SANTANDER GLOBAL ISSUANCES B.V.

(a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under Dutch law with its seat in Amsterdam, the Netherlands but its tax residence is in Spain)

U.S. $5,000,000,000 Structured Medium Term Note Program

unconditionally and irrevocably guaranteed, in the case of Non-3(a)(2) Notes (as defined below), by

BANCO SANTANDER, S.A.

(a public limited liability company (sociedad anónima) incorporated under the laws of the Kingdom of Spain)

or unconditionally and irrevocably guaranteed, in the case of 3(a)(2) Notes (as defined below), by

BANCO SANTANDER, S.A., NEW YORK BRANCH

(a federally licensed New York branch of a public limited liability company (sociedad anónima) incorporated under the laws of the Kingdom of Spain)

This offering memorandum (the "Offering Memorandum") does not comprise a prospectus or a base prospectus for the purposes of (i) Article 8 of Regulation (EU) 2017/1129 (the "Prospectus Regulation") or (ii) Article 8 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") (the "UK Prospectus Regulation"). This Offering Memorandum has been prepared solely in order to allow Notes to be offered in circumstances which do not impose an obligation on the Issuer, the Guarantor or any Dealer (each as defined herein) to publish or supplement a prospectus under the Prospectus Regulation or the UK Prospectus Regulation.

Under the Structured Medium Term Note Program (the "**Program**"), Santander Global Issuances B.V. (the "**Issuer**") may issue notes (the "**Notes**").

Certain Notes and the Guarantee (as defined below) thereof will be offered pursuant to an exemption from registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), provided by Section 3(a)(2) of the Securities Act ("**3(a)(2) Notes**"). All Notes that are not 3(a)(2) Notes are referred to herein as "**Non-3(a)(2) Notes**" and are described below.

The payment of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed pursuant to (i) in the case of the Non-3(a)(2) Notes, an instrument of guarantee governed by Spanish Law entered into by Banco Santander, S.A. (the "**Bank**" or "**Banco Santander**") (the "**Spanish Law Instrument of Guarantee**"); or (ii) in the case of the 3(a)(2) Notes, a guarantee governed by New York law entered into by Banco Santander, S.A., acting through its New York Branch (the "**New York Branch**") (the "**New York Law Guarantee**"), which is federally licensed by the Office of the Comptroller of the Currency ("**OCC**"). As used herein, (i) "**Guarantor**" refers to the Bank or the New York Branch, or the Bank and the New York Branch collectively, as the context requires, and (ii) "**Guarantee**" refers to the Spanish Law Instrument of Guarantee or the New York Law Guarantee, or the Spanish Law Instrument of Guarantee and the New York Law Guarantee collectively, as the context requires.

The aggregate principal amount of Notes outstanding and guaranteed will not at any time exceed U.S. $5,000,000,000 (or the equivalent in other currencies). Particulars of the dates of, parties to and general nature of each document to which the Issuer is a party in relation to the Program and any Notes (the "**Transaction Documents**") are set out in various sections of this Offering Memorandum. Notes will be issued in registered form. Application shall be made to the Vienna Stock Exchange for the Notes to be admitted to listing and trading on the Vienna MTF of the Vienna Stock Exchange (the "**Vienna MTF**"). The Vienna MTF is a multilateral trading facility for the purposes of Directive 2014/65/EU, on markets in financial instruments (as amended, "**MiFID II**"). The Vienna MTF is not a regulated market for the purposes of MiFID II. The Program also permits Notes to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems or may be unlisted, in each case, as may be agreed with the Issuer and as set out in the Pricing Supplement (as defined below). Prospective investors should note that the Issuer is incorporated under Dutch law and has its seat in Amsterdam, the Netherlands, but has its tax residence in the Kingdom of Spain ("**Spain**"). Potential purchasers should note the statements on pages 515 to 529 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014 and Royal Decree 1065/2007, as amended, on the Issuer and the Guarantor relating to the Notes. Holders of Notes must seek their own advice to ensure that they comply with all procedures to ensure the correct tax treatment of their Notes is obtained.

By its acquisition of the Notes, each holder (which, for the purposes of this provision, includes each holder of a beneficial interest in the Notes at any moment) acknowledges, accepts, consents to and agrees to be bound by the terms of the Notes related to the exercise of the Bail-in Power (as defined herein) set forth under Condition 20 (*Contractual Recognition and Acknowledgment of Bail-in Powers*) of the "*Terms and Conditions of the Notes*".

The Notes have not been, and are not required to be, registered with the OCC or with the Securities and Exchange Commission (the "SEC") under the Securities Act, or under the securities laws of any state in the United States. Trading in the Notes has not been approved by the Commodity Futures Trading Commission pursuant to the United States Commodity Exchange Act of 1936, as amended. The Notes have not been approved or disapproved by the OCC, the SEC or any state securities commission, nor has the OCC, the SEC or any state securities commission passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

The Non-3(a)(2) Notes and the Spanish Law Instrument of Guarantee will be offered and sold (i) outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**"), (ii) within the United States to qualified institutional buyers (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) within the meaning of, and in reliance upon, Rule 144A and/or (iii) pursuant to other exemptions from registration under the Securities Act and, in each case, in compliance with applicable securities laws.

The 3(a)(2) Notes and the New York Law Guarantee will be offered and sold to accredited investors (within the meaning of Regulation D under the Securities Act) ("**Accredited Investors**") pursuant to the exemptions from registration provided by Section 3(a)(2) of the Securities Act and Regulation D under the Securities Act, and pursuant to the exemption from registration with the OCC provided by 12 C.F.R. § 16.7.

The Notes are senior preferred unsecured obligations of the Issuer and are fully and unconditionally guaranteed by the Guarantor and, accordingly, all payments on the Notes are subject to credit risk. If the Issuer and the Guarantor default on their relevant

obligations, you could lose some or all of your investment. The Notes are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency of the Netherlands, the Kingdom of Spain, the United States or any other jurisdiction.

Santander US Capital Markets LLC, an affiliate of the Issuer and the Guarantor, may serve as a dealer for the sale of any particular offering of Notes and, as such, will have a "conflict of interest" in any offering of 3(a)(2) Notes in which it participates, as either principal or agent, within the meaning of Rule 5121 of the Financial Industry Regulatory Authority ("**FINRA**") (or any successor rule thereto) ("**Rule 5121**"). Consequently, any such offering will be conducted in compliance with the provisions of Rule 5121. See "Plan of Distribution—Conflicts of Interest".

Arranger

BANCO SANTANDER, S.A.

Dealer

Santander US Capital Markets LLC

March 21, 2025

IMPORTANT NOTICES

*Each of the Issuer and the Guarantor (to the extent set out in "Banco Santander, S.A." and "Description of Banco Santander, S.A., New York Branch" on pages 465 to 466 below) (together, the "**Responsible Persons**") accepts responsibility for the information contained in this Offering Memorandum and declares that the information contained in this Offering Memorandum is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.*

This Offering Memorandum should be read and construed together with any amendments or supplements hereto and with any other documents incorporated in it by reference and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the Pricing Supplement (as defined below).

*The Issuer and the Guarantor have confirmed to the Dealers described under "Key Features of the Program" below (each a "**Dealer**" and together the "**Dealers**") that this Offering Memorandum contains all information which is (in the context of the Program, the issue, offering and sale of the Notes and the guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Offering Memorandum does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Program, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing. None of the Issuer, the Guarantor nor any of the Dealers have authorised anyone to provide you with any information other than that contained or incorporated by reference in this Offering Memorandum or the applicable Pricing Supplement. None of the Issuer, the Guarantor nor any of the Dealers take any responsibility for, nor can provide any assurance to the reliability of, any information that others may give the Noteholders. Neither the delivery of this Offering Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the Program is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*Notice of the aggregate principal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a pricing supplement (the "**Pricing Supplement**") and any product supplement and/or other supplement specified in such Pricing Supplement. For purposes of this Offering Memorandum, any reference to an applicable Pricing Supplement may also refer to any product supplement and/or other supplement specified in such Pricing Supplement, unless the context otherwise requires.*

The distribution of this Offering Memorandum and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the Issuer, the Guarantor and the Dealers to inform themselves about and to observe any such restriction.

