event giving rise to the Fallback Settlement Method Event or, if the number of Business Days is not so specified, a Business Day selected by the Calculation Agent that is not less than 5 and not more than 60 Business Days after the relevant date, and (b) if "Multiple Valuation Dates" is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, each of the following dates:

- (i) subject to paragraph 11 (*Settlement Suspension*) above, (x) the date that is the number of Business Days specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement (or, if the number of Business Days is not specified, a Business Day selected by the Calculation Agent that is not less than 5 and not more than 60 Business Days after the occurrence of a Credit Event Determination Date (or if the Credit Event Determination Date occurs pursuant to paragraph (a)(ii) of the definition of Credit Event Determination Date above or paragraph (b)(i) of the definition of Non-Standard Credit Event Determination Date, the day on which the DC Credit Event Announcement occurs) or (y) following the occurrence of a Fallback Settlement Method Event in respect of Auction Settled Notes for which "Cash Settlement" is specified as the applicable Fallback Settlement Method in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the date that is the number of Business Days specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement after the Auction Cancellation Date, if any, the relevant No Auction Announcement Date, if any, (as applicable) or the date of such other event giving rise to the Fallback Settlement Method Event or, if the number of Business Days is not so specified, a Business Day selected by the Calculation Agent that is not less than 5 and not more than 60 Business Days after the relevant date; and
- (ii) each successive date that is the number of Business Days specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement (or if the number of Business Days is not so specified, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "Multiple Valuation Dates" is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, Single Valuation Date shall apply.

**"Valuation Method":**

- (a) The following Valuation Methods may be specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement with only one Valuation Date:

"**Market**" means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or

"**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

- (b) If no such Valuation Method is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Valuation Method shall be Highest.

- (c) The following Valuation Methods may be specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement with more than one Valuation Date:

(A) "**Average Market**" means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or

(B) "**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or



- (C) **"Average Highest"** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.
- (d) If no such Valuation Method is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Valuation Method shall be Average Highest.

Notwithstanding paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Calculation Agent may at its option determine that the Valuation Method shall be Market or Average Market, as the case may be.

**"Valuation Obligation"** means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in (A) (*Method for Determining Valuation Obligations*) below (and, if Asset Package Delivery applies, the Asset Package in relation to any Prior Deliverable Obligation or Package Observable Bond, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event);
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Valuation Obligation; and
- (d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, any Prior Deliverable Obligation, or (ii) if the Reference Entity is a Sovereign, any Package Observable Bond,

in each case, as selected by the Issuer in its sole and absolute discretion and notified to the Calculation Agent (a **"Valuation Obligation Notification"**) on or prior to the Valuation Date and (i) unless it is an Excluded Valuation Obligation and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of paragraph (d) above, immediately prior to the relevant Asset Package Credit Event).

(A) ***Method for Determining Valuation Obligations.***

For the purpose of paragraph (a) of this definition of "Valuation Obligation", the term **"Valuation Obligation"** may be defined as each obligation of the Reference Entity described by the Valuation Obligation Category specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, and, subject to (B) (*Interpretation of Provisions*) below, having each of the Valuation Obligation Characteristics, if any, specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, in each case as of each such date the Calculation Agent determines relevant in the context of the Notes which dates may include any relevant dates for purposes of the Hedging Arrangements (if any). The following terms shall have the following meanings:

- (1) **"Valuation Obligation Category"** means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" above), except that, for the purpose of determining the Valuation Obligation, the definition of "Reference Obligations Only" shall be

amended to state that no Valuation Obligation Characteristics shall be applicable to Reference Obligation Only).

- (2) "**Valuation Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" below), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, where:
- (i) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate without the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;
  - (ii) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such Loan) or any agent;
  - (iii) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
  - (iv) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
    - (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Notes Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
    - (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;  
or
    - (c) restrictions in respect of blocked periods on or around payment dates or voting periods;

- (v) **"Maximum Maturity"** means an obligation that has a remaining maturity of not greater than the period specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement (or if no such period is specified, thirty years);
- (vi) **"Accelerated or Matured"** means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (vii) **"Not Bearer"** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(B) ***Interpretation of Provisions.***

Unless expressly stated in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement that this paragraph (B) is not applicable to a Series:

- (1) If (i) either of the Valuation Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Bonds; (ii) the Valuation Obligation Characteristic "Transferable" is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Valuation Obligations that are not Loans; or (iii) any of the Valuation Obligation Characteristics "Assignable Loan" or "Consent Required Loan" or "Direct Loan Participation" is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Loans.
- (2) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Valuation Obligation Characteristics in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the Valuation Obligations may include any Loan that satisfies any one of such Valuation Obligation Characteristics specified and need not satisfy all such Valuation Obligation Characteristics.
- (3) In the event that a Valuation Obligation is a Relevant Guarantee, the following will apply:
  - (i) for the purposes of the application of the Valuation Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (ii) for the purposes of the application of the Valuation Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Valuation Obligation Characteristics, if any, specified in paragraph 37