The Notes have not been, and are not required to be, registered with the Office of the Comptroller of the Currency (the "OCC") or with the Securities and Exchange Commission (the "SEC") under the Securities Act, or under the securities laws of any state in the United States. Trading in the Notes has not been approved by the Commodity Futures Trading Commission pursuant to the United States Commodity Exchange Act of 1936, as amended. The Notes have not been approved or disapproved by the OCC, the SEC or any state securities commission, nor has the OCC, the SEC or any state securities commission passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

*The Non-3(a)(2) Notes and the Spanish Law Instrument of Guarantee may not be offered or sold within the United States or, to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A of the Securities Act ("**Rule 144A**"). The 3(a)(2) Notes and the New York Law Guarantee will be offered and sold to accredited investors (within the meaning of Regulation D under the Securities Act) ("**Accredited Investors**") pursuant to the exemptions from registration provided by Section 3(a)(2) of the*

Securities Act and Regulation D under the Securities Act, and pursuant to the exemption from registration with the OCC provided by 12 C.F.R. § 16.7.

The Notes will be subject to restrictions on resale and transfer – see "Transfer Restrictions."

The Dealers have not separately verified the information contained in this Offering Memorandum. None of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Memorandum. Neither this Offering Memorandum nor any other information supplied in connection with the Program is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor or the Dealers that any recipient of this Offering Memorandum or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Memorandum and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Offering Memorandum nor to advise any investor or potential investor in the Notes issued under the Program of any information coming to the attention of any of the Dealers. None of the Dealers, the Issuer and the Guarantor makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

*Notes will be issued in registered form ("**Registered Notes**"). The maximum aggregate principal amount of Notes outstanding at any one time under the Program will not exceed U.S. $5,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealer Agreement as defined under "Plan of Distribution"). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Program may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.*

Notes may be issued as Green Bonds, Social Bonds or Sustainability Bonds (as defined in the "Use of Proceeds" section of this Offering Memorandum). None of the Arranger, the Dealers nor any of their respective affiliates accepts any responsibility for any environmental or sustainability assessment of any Notes issued as Green Bonds, Social Bonds or Sustainability Bonds or makes any representation or warranty or gives any assurance as to whether such Notes will meet any investor expectations or requirements regarding such "green", "social", "sustainable" or similar labels. None of the Arranger, the Dealers nor any of their respective affiliates have undertaken, nor are they responsible for, any assessment of the Eligible Green Assets or Eligible Social Assets (as applicable) (as defined in the "Use of Proceeds" section of this Offering Memorandum), any verification of whether the Eligible Green Assets or Eligible Social Assets (as applicable) meet any eligibility criteria set out in the Green, Social and Sustainability Global Framework (as defined in the "Use of Proceeds" section of this Offering Memorandum) nor are they responsible for the use of proceeds (or amounts equal thereto) for any Notes issued as Green Bonds, Social Bonds or Sustainability Bonds, nor the impact or monitoring of such use of proceeds or the allocation of the proceeds to particular Eligible Green Assets or Eligible Social Assets (as applicable). The Green, Social and Sustainability Global Framework, a second party opinion and any public reporting by or on behalf of the Issuer in respect of the application of proceeds will be available on the Guarantor's website at https://www.santander.com/en/shareholders-and-investors/fixed-income/fixed-income-presentations *but, for the avoidance of doubt, will not be incorporated by reference into this Offering Memorandum. None of the Arranger, the Dealers nor any of their respective affiliates make any representation as to the suitability or content of such materials.*

*Green Bonds issued under the Program will not be issued in accordance with Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "**European Green Bond Regulation**") which entered into force on 20 December 2023 and applies from 21 December 2024.*

*In this Offering Memorandum, unless otherwise specified or the context otherwise requires, references to (i) "**EUR**", "**Euro**", "**euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended, (ii) "**U.S.$**", "**U.S. dollars**" and "**dollars**" are to the lawful currency of the United States of America, (iii) "**Renminbi**", "**RMB**" and "**CNH**" are to the currency of the People's Republic of China ("**PRC**"), (iv) "GBP" and "£" are to pounds sterling, and (v) "PLN" are to Polish zloty.. All references to the PRC are to the People's Republic of China, for the purpose of this Offering Memorandum,*

*excluding the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), the Macau Special Administrative Region of the People's Republic of China and Taiwan.*

This Offering Memorandum is not a prospectus or a base prospectus within the meaning of the Prospectus Regulation or the UK Prospectus Regulation. This Offering Memorandum has been prepared on the basis that any offer of Notes may only be made in any Member State of the European Economic Area, (the "**EEA**") (each, a "**Member State**") pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Member State of Notes which are the subject of an offering/placement contemplated in this Offering Memorandum as completed by Pricing Supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

IMPORTANT – 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 EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, 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.

IMPORTANT – 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**"). 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 Financial Services and Markets Act 2000 (as amended, "**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 Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (as amended, 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.

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

Without prejudice to each Dealer`s responsibility for the independent reasonable determination that the Notes distributed by each of them are suitable for the relevant investor or counterparty, a determination will be made by each entity that is subject to MiFID II in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market – The Pricing Supplement in respect of any Notes may, where applicable, include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Without prejudice to each Dealer`s responsibility for the independent reasonable determination that the Notes distributed by each of them are suitable for the relevant investor or counterparty, a determination will be made by each entity that is subject to UK MiFIR Product Governance Rules in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA"**) – Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Program shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Guidance under the Hong Kong Monetary Authority (the "HKMA") circular - In October 2018, the HKMA issued a circular regarding enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features and related products (the "**HKMA Circular**"). Under the HKMA Circular, debt instruments with loss-absorption features, being subject to the possibility of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments (together, "**Loss-Absorption Products**"), may only be offered to professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and its subsidiary legislation, "**Professional Investors**") in Hong Kong. Unless otherwise specified in the Pricing Supplement in respect of any Notes, the Guarantee rights in respect of all Notes issued or to be issued under the Program contain loss-absorption features and the Notes may therefore be considered Loss-Absorption Products under the HKMA Circular. Investors in Hong Kong should not purchase such Notes with loss-absorption features unless they are Professional Investors and understand the risks involved. Such Notes are generally not suitable for retail investors in Hong Kong in either the primary or the secondary markets.

The Notes are complex financial instruments with high risk. There are significant risks inherent in the holding of the Notes, including the risks in relation to their subordination, the circumstances in which the Guarantee and any other claim against the Guarantor may be written down or converted to ordinary shares and the implications on Noteholders (such as a substantial loss), the circumstances in which Noteholders may suffer loss as a result of holding the Notes are difficult to predict and the quantum of any loss incurred by investors in the Notes in such circumstances is also highly uncertain.

This Offering Memorandum describes certain Spanish, Dutch and United States federal income tax implications and tax information procedures in connection with an investment in the Notes (see "*Risk Factors—Risks in Relation to the Notes—Risks in Relation to Spanish Taxation*" and "*Taxation and Disclosure of Information in Connection with Payments*"). Holders of Notes must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

The language of this Offering Memorandum is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Offering Memorandum.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING MEMORANDUM AND OFFERS OF NOTES GENERALLY

No holding of Implicit Yield Notes

The sale, transfer, or acquisition of Implicit Yield Notes (as defined below) including, but not limited to, Zero Coupon Notes, to or by individuals (*personas físicas*) who are tax resident in Spain (each a "**Spanish Individual**")

is forbidden in all cases. Any transfer of Implicit Yield Notes to or by Spanish Individuals is not permitted and such transfer will be considered null and void by the Issuer and the Guarantor. Accordingly, neither the Issuer nor the Guarantor will (i) recognise any Spanish Individual as an owner of Implicit Yield Notes or (ii) list any Implicit Yield Notes.

"**Implicit Yield Notes**" means Notes in respect of which the income derives from (a) the difference between the redemption amount and the issue price of the Notes, or (b), subject to the paragraph below, a combination of (i) an explicit coupon and (ii) the difference between the redemption amount and the issue price of the Notes.

For the purposes of this Offering Memorandum and in accordance with Spanish tax regulations, Notes with the characteristics set out in (b) above will only be deemed Implicit Yield Notes if the interest payable in each year (explicit coupon) is lower than the Interest Rate of Reference applicable as of the Issue Date.

The "**Interest Rate of Reference**" shall be the interest rate applicable to each calendar quarter determined by reference to 80% of the weighted average rate fixed in the preceding calendar quarter for (a) three year Spanish Government Bond issues, if the Notes have a term of four years or less, (b) five-year Spanish Government Bond issues, if the Notes have a term of more than four years but equal or less than seven years, or (c) 10, 15 or 30-year Spanish Government Bond issues, if the Notes have a term of more than seven years, all as determined by the Calculation Agent in a commercially reasonable manner.

CONTENTS

Page

KEY FEATURES OF THE PROGRAM 1
RISK FACTORS 10
INVESTMENT CONSIDERATIONS 74
ISSUE OF NOTES 87
INFORMATION INCORPORATED BY REFERENCE 88
PRICING SUPPLEMENT 90
TERMS AND CONDITIONS OF THE NOTES 91
ANNEX 1 PROVISIONS RELATING TO EQUITY LINKED NOTES 154
ANNEX 2 PROVISIONS RELATING TO INFLATION LINKED NOTES 177
ANNEX 3 ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED NOTES 184
ANNEX 4 ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED NOTES 205
ANNEX 5 ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES 219
ANNEX 6 ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED NOTES 318
ANNEX 7 ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS 330
ANNEX 8 ADDITIONAL TERMS AND CONDITIONS FOR EUA CONTRACT LINKED NOTES 372
PRO FORMA PRICING SUPPLEMENT 381
FORM OF NOTES 447
CERTAIN BENEFIT PLAN INVESTOR CONSIDERATIONS 453
TRANSFER RESTRICTIONS 455
USE OF PROCEEDS 461
SANTANDER GLOBAL ISSUANCES B.V. 463
BANCO SANTANDER, S.A. 465
BANCO SANTANDER, S.A., NEW YORK BRANCH 466
PLAN OF DISTRIBUTION 467
TAXATION AND DISCLOSURE OF INFORMATION IN CONNECTION WITH PAYMENTS 483
GENERAL INFORMATION 530

KEY FEATURES OF THE PROGRAM

The following must be read as an introduction to this Offering Memorandum and any decision to invest in the Notes should be based on a consideration of this Offering Memorandum as a whole, the Pricing Supplement and the information which is deemed to be incorporated by reference.

Information relating to the Issuer

The Issuer: Santander Global Issuances B.V.

Legal Entity Identifier (LEI): 635400A8E8E8EKF4CB64.

Santander Global Issuances B.V. was registered and incorporated on 15 November 2023 under the laws of the Netherlands, registration number 865840349 for an indefinite period. The Registered Office of the Issuer is at Ciudad Grupo Santander | Edificio Encinar, Avda Cantabria, s/n, 28660 Boadilla del Monte, Spain.

Business: The principal objects of the Issuer are set forth in Article 3 of its Deed of Incorporation and are the issuance of securities and other financial instruments.

Directors: The Directors of the Issuer are as follows:

Name	Principal Occupation
Juan Andrés García Molinero	Director
Rubén Ibáñez Enériz	Director
Alfredo Madrigal Matute	Director
Carlos Ignacio Muñiz González-Blanch	Director
Iván Gordón Ortiz	Director
José Muñoz Pérez	Director
Juan Miguel Saffon Sanin	Director

Information Relating to the Guarantors

The Guarantors: Banco Santander, S.A. (in the case of the Non-3(a)(2) Notes) and Banco Santander, S.A., New York Branch (in the case of the 3(a)(2) Notes).

The Bank and the Group: Banco Santander, S.A. is domiciled in Spain and has its registered office at Paseo de Pereda, 9-12, Santander. The principal operating headquarters of the Bank are located at Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660 Boadilla del Monte, Madrid. The telephone number of the principal operating headquarters of the Bank is +34 91 259 6520.

The Bank is a Spanish company with legal status as a public limited company (*sociedad anónima*), with the status of a bank and is governed by the Restated Spanish Companies Act (*Texto Refundido de la Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010, of 2 July (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*). The Bank is subject to special legislation for credit institutions in general, the supervision, control and regulation of the European Central Bank and, as a listed company, the regulatory supervision of the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and, as

	a credit institution, to Law 10/2014, of 26 June (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*) and Royal Decree 84/2015, of 13 February (*Real Decreto 84/2015, de 13 de febrero, por el que se desarrolla la Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*)
Business:	The Bank and its consolidated subsidiaries (the "**Group**") are a financial group operating through a network of offices and subsidiaries across Spain, the United Kingdom and other European countries, Brazil and other Latin American countries and the US, offering a wide range of financial products. In Latin America, the Bank has majority shareholdings in banks in Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay. At 31 December 2024, the Group had a market capitalisation of €67.6 billion, stockholders' equity of €107.3 billion and total assets of €1,837.1 billion. The Group had €1,348.4 billion total funds at that date. As of 31 December 2024, the Group had 206,753 employees and 3,022 branch offices in Europe (of which 34,940 employees and 1,827 branches in Spain and 22,542 employees and 444 branches in the United Kingdom), 41,399 employees and 1,761 branches in North America, 78,103 employees and 2,902 branches in South America (of which 57,133 employees and 2,202 branches in Brazil).
Directors and Employees	The members of the Board of Directors of the Bank as of the date of this Offering Memorandum are as follows: Ana Botín-Sanz de Sautuola y O'Shea Héctor Grisi Checa José Antonio Álvarez Álvarez Juan Carlos Barrabés Cónsul Homaira Akbari Antonio Francesco Weiss Pamela Ann Walkden Javier Botín-Sanz de Sautuola y O'Shea Sol Daurella Comadrán Henrique de Castro Gina Díez Barroso Azcárraga Glenn Hogan Hutchins Luis Isasi Fernández de Bobadilla Jaime Pérez Renovales Belén Romana García Germán de la Fuente Escamilla The Executive Officers of the Bank as of the date of this Offering Memorandum are as follows: Ana Botín-Sanz de Sautuola y O'Shea Héctor Grisi Checa
Regulation of the New York Branch and of Banco Santander, S.A. in the United States:	The New York Branch is federally licensed by the Office of the Comptroller of the Currency (the "**OCC**"). The New York Branch is primarily regulated and examined by the OCC and is subject to banking laws and regulations applicable to a foreign bank that operates a federally-licensed branch in the United States. The OCC has the authority to appoint a receiver to take possession of all of Banco Santander, S.A.'s property and assets in the United

States, including the property and assets of the New York Branch, if: (i) the OCC revokes Banco Santander, S.A.'s authority to operate a federal branch or agency in the United States, including the New York Branch; (ii) any of Banco Santander, S.A.'s creditors obtains a judgment against Banco Santander, S.A. or the New York Branch arising out of a transaction with any of Banco Santander, S.A.'s federal branches or agencies, in any court of the United States or any state of the United States and such judgment has remained unpaid for thirty days; or (iii) the OCC determines that Banco Santander, S.A. is insolvent. In any such receivership, only the claims of Banco Santander, S.A.'s depositors and creditors who are not affiliated with Banco Santander, S.A. and whose claim(s) (x) arise out of transaction(s) with any of Banco Santander, S.A.'s branches or agencies located in the United States and (y) would represent legal obligation(s) against such branch or agency if such branch or agency were a separate legal entity (which would include claims with respect to the New York Law Guarantee of noteholders of the 3(a)(2) Notes that are not affiliated with Banco Santander, S.A.) may be satisfied out of the property in such receivership. In the event of a liquidation, winding-up or any other condition in which the New York Branch is unable to satisfy its obligations in respect of the New York Law Guarantee, such obligations shall remain obligations of Banco Santander, S.A.

If the OCC determines that there is reasonable cause to believe that Banco Santander, S.A. has violated or failed to comply with any applicable federal laws or regulations, or orders of the OCC, the OCC may revoke the license of the New York Branch. Additionally, the Federal Reserve Board may recommend to the OCC that the license of any federal branch of a foreign bank, including Banco Santander, S.A. or the New York Branch, be terminated if the Federal Reserve Board has reasonable cause to believe that (i) the foreign bank is not subject to comprehensive supervision on a consolidated basis in its home country (unless the home country is making demonstrable progress toward establishing such supervision) or (ii) the foreign bank, or an affiliate, has violated the laws of or engaged in an unsafe or unsound banking practice in the United States, and as a result, the continued operation of the branch would be inconsistent with the public interest or the purposes of the International Banking Act of 1978, as amended, the Bank Holding Company Act of 1956, as amended ("**BHCA**"), or the Federal Deposit Insurance Act of 1950, as amended. If the New York Branch or the U.S. operations of Banco Santander, S.A. were to be closed by the OCC pursuant to such authority or Banco Santander, S.A. were voluntarily to discontinue its operations, the holders of the 3(a)(2) Notes would have recourse only against Banco Santander, S.A. with respect to the New York Law Guarantee, subject to any arrangements made for the payment of the New York Branch's liabilities by the relevant regulatory authorities.