(*Credit Linked Note Provisions*) of the Pricing Supplement from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency", and "Not Domestic Law";

- (iii) for the purposes of the application of the Valuation Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Valuation Obligation Characteristics, if any, specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured", and "Not Bearer"; and
  - (iv) for the purposes of the application of the Valuation Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (4) For purposes of the application of the Valuation Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the remaining maturity shall be zero.
  - (5) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, if an obligation would otherwise satisfy a particular Valuation Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Valuation Obligation Characteristic.
  - (6) For purposes of determining the applicability of Valuation Obligation Characteristics to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
  - (7) If "Subordinated European Insurance Terms" is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, if an obligation would otherwise satisfy the "Maximum Maturity" Valuation Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Valuation Obligation Characteristic.

The Valuation Obligation Notification shall describe the selected Valuation Obligation(s) in reasonable detail and shall specify the relevant title(s) or designation(s), maturity date(s) and coupon rate(s) and, unless the Quotation Amount is specified in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the applicable Quotation Amount in respect of each such Valuation Obligation (provided that the aggregate of the Quotation Amounts in respect of the Valuation Obligations shall not exceed the relevant Aggregate Principal Amount). The Issuer may at any time after delivering a Valuation Obligation Notification but prior to the Valuation Time on the Valuation Date deliver a further Valuation Obligation Notification which shall replace all prior Valuation Obligation Notifications in relation to any additional or replacement Valuation Obligation(s) specified therein.

For the avoidance of doubt the Issuer shall be entitled to select any Valuation Obligations for the purposes of calculating the Final Price irrespective of their market value and, provided that (in the case of a Valuation Obligation selected pursuant to subparagraph (i) above) the selected obligation satisfies the applicable Valuation Obligation Category and Valuation Obligation Characteristics on the relevant date, such obligation(s) may constitute the Valuation Obligation(s) for the purposes hereof notwithstanding that this is not the case subsequent to such date.

**"Valuation Time"** means the time specified as such in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement or, if no time is so specified, 11:00 a.m. in the principal trading market for the Reference Obligation.

**"Voting Shares"** means those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**"Weighted Average Quotation"** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but of a size at least equal to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

#### 19 **Additional Provisions relating to the CoCo Supplement**

If this paragraph 19 is specified as applicable in paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement, the following provisions will apply:

- (a) If, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, the operation of one or more CoCo Provisions results in (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, such event shall be deemed to constitute a Governmental Intervention falling within paragraph (a) of the definition thereof.
- (b) A CoCo Provision shall be deemed to be a provision which permits a Governmental Intervention for all purposes.
- (c) The following terms shall have the following meanings:

**"Coco Provision"** means, with respect to an Obligation, a provision which requires (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, in each case, if the Capital Ratio is at or below the Trigger Percentage.

**"Trigger Percentage"** means the trigger percentage specified in respect of the Reference Entity (or if no such trigger percentage is specified, 5.25 per cent.).

**"Capital Ratio"** means the ratio of capital to risk weighted assets applicable to the Obligation, as described in the terms thereof in effect from time to time.

#### 20 **Additional Provisions for Senior Non-Preferred Reference Obligation**

- (a) Where the paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement specify "Additional Provisions for Senior Non-Preferred Reference Obligations (published on

December 8, 2017)” as applicable, the Reference Obligation is any obligation of the Reference Entity which is Subordinated only to any unsubordinated Borrowed Money Obligations of the Reference Entity but not further or otherwise, or which would be so Subordinated if any unsubordinated Borrowed Money Obligations of the Reference Entity existed (“**Senior Non-Preferred Obligation**”), and which ranks above “Traditional Subordinated Obligations” or which would so rank if Traditional Subordinated Obligations existed. In such circumstances, the Senior Non-Preferred Obligation shall constitute a Subordinated Obligation and such Traditional Subordinated Obligation shall constitute a Further Subordinated Obligation.

(b) The following terms shall have the following meanings:

“**Traditional Subordinated Obligation**” means, (i) Tier 2 Subordinated Obligations of the relevant Reference Entity; (ii) any obligations of the relevant Reference Entity which rank or are expressed to rank *pari passu* with any Tier 2 Subordinated Obligations of the relevant Reference Entity; and (iii) any obligations of the Reference Entity which are Subordinated to the obligations thereto described in (i) and (ii) above shall each (without limitation) constitute Traditional Subordinated Obligations in respect of a Senior Non-Preferred Obligation. A Traditional Subordinated Obligation shall constitute a Further Subordinated Obligation.