In addition to the New York Branch being subject to banking laws and regulations applicable to a foreign bank that operates a federally-licensed branch in the United States, Banco Santander, S.A. is subject to certain state regulations and to United States federal regulation, including under the BHCA.

Description of the Program

Description:	Guaranteed Structured Medium Term Note Program (the "**Program**").
Status of the Notes and the Guarantees:	See Condition 4 (*Guarantees and Status*) of the Terms and Conditions of the Notes.
Arranger:	Banco Santander, S.A.
Dealers:	Santander US Capital Markets LLC The Issuer may from time to time terminate the appointment of any Dealer(s) under the Program or appoint additional dealers either in respect of a single Tranche or in respect of the Program.
Principal Paying Agent:	[The Bank of New York Mellon, London Branch]
Registrar:	[The Bank of New York Mellon SA/NV, Dublin Branch]
Listing:	Application shall be made to the Vienna Stock Exchange for the Notes to be listed and admitted to trading on the Vienna MTF of the Vienna Stock Exchange (the "**Vienna MTF**"). Notes may be admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system or may be unlisted, as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Pricing Supplement.
Size:	Up to U.S. $5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
Currencies:	Subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, Notes may be denominated in Euros or U.S. dollars or in any other currency or currencies. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Maturities:	Any maturity, subject to compliance with all relevant laws, regulations, central bank requirements and directives.
Denomination:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Pricing Supplement:	The terms and conditions applicable to any issuance of a particular Tranche of Notes will be the applicable Terms and Conditions of the Notes as set forth in this Offering Memorandum, as supplemented, amended or replaced by the applicable Pricing Supplement and any product supplement and/or other supplement specified in such Pricing Supplement. For purposes of this Offering Memorandum, any reference to an applicable Pricing Supplement may also refer to any product supplement and/or other supplement specified in such Pricing Supplement, unless the context otherwise requires.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). The Notes may be issued in Tranches

on a continuous basis with no minimum issue size, subject to compliance with all applicable laws, regulations and directives. Further Notes may be issued as part of an existing Series. Investors will not have any security interest in, or otherwise have any access to, any underlying reference asset or assets.

Form of Notes:

Notes will be issued in registered form, without interest coupons ("**Registered Notes**").

Registered Notes may either be issued in global form ("**Registered Global Notes**") or definitive form ("**Definitive Registered Notes**"), as specified in the Pricing Supplement. In the case of Registered Global Notes, the Issuer will deliver (i) an Unrestricted Global Note Certificate (as defined below), (ii) a Restricted Global Note Certificate (as defined below) and/or (iii) a 3(a)(2) Global Note Certificate (as defined below), as specified in the relevant Pricing Supplement.

Notes initially sold to qualified institutional buyers ("**QIBs**") in reliance on Rule 144A will, unless otherwise specified in the Pricing Supplement, be available only in book-entry form, and will be represented by a restricted global note certificate (a "**Restricted Global Note Certificate**") registered in the name of a nominee for, and deposited with or on behalf of, DTC.

Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S will, unless otherwise specified in the Pricing Supplement, be available only in book-entry form and will be represented by an unrestricted global note certificate (an "**Unrestricted Global Note Certificate**").

Notes represented by an Unrestricted Global Note Certificate may be either (a) registered in the name of a nominee for DTC and deposited on or about the relevant issue date with the custodian for DTC, or (b) (in the case of an Unrestricted Global Note Certificate that is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**")) registered in the name of a common depositary (or its nominee) for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A., ("**Clearstream, Luxembourg**") (and together with Euroclear, the "**ICSDs**") and deposited on or about the relevant issue date with such common depositary, or (c) (in the case of an Unrestricted Global Note Certificate that is to be held under the New Safekeeping Structure) registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and deposited on or about the relevant issue date with such common safekeeper, in each case for credit to the respective accounts of beneficial owners of the Notes represented thereby.

On or prior to the 40th day after the later of the commencement of the offering and the date of delivery of the Notes of each Series, beneficial interests in an Unrestricted Global Note Certificate representing Notes of such Series may be held only through Euroclear or Clearstream, Luxembourg.

Notes sold pursuant an exemption from registration provided by Section 3(a)(2) of the Securities Act will, unless otherwise specified in the Pricing Supplement, be available only in book-entry form, and will be represented by a 3(a)(2) global note certificate (a "**3(a)(2) Global Note Certificate**") registered in the name of a nominee for, and deposited with or on behalf of, DTC.

	Beneficial interests in Notes evidenced by a Restricted Global Note Certificate, an Unrestricted Global Note Certificate or a 3(a)(2) Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear, Clearstream, Luxembourg and DTC, and their respective direct and indirect participants. Except as described herein, Individual Note Certificates (as defined herein) will not be issued in exchange for beneficial interests in Global Note Certificates. See "*Form of Notes – Registered Notes*". In the case of Definitive Registered Notes, the Notes will upon issue be represented by a Definitive Note Certificate and title to such Notes will be evidenced by the entry of the holder's name in the register maintained by the Registrar.
Issue Price:	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly Paid Notes may also be issued, the Issue Price of which will be payable in two or more installments. The Issue Price and amount of Notes to be issued under the Program will be determined by the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Fixed Interest Rate Notes:	Fixed interest will be payable in arrears on the date or dates specified in the relevant Pricing Supplement.
Floating Rate Notes:	Floating Rate Notes will bear interest set separately for each Series by reference to EURIBOR, SONIA, SOFR or €STR (or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin. Interest periods will be specified in the relevant Pricing Supplement.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their principal amount and will not bear interest.
Partly Paid Notes:	Unless otherwise specified in the applicable Pricing Supplement, Partly Paid Notes will be Fixed Rate Notes or Floating Rate Notes which are not Reference Item Linked Notes. The Issue Price of Notes which are Partly Paid Notes will be payable in installments in such amounts and on such dates specified in the Pricing Supplement. The Issuer will notify the Noteholders prior to the relevant Part Payment Date and will give details of the account to which such payment shall be made. If the relevant Part Payment Amount is not paid by a Noteholder, the Issuer will give notice and will redeem all the Notes by payment of the Early Redemption Amount. No interest will be paid in respect of the period from the Part Payment Date and the date on which the Notes are redeemed early. Interest in respect of such Partly Paid Notes will be determined by reference to the paid-up amount in respect of the Notes from time-to-time.
Reference Item Linked Interest Notes:	The Pricing Supplement issued in respect of each issue of reference item linked interest Notes will specify the relevant type of Note and the amounts of interest payable will be calculated as provided in the conditions of the Notes set out in this Offering Memorandum for that type of Note, which may be by reference to equity, a constant maturity swap, an inflation index, an equity index, a fund, reference

	entity, a foreign exchange rate, an EU emissions allowance contract or a formula (or such other underlying reference item as may be set out in the applicable Pricing Supplement).
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Pricing Supplement.
Settlement of the Notes:	Notes will be cash settled only. The Issuer will not issue physically settled Notes.
Reference Item Linked Redemption Notes:	The Pricing Supplement issued in respect of each issue of reference item linked redemption Notes will specify the relevant type of Note and the redemption amounts payable will be calculated as provided in the conditions of the Notes set out in this Offering Memorandum for that type of Note, which may be (as applicable) by reference to equity, a constant maturity swap, an inflation index, an equity index, a fund, reference entity, a foreign exchange rate, an EU emissions allowance contract or a formula (or such other underlying reference item as may be set out in the applicable Pricing Supplement).
Redemption by Installments:	The Pricing Supplement issued in respect of each issue of Notes which are redeemable in two or more installments will set out the date on which, and the amounts in which, such Notes may be redeemed.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes and any other type of Note which the Issuer, and any Dealer or Dealers may agree to issue under the Program will be set out in the Pricing Supplement.
Optional Redemption:	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part), in accordance with Condition 6(e) and/or Condition 6(f), and/or the Noteholders in accordance with Condition 6(g), and if so the terms applicable to such redemption.
Early Redemption:	Except as provided in "*Optional Redemption*" above or as otherwise specifically provided in the Terms and Conditions of the Notes, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons.
Renminbi Currency Event	Where Renminbi Currency Event is specified as applicable in the Pricing Supplement, the Conditions contain provisions relating to Renminbi inconvertibility, non transferability or illiquidity events. Such provisions permit deferral of payments, payment in a currency other than Renminbi and/or early redemption of the Notes.
Information requirements under Spanish Law:	Except for Implicit Yield Notes with a duration of more than 12 months, under Spanish Law 10/2014 and Royal Decree 1065/2007 as amended, the Issuer, and Guarantor are required to provide to the Spanish tax authorities certain information relating to the Notes.

	If the Principal Paying Agent fails to provide the Issuer with the required information described under "*Taxation and Disclosure of Information in Connection with Payments*—Spain—*Information about the Notes in Connection with Payments—Notes issued in accordance with Law 10/2014 or Implicit Yield Notes with a duration equal to or less than 12 months*" in respect of the Notes, the Issuer may be required to withhold tax and may pay income in respect of such principal amount net of the Spanish withholding tax applicable to such payments (currently at the rate of 19%). In the case of Implicit Yield Notes with a duration of more than 12 months, the information procedures described in "*Taxation and Disclosure of Information in Connection with Payments*—Spain—*Information about the Notes in Connection with Payments—Implicit Yield Notes with a duration of more than 12 months"* would need to be followed and the Issuer may be obliged to identify Holders of such Notes. None of the Issuer, the Guarantor, the Arranger, the Dealers, DTC or the ICSDs assumes any responsibility therefor.
Governing Law:	The Notes, the New York Law Guarantee and all non-contractual obligations arising out of or in connection with them are governed by, and construed in accordance with, the laws of the State of New York. The Spanish Law Instrument of Guarantee and all non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Spanish law.
Contractual Recognition and Acknowledgment of Bail-in Powers:	By its acquisition of the Notes, each holder (which, for the purposes of this provision, includes each holder of a beneficial interest in the Notes at any moment) acknowledges, accepts, consents to and agrees to be bound by the terms of the Notes related to the exercise of the Bail-in Power (as defined herein) set forth under Condition 20 (*Contractual Recognition and Acknowledgment of Bail-in Powers*) of the "*Terms and Conditions of the Notes*".
No Registration; Transfer Restrictions:	The Issuer has not registered, and will not register, the Non-3(a)(2) Notes or the Spanish Law Instrument of Guarantee under the Securities Act or any state securities laws. The 3(a)(2) Notes and the New York Law Guarantee have not been, and are not required to be, registered with the OCC or with the SEC under the Securities Act, or under the securities laws of any state in the United States. The Notes are subject to restrictions on resale and transfer. See "*Transfer Restrictions*" herein.
Selling Restrictions:	United States, United Kingdom, EEA Retail Investors, UK Retail Investors, Spain, Andorra, Argentina, Austria, Brazil, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, France, Germany, Guatemala, Honduras, Hong Kong, Ireland, Israel, Italy, Japan, Korea, Mexico, People's Republic of China, Panama, Paraguay, Peru, Poland, Portugal, El Salvador, Singapore, Switzerland, Taiwan, Uruguay and Bahamas. See "*Plan of Distribution*". In connection with the offering and sale of a particular Tranche of Notes, additional selling restrictions may be imposed which will be set out in the Pricing Supplement.

Risk Factors:	Prospective investors should understand the risks of investing in any type of Note before they make their investment decision. They should make their own independent decision to invest in any type of Note and as to whether an investment in such Note is appropriate or proper for them based upon their own judgement and upon advice from such advisers as they consider necessary. For a description of certain risks involved in investing in the Notes, see "*Risk Factors*". Risk factors are designed both to protect investors from investments from which they are not suitable and to set out the financial risks associated with an investment in a particular type of Note.
Representation of Noteholders:	The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests.

RISK FACTORS

Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the Guarantor and the industry(ies) in which each of them operates together with all other information contained in this Offering Memorandum, including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" (including "Annex 1 – Provisions relating to Equity Linked Notes", "Annex 2 – Provisions Relating to Inflation Linked Notes", "Annex 3 – Additional Terms and Conditions for ETF Linked Notes", "Annex 4 – Additional Terms and Conditions for Fund Linked Notes", "Annex 5 – Additional Terms and Conditions for Credit Linked Notes", "Annex 6 – Additional Terms and Conditions for Foreign Exchange (FX) Rate Linked Notes", "Annex 7 – Additional Terms and Conditions for Payouts") and "Annex 8 – Additional Terms and Conditions for EUA Contract Linked Notes" below or elsewhere in this Offering Memorandum have the same meanings in this section.

*Notes may be issued under the Program which are ETF Linked Notes, Fund Linked Notes, CMS Linked Notes, Inflation Linked Notes, Equity Linked Notes, Credit Linked Notes, Foreign Exchange (FX) Rate Linked Notes, EUA Contract Linked Notes, commodity linked or other reference item linked notes ("**Reference Item Linked Notes**"). The relevant terms of any Reference Item Linked Notes will be specified in the applicable Pricing Supplement. An investment in Reference Item Linked Notes may involve a number of risks, some of which are referred to below (see "Risk Factors Relating to Reference Item Linked Notes") and which are not associated with investment in a conventional debt security. The amount paid (if any) by the Issuer or the Guarantor, as the case may be, on redemption of the Reference Item Linked Notes may be less than the principal amount of the Reference Item Linked Notes and may in certain circumstances be zero.*

Additional risks and uncertainties relating to the Issuer and the Guarantor that are not currently known to the Issuer and the Guarantor, or that either currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and the Guarantor and, if any such risk should occur, the price of the Notes may decline and investors could lose the value of their entire investment or part of it.

CONTENTS OF THE RISK FACTORS

Risk Factors Relating to the Notes

1. **Risks Relating to the Purchase, Holding and Trading of the Notes**
2. **Risks Relating to Reference Item Linked Notes**
3. **Risks Relating to Specific Types of Reference Item Linked Notes**
4. **Legal and Regulatory Risks**
5. **Risks relating to Renminbi Notes**

Risk Factors Relating to the Issuer, the Guarantor and the Group

6. **Risks Relating to the Issuer**
7. **Macro-Economic Risks**
8. **Risks Relating to the Group's Business**

Risk Factors Relating to the Notes

1. Risks Relating to the Purchase, Holding and Trading of the Notes

The Notes bear the credit risk of the Issuer and the Guarantor

Holders of Notes bear the credit risk of the Issuer and the Guarantor. That is the risk that the Issuer or the Guarantor is not able to meet its obligations under such Notes, irrespective of how any principal, interest or other payments under such Notes are to be calculated. In such circumstances Holders may lose some or all of their investment.

Claims of holders under the Notes are effectively junior to those of certain other creditors

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will at all times rank *pari passu* and rateably among themselves and at least *pari passu* with all other unsecured and unsubordinated outstanding obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The guarantee in respect of the Notes (the "**Guarantee**") is an unsecured and unsubordinated preferred senior obligation of the Bank (*crédito ordinario preferente*). Subject to statutory preferences, the Notes will rank equally with any of the Issuer's other unsecured and unsubordinated indebtedness and the Guarantee will rank equally with any of the Bank's other unsecured and unsubordinated senior preferred indebtedness (*créditos ordinarios preferentes*). However, the Guarantee will be effectively subordinated to all of the Bank's secured indebtedness, to the extent of the value of the assets securing such indebtedness, and other preferential obligations under Spanish law including the covered deposits and natural persons and micro, small and medium enterprises deposits referred to in Additional Provision 14 of Law 11/2015. The Guarantee is also structurally subordinated to all indebtedness of subsidiaries of the Bank insofar as any right of the Bank to receive any assets of such companies upon their winding-up will be effectively subordinated to the claims of the creditors of those companies in the winding-up.

In addition, the BRRD, Law and SRM Regulation 11/2015 (as defined below) contemplate that any bail-inable liabilities to the Bank including but not limited to the Guarantee may be subject to the application of the general bail-in tool (see "*The taking of any action under Law 11/2015 and its developing regulations could materially affect the value of any Notes. The liabilities of the Bank including the Guarantee may also be subject to loss absorption through their permanent write-down and/or conversion into equity*" below).

The Notes are not insured by the Federal Deposit Insurance Corporation

The Notes are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency of the United States or any other jurisdiction. In the event that the Issuer or the Guarantor is unable to pay or settle the Issuer's obligations under the Notes, investors risk losing their entire investment.

There is no active trading market for the Notes

Notes issued under the Program will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Guarantor.

Although application may be made to the Vienna Stock Exchange for the Notes to be listed and admitted to trading on the Vienna MTF, this does not mean that such Notes will be any more or less liquid than if such Notes were not listed and there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop.

Accordingly, a trading market for any particular Tranche of Notes may not develop or may be illiquid and Holders should be prepared to hold the Notes to maturity.

The Issue Price may be greater than the market value of the Notes

The Issue Price specified in the relevant Pricing Supplement may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as subscription fees, placement fees, direction fees, structuring fees and/or other additional costs as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. Any difference between the issue price and/or offer price may have an adverse effect on the value of the Notes, particularly immediately following the offer and the issue date relating to such Notes, where any such amounts, fees and costs may be deducted from the price at which such Notes can be sold by the initial investor in the secondary market.

Furthermore, if the Notes are offered by the Issuer to the public directly on the secondary market in connection with any listing of the Notes, the profit of the Notes for investors may be reduced taking into account that the purchase price of the Notes on the secondary market may be different from the Issue Price.

Lack of liquidity

You may not resell or otherwise transfer the Non-3(a)(2) Notes other than (1) inside the United States, to a person that the holder and any person acting on its behalf reasonably believe is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act ("**Rule 144A**") purchasing for its own account or a person purchasing for the account of a qualified institutional buyer whom the holder has informed, in each case, that the reoffer, resale, pledge or other transfer is being made in reliance on Rule 144A, (2) outside the United States, in compliance with Rule 903 or Rule 904 under the Securities Act, (3) pursuant to an exemption from registration provided by Rule 144 under the Securities Act (if available), in each case in accordance with any applicable U.S. State securities laws or any other jurisdiction, or (4) to the Issuer, the Guarantor or their respective affiliates. Any such transfers or sales to the Issuer, the Guarantor, or their respective affiliates will be on such terms set by the Issuer, the Guarantor or their respective affiliates in their sole discretion based on market conditions at the time and such other factors as they may determine. Please refer to "*Transfer Restrictions - Non-3(a)(2) Notes*" below for more information.

You may not resell or otherwise transfer the 3(a)(2) Notes other than, (a) with respect to 3(a)(2) Notes to be transferred through DTC, to (1) a person that the holder and any person acting on its behalf reasonably believe is a qualified institutional buyer within the meaning of Rule 144A purchasing for its own account or a person purchasing for the account of a qualified institutional buyer whom the holder has informed, in each case, that the reoffer, resale, pledge or other transfer is being made in reliance on Rule 144A under the Securities Act or (2) the Issuer, the Guarantor or their respective affiliates, and (b) with respect to 3(a)(2) Notes to be transferred outside of DTC, to (1) an accredited investor (within the meaning of Regulation D under the Securities Act) or a person acquiring such 3(a)(2) Notes for the account of an accredited investor, provided that consent of Banco Santander, S.A. or its affiliates is given for such transfer (not to be unreasonably withheld or delayed) or (2) the Issuer, the Guarantor or their respective affiliates. Any such transfers or sales to the Issuer, the Guarantor, or their respective affiliates will be on such terms set by the Issuer, the Guarantor or their respective affiliates in their sole discretion based on market conditions at the time and such other factors as they may determine. Please refer to "*Transfer Restrictions - 3(a)(2) Notes*" below for more information.

Where Notes are issued on a partly paid basis, all the Notes will be redeemed where any investor fails to pay any subsequent installment of the issue price

The Issuer may issue Notes where the issue price is payable in more than one installment. A failure by any investor to pay any installment of the issue price in respect of the Notes held by such investor will result in all the Notes being redeemed even if all other investors have paid the relevant installment.

The Notes may be redeemed by the Issuer prior to maturity at the option of the Issuer or for taxation reasons

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Issuer or, as the case may be, the Guarantor would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied specifically by or on behalf of the Kingdom of Spain or the Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may in certain circumstances redeem all outstanding Notes in accordance with the Conditions.

If in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In addition, in the case of Notes other than Inflation Linked Notes, Credit Linked Notes and Fund Linked Notes which are not linked in an ETF, if "AER Value Automatic Early Redemption Event" is specified as being applicable in the Pricing Supplement, on the occurrence of an Automatic Early Redemption Event the Notes will be automatically redeemed at their Automatic Early Redemption Amount. In the case of an Equity Linked Note or Inflation Linked Note, if an Additional Disruption Event occurs and "Delayed Redemption on the Occurrence of Additional Disruption Event" is not specified in the Pricing Supplement, the Issuer may redeem the Notes early. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the equivalent Notes and may only be able to do so at a significantly lower rate.

Likewise, if the relevant Pricing Supplement specifies the "Clean-Up Redemption Option" as being applicable to the Notes of a specific Series, the Issuer may have the option to redeem (in whole but not in part), on any date, a specific Series of Notes if a specific percentage, as stated in the relevant Pricing Supplement, of the initial aggregate nominal amount of the Notes of such Series have been previously redeemed or purchased by, or on behalf of, the Issuer and cancelled, as further described in Condition 6(f).

Any change in the Underlying Transactions or their market value may materially adversely affect the Buy-Back Price payable in respect of Notes in relation to which the Specific Buy-Back Provisions apply

If the Specific Buy-Back Provisions are specified as applicable in the Pricing Supplement, investors should be aware that the Issuer is not required to, but may at its option, maintain certain notional Underlying Transactions (as defined in Condition 6(l) (*Specific Buy-Back Provisions*) from time to time. In the event that the Notes are bought-back by the Issuer prior to their scheduled Maturity Date in accordance with the Specific Buy-Back Provisions, the price of the Notes shall reflect and shall be determined taking into consideration, but will not necessarily be the same as, the Market Value (as defined in Condition 6(l) (*Specific Buy-Back Provisions*) of such Underlying Transactions.

The Underlying Transactions, if any, will be selected from time to time by the Calculation Agent in its discretion and may be subject to change during the term of the Notes. In addition, the Issuer may elect not to maintain Underlying Transactions at any time, in which case the Issuer will not be able to buy back Notes in accordance with the Specific Buy-Back Provisions, although the Issuer may, at its option, purchase Notes at amounts other than the Buy-Back Price at any time. Any Underlying Transactions which are maintained at any time will, in any event, be notional transactions and the Issuer will not be required to maintain any actual transactions corresponding to Underlying Transactions. Any Underlying Transactions may have term(s) (or equivalent) which end prior to, on or after the Maturity Date of the Notes and/or notional amount(s) (or equivalent) that may be equal to or higher than the aggregate principal amount of the Notes. Information relating to the relevant Underlying Transactions (if any) will be made available to investors in accordance with the method of publication specified in the relevant Pricing Supplement.

In the event that an investor requests that the Issuer buy-back any such Notes held by it prior to their maturity, and the Issuer accepts such request, the price of the Notes (the "**Buy-Back Price**") will be determined in a commercially reasonable manner by Banco Santander, S.A., acting in its capacity as Calculation Agent, taking into consideration but will not necessarily be the same as the Market Value of the Underlying Transactions. Any change in the Underlying Transactions and the Market Value of the Underlying Transactions may therefore materially adversely affect the Buy-Back Price payable to the relevant investor, particularly where the Underlying Transactions have term(s) which end after the Maturity Date of the Notes and/or notional amount(s) that are higher than the aggregate principal amount of the Notes.

Investors should refer to the "*Investment Considerations*" section for further information.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed (or issued)) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If Notes in definitive form are issued (whether following exchange or as of the Issue Date), holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Notes which are issued at a substantial discount may experience price volatility in response to changes in market interest rates

The market value of Notes which are issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater price volatility as compared to conventional interest-bearing notes with comparable maturities.

Exchange rates will affect the calculation of the FX Factor

The FX Factor, where the Pricing Supplement states that it applies, reflects the performance of the Specified Currency and the FX Value Reference Currency (or, where the Foreign Exchange (FX) Rate Linked Note provisions apply, the Base Currency and Subject Currency) during the life of the Notes and will be applied to the calculation of certain amounts under the Notes. An investor is therefore directly exposed to the performance of such currencies. Where such performance is adverse this may result in an overall loss to an investor.

Risks relating to payment disruption events

Where the Pricing Supplement states that Payment Disruption Event applies, if a disruption event occurs which prohibits or prevents the Issuer from making a payment in respect of the Notes, such payment will be postponed to the earlier of: (i) a date falling 2 business days after the date on which such disruption event is no longer occurring or (ii) a date falling 60 calendar days following the scheduled due date for payment of the relevant amount, which, for the avoidance of doubt, may be later than the scheduled Maturity Date. No interest shall accrue and no event of default will result on account of such postponement. In the event the payment is postponed in accordance with (ii) above, the Issuer shall make payment of the relevant amount in U.S. Dollars, using an exchange rate to be determined by the Calculation Agent. As such, investors should note that they may be paid in a currency that is different from their investment and which may negatively impact the return on their investment.

Notes issued as Green Bonds, Social Bonds or Sustainable Bonds, as described in "Use of Proceeds", may not meet investor expectations or be suitable for an investor's investment criteria

The Pricing Supplement relating to any specific Tranche of Notes may provide that an amount equal to the whole or a part of such net proceeds will be applied by the Guarantor to eligible assets (such Notes being "**Green Bonds**", "**Social Bonds**" or "**Sustainable Bonds**"), as described in the Group's Green, Social and Sustainability Funding Global Framework, published on the Santander web-site (see "*Use of Proceeds*").

The Bank or any of its affiliates (as the case may be) will exercise its judgment and sole discretion in determining the eligible assets that will be financed by the proceeds of any such Notes. The Bank will endeavour to allocate such proceeds to relevant eligible assets within 36 months of the issue of the relevant Notes. Such eligible assets may not meet the Bank's or any of its affiliates' (as the case may be) sustainable development goals or relevant framework agreements relating to green financing, as the case may be. In such case, if an asset fails to ensure continued compliance with the eligibility criteria, or if early repayment of an asset occurs, the Bank and/or any of

its affiliates, as applicable, commits to replacing the asset with another one, respecting the eligibility criteria, within 12 months. Pending the allocation or reallocation, as the case may be, of the net proceeds of such Notes, the Guarantor or any of its affiliates, will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalent and/or other liquid marketable instruments.

Businesses or projects which are the subject of, or related to, the relevant framework agreements may not meet investor expectations or any binding or non-binding legal or other standards regarding environmental impact (including, amongst others, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy**"), the EU Taxonomy Climate Delegated Act adopted by the EU Commission on 21 April 2021 (jointly, the "**EU Taxonomy Regulation**") or, the **European Green Bond Regulation**. Such standards might include any present or future applicable law or regulations or under an investor's own by-laws or other governing rules, policies or investment mandates, in particular with regard to any direct or indirect environmental impact. The purchase of such Notes should be based upon such investigation as investors deem necessary.

Any Green Bonds will not be compliant with the European Green Bond Regulation and are only intended to comply with the requirements and processes in the Framework. It is not clear at this stage if the establishment under the European Green Bond Regulation of the "European Green Bond" or "EuGB" label and the optional disclosures regime for bonds issued as "environmentally sustainable" could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the "EuGB" label or the optional disclosures regime, such as the Green Bonds. This could result in reduced liquidity or lower demand or could otherwise affect the market price of any Green Bonds that do not comply with those standards proposed under the European Green Bond Regulation.

Furthermore, the Guarantor has no contractual obligation to allocate (or cause allocation of) the proceeds of any such Notes to finance particular businesses and projects or (except as stated in the Pricing Supplement) to provide reports or obtain any opinion or certification of a third party on, for example, the updated amount of proceeds allocated to particular businesses or projects or the environmental impacts of such financings. Even if any reports are provided or any opinion or certification obtained, these may not satisfy an investor's own by-laws or other governing rules, policies or investment mandates and such reports, opinions and/or certifications may be subject to amendment. Prospective investors must determine for themselves the relevance of any such report, opinion or certification and/or the provider of any report, opinion or certification for the purpose of any investment in such Notes. The providers of such report, opinions and certifications may not be subject to any specific regulatory or other regime or oversight.

Any:

(i) failure to apply the proceeds of any issue of Green Bonds, Social Bonds or Sustainable Bonds, as the case may be, in the manner described in the Green, Social and Sustainability Funding Global Framework and the Pricing Supplement;

(ii) withdrawal of any opinion or certification or any opinion or certification being superseded by an opinion or certification stating that the Guarantor has not complied, in whole or in part, with any matters on which the original opinion or certification had opined or certified; and/or

(iii) event or circumstances resulting in any issue of Green Bonds, Social Bonds or Sustainable Bonds, as the case may be, no longer being listed or admitted to trading on any stock exchange or securities market,

may have a material adverse effect on the value of Green Bonds, Social Bonds or Sustainable Bonds, as the case may be, and could also result in adverse consequences for certain investors with investment criteria or guidelines to invest in securities to be used for a particular purpose. Holders of Green Bonds, Social Bonds or Sustainable Bonds will not have any voting rights with regards to the terms of the Green, Social and Sustainability Funding Global Framework and any changes thereto, even if such changes will not be consistent with an investor's portfolio mandate.

There is currently no widely-accepted clear definition (legal, regulatory or otherwise) of, or market consensus as to what constitutes, a "green", "social", "sustainable" or an equivalently-labelled project or asset or as to what precise attributes are required for a particular project or asset to be defined as "green", "social", "sustainable" or such other equivalent label. Prospective investors should note a clear definition or consensus may not develop over time or if market consensus is developed, that any prevailing market consensus may significantly change. The EU Taxonomy Regulation establishes a basis for the determination of such a definition in the EU. However,

the EU Taxonomy remains subject to the implementation of delegated regulations by the European Commission on technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation. Likewise, the European Green Bond Regulation, includes a set of requirements that bonds and notes shall comply with in order to be labelled as "European Green Bonds".

Any of the above factors (and any events that negatively affect the value of any other securities of the Issuer that are intended to finance "green", "social", "sustainable" or equivalently labelled projects or assets) could have a material adverse effect on the value of such Notes.

For the avoidance of doubt, there will be no segregation of assets and liabilities in respect of the Green Bonds, Social Bonds or Sustainable Bonds. Accordingly, payments of principal and interest (as the case may be) on Green Bonds, Social Bonds and Sustainable Bonds shall not depend on the performance of any relevant project nor have any preferred right against such assets. Holders of any Green Bonds, Social Bonds or Sustainable Bonds shall have no preferential rights nor benefit from any arrangements to enhance the performance of the Notes.

2. Risk Factors Relating to Reference Item Linked Notes

Investors may lose some or all of the original investment amount

The amount payable (if any) to Holders on redemption of the Reference Item Linked Notes may be less than the principal amount invested by them in the Reference Item Linked Notes and may in certain circumstances be zero.

In order to realise a return upon an investment in the Reference Item Linked Notes, an investor must have correctly anticipated the timing and magnitude of an anticipated increase or the absence of a decrease in the value of the Reference Item Linked Notes relative to the Issue Price and must also be correct about when any change will occur. If the value of the Reference Item Linked Notes does not increase, or decrease, as the case may be, before such Reference Item Linked Notes are redeemed, part of the investor's investment in such Reference Item Linked Notes may be lost on such redemption. Other than in respect of Reference Item Linked Notes which are redeemable prior to the Maturity Date at the option of the Noteholder, the only means by which a Noteholder can realise value from its Reference Item Linked Notes prior to their Maturity Date is to sell such Reference Item Linked Notes at their then market price in the secondary market (if available) (see "*Illiquidity of the Secondary Market*" below).

Notes that are linked to a reference item and/or the obligations of a Reference Entity (as defined below) may be principal (or capital) protected or non-principal (or capital) protected at maturity. Investors in Notes which are not principal (or capital) protected may risk losing their entire investment (including the loss of any transaction costs paid by the investor) if the value of the reference item and/or obligation of a Reference Entity does not move in the anticipated direction. If the Notes are specified in the Pricing Supplement as having a minimum redemption amount, such Notes are principal (or capital) protected at maturity only and only to such extent. If Notes are redeemed or sold before their scheduled maturity or expiration, they may return less than the minimum redemption amount, the amount invested or even zero. In addition amounts payable may be subject to deductions for taxes or expenses.

Investors should note that certain Notes linked to the performance of the reference items or obligations of the Reference Entity, as the case may be, may not benefit from a minimum redemption amount or minimum cash settlement amount and investors may receive a cash amount the value of which may be less than the initial investment amount of the Notes and investors are exposed to the full loss of their investment (including the loss of any transaction costs paid by the investor).

Fluctuations in the value of the relevant underlying will affect the value of Reference Item Linked Notes

Fluctuations in the value of the relevant index or basket of indices (including the prices of securities included in an index or basket of indices) will affect the value of single index notes and basket of indices notes. In addition, fluctuations in the price of the relevant equity security or value of the basket of equity securities will affect the value of single equity notes and basket of equity notes. In both these cases and in the case of currency linked notes, fluctuations in the value of the currency or currencies in or to which the Reference Item Linked Notes or the underlying securities or index are denominated or linked will also affect the value of such Reference Item Linked Notes. Also, due to the character of the particular markets on which most equity securities are traded, the absence of last sale information and the limited availability of quotations for such equity securities may make it difficult for many investors to obtain timely, accurate data for the price or yield of such equity securities.

The terms and conditions of the Reference Item Linked Notes generally may include adjustment and early redemption provisions and other terms which along with general market conditions and the financial condition of the underlying reference entity may affect the amounts due and payable (if any) under such Reference Item Linked Notes and/or their Maturity Date. In these cases the Reference Item Linked Notes may be affected and may, in some cases, result in the Reference Item Linked Notes being redeemed early which may negatively impact the return to investors.

Many factors may adversely affect the value and trading price of Reference Item Linked Notes

Reference Item Linked Notes pose risks with regard to interim value. The interim value of the Reference Item Linked Notes varies with the price and is affected by a number of factors, many of which are beyond the Issuer's control, including but not limited to:

(i) market interest rates;

(ii) fluctuations in currency exchange rates;

(iii) fluctuations in commodities prices;

(iv) the liquidity of the Reference Item Linked Notes or any reference item(s) in the secondary market;

(v) the time remaining to any redemption date or the maturity date;

(vi) where the reference item(s) is/are credit linked, the creditworthiness of the specified reference entity or entities; and

(vii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which the Reference Item Linked Notes may be traded.

The effects of one or a combination of these factors may mean that a Noteholder will not be able to sell any Reference Item Linked Notes prior to maturity at a price equal to or greater than the market value of the Reference Item Linked Notes on the Issue Date and such Holder may only be able to sell Reference Item Linked Notes at a discount, which may be substantial.

Hedging activities may affect the market price, liquidity or value of Reference Item Linked Notes

In connection with the offering of the Reference Item Linked Notes, the Issuer, the Guarantor and/or any of its affiliates may enter into one or more hedging transactions with respect to any potential reference item(s) or related derivatives. In connection with such hedging activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer, the Guarantor and/or any of its affiliates may enter into transactions in the reference item(s) or related derivatives which may, but are not intended to, affect the market price, liquidity or value of the Reference Item Linked Notes and which could be deemed to be adverse to the interest of the relevant Noteholders.

Hedging transactions by the Issuer may affect the return on Reference Item Linked Notes

The Issuer may use a portion or all of the total proceeds from the issue of the Notes for transactions to hedge the risks of the Issuer relating to Reference Item Linked Notes. In such case, the Issuer may conclude transactions that correspond to the obligations of the Issuer under the Reference Item Linked Notes. As a rule, such transactions are concluded prior to or on the Issue Date, but it is also possible to conclude such transactions after issue of the Reference Item Linked Notes. On or before a valuation date or delivery date, the Issuer or its affiliates may take the steps necessary for closing out any hedging transactions. The price, level or value of a relevant underlying security, index or other underlying, or the portfolio of which a share, index or other underlying forms a part, may be influenced by such transactions. Entering into or closing out these hedging transactions may also influence the probability of occurrence or non-occurrence of determining events in the case of Reference Item Linked Notes with a value based on the occurrence of a certain event in relation to a relevant underlying security, index or other underlying, or the portfolio of which a share or index forms a part, which may in turn adversely affect the return (if any) received by investors.

Conflicts of interest between the Issuer, the Guarantor, the Dealers and their respective affiliates and the Noteholders

The Issuer, the Guarantor, the Dealers and their respective affiliates may:

(i) engage in trading and market-making activities and hold long or short positions in the relevant reference item(s) and other instruments or derivative products based on or related to the relevant reference item(s) for their proprietary accounts or for other accounts under their management;

(ii) issue Reference Item Linked Notes in respect of the relevant reference item(s) which are securities, or issue derivative instruments in respect thereof;

(iii) serve as issuer, agent, manager or underwriter of such securities or other instruments;

(iv) act as underwriter in connection with future offerings of securities which comprise the reference items; and

(v) act as financial advisers to certain underlying companies or reference entities.

The Issuer's, the Guarantor's, the Dealers' and their respective affiliates' interests with respect to such securities, instruments and products may be adverse to those of the Noteholders and such activities could present certain conflicts of interest, could influence the prices of such reference items and could adversely affect the value of the Reference Item Linked Notes. Potential conflicts of interest may also arise in connection with an issue of Notes, as any distributors or other entities involved in the offer and/or the listing of such Notes, will act pursuant to a mandate granted by the Issuer and can receive commissions and/or fees on the basis of the services performed in relation to such offer and/or listing.

Additionally, if acting as calculation agent for Equity Linked Notes or Inflation Linked Notes linked to one or more securities or indices or EUA Contract Linked Notes, the Guarantor or the Issuer will determine the payout to the investor at maturity. The Issuer, the Guarantor, the Dealers and their respective affiliates may also carry out hedging activities related to any Equity Linked Notes or Inflation Linked Notes linked to one or more securities or indices or EUA Contract Linked Notes, including trading in the underlying securities and/or indices, as well as in other instruments related to the underlying securities and/or indices. The Issuer, the Guarantor, the Dealers and their respective affiliates may also trade the applicable underlying securities and/or indices and other financial instruments related to the underlying securities and/or indices on a regular basis as part of their general broker-dealer and other businesses. Any of these activities could influence the Calculation Agent's determination of adjustments made to any Equity Linked Notes or Inflation Linked Notes linked to one or more securities and/or indices and any such trading activity could potentially affect the price, level or value of the underlying securities and/or indices and or EUA Contract Linked Notes, accordingly, could affect the investor's payout on any Equity Linked Notes or Inflation Linked Notes or EUA Contract Linked Notes.

The Calculation Agent has broad discretion and may take action which affects the relevant underlying reference item and/or the value of Reference Item Linked Notes

Investors should note that, in exercising its duties in relation to Reference Item Linked Notes, the Calculation Agent may have considerable discretion in relation to certain matters which may affect amounts due and payable under the Reference Item Linked Notes and/or their Maturity Date including (without limitation) the replacement of an underlying index, share or other asset, modification of amounts otherwise payable on redemption or determining the closing price and/or potential early redemption of the Reference Item Linked Notes.

The Calculation Agent may make such adjustments as it considers appropriate as a consequence of certain corporate actions affecting the relevant underlying share or index. In making these adjustments, the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest, including the conflicts of interest highlighted above, in exercising this discretion.

Illiquidity of the Secondary Market

There may be no secondary market for the Reference Item Linked Notes. If a secondary market does exist, it may be illiquid and investors may find it difficult to trade the Reference Item Linked Notes. The number of Reference Item Linked Notes of any Series may be relatively small, further adversely affecting the liquidity of such Reference Item Linked Notes.

Noteholders will not obtain any rights of ownership in the Reference Item(s)

Purchasers of Notes should be aware that the Issuer is under no obligation to hold a position in any Reference Item(s) and should note that the relevant Reference Item(s) that may be held by the Issuer will not be held by the Issuer for the benefit of the purchasers of such Notes and, as such, Noteholders will not obtain any rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any Reference Item referenced by such Notes.

The past performance of a Reference Item is not indicative of future performance

There is a risk that Reference Items perform differently than in the past and consequently any information about the past performance of the Reference Item at the time of the issuance of the Notes should not be regarded as indicative of the range of, or trends in, fluctuations in the Reference Item that may occur in the future.

Switchable Notes may result in materially lower investment returns

If, in relation to a Series of Notes, interest rate payout formula "Rate of Interest (xxxi) – Switchable" applies or final payout formula "Redemption (xix)" "Switchable" applies, the Issuer has a right to exercise the Switch Condition. The Issuer may exercise this right in its sole and absolute discretion. If the Issuer exercises the Switch Condition, the way in which the interest rate payouts and/or the final payout (as applicable) are determined will change. These changes may be detrimental to investors and could result in materially lower investment returns.

3. Risks Relating to Specific Types of Reference Item Linked Notes

Risks Relating to Fund Linked Notes

An investment in Fund Linked Notes is not comparable to an investment in a conventional debt security

An investment in Fund Linked Notes will entail significant risks not associated with an investment in a conventional debt security. Payments in respect of Fund Linked Notes will be calculated by reference to units, interests or shares in a single fund or basket of funds on such terms as set out in the Pricing Supplement, and the price of units or shares in a fund may be affected by the performance of the fund service providers, and in particular the investment adviser. Where the Issuer issues Fund Linked Notes linked to one or more funds, including hedge funds, mutual funds, private equity funds or exchange traded funds, the relevant Fund Linked Notes reflect the performance