“**Tier 2 Subordinated Obligation**” means any obligation of the relevant Reference Entity which meets the conditions set out in the CRR or which are (or were at any time) otherwise eligible as a Tier 2 item in accordance with the CRR.

## 21 **2019 Narrowly Tailored Credit Event Provisions**

The following are the “NTCE Provisions”, which shall (i) not apply in respect of a Reference Entity if such Reference Entity is a Sovereign, or (b) apply in respect of a Reference Entity if such Reference Entity is not a Sovereign, in each case unless otherwise specified in the paragraph 37 (*Credit Linked Note Provisions*) of the Pricing Supplement.

(a) Outstanding Principal Balance

The definition of “Outstanding Principal Balance” in paragraph 18 shall be deleted and replaced with the following:

“The “**Outstanding Principal Balance**” of an obligation will be calculated as follows:

- (i) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with paragraph 18 (*Accrued Interest*), the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);
- (ii) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (A) is subject to any Prohibited Action, or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (I) payment or (II) a Permitted

Contingency) (the amount determined in paragraph (i) less any amounts subtracted in accordance with this paragraph (ii), the "**Non-Contingent Amount**"); and

(iii) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

1. unless otherwise specified, in accordance with the terms of the obligation in effect on the date on which the Valuation Obligations is/are determined; and
2. with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

For the purposes of paragraph (B) above, "**applicable laws**" shall include any bankruptcy or insolvency law or other law affecting creditors' rights to which the relevant obligation is, or may become, subject.

Unless "Fallback Discounting" is specified as not applicable in the applicable Pricing Supplement with respect to the relevant Reference Entity, then notwithstanding the above, if (i) the Outstanding Principal Balance of an obligation is not reduced or discounted under paragraph (B) above, (ii) that obligation is either a Bond that has an issue price less than ninety-five per cent. of the principal redemption amount or a Loan where the amount advanced is less than ninety-five per cent. of the principal repayment amount, and (iii) such Bond or Loan does not include provisions relating to the accretion over time of the amount which would be payable on an early redemption or repayment of such Bond or Loan that are customary for the applicable type of Bond or Loan as the case may be, then the Outstanding Principal Balance of such Bond or Loan shall be the lesser of (a) the Non-Contingent Amount; and (b) an amount determined by straight line interpolation between the issue price of the Bond or the amount advanced under the Loan and the principal redemption amount or principal repayment amount, as applicable.

For the purposes of determining whether the issue price of a Bond or the amount advanced under a Loan is less than ninety-five per cent. of the principal redemption amount or principal repayment amount (as applicable) or, where applicable, for applying straight line interpolation:

- (x) where such Bond or Loan was issued as a result of an exchange offer, the issue price or amount advanced of the new Bond or Loan resulting from the exchange shall be deemed to be equal to the aggregate Outstanding Principal Balance of the original obligation(s) that were tendered or exchanged (the "**Original Obligation(s)**") at the time of such exchange (determined without regard to market or trading value of the Original Obligation(s)); and
- (y) in the case of a Bond or Loan that is fungible with a prior debt obligation previously issued by the Reference Entity, such Bond or Loan shall be treated as having the same issue price or amount advanced as the prior debt obligation.

In circumstances where a holder would have received more than one obligation in exchange for the Original Obligation(s), the Calculation Agent will determine the allocation of the aggregate

Outstanding Principal Balance of the Original Obligation(s) amongst each of the resulting obligations for the purpose of determining the issue price or amount advanced of the relevant Bond or Loan. Such allocation will take into account the interest rate, maturity, level of subordination and other terms of the obligations that resulted from the exchange and shall be made by the Calculation Agent in accordance with the methodology (if any) determined by the relevant Credit Derivatives Determinations Committee or, if none, as determined by the Calculation Agent in such manner and by reference to such source(s) as it determines appropriate."

(b) Failure to Pay

The definition of "Failure to Pay" in paragraph 18 shall be deleted and replaced with the following:

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

Unless "Credit Deterioration Requirement" is specified as not applicable in respect of the relevant Reference Entity in the applicable Pricing Supplement, then, notwithstanding the foregoing, it shall not constitute a Failure to Pay if such failure does not directly or indirectly either result from, or result in, a deterioration in the creditworthiness or financial condition of the Reference Entity, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. In making such determination, the Calculation Agent may take into account the guidance note set out in paragraph 3 (Interpretive Guidance) of the ISDA 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions (published on July 15, 2019)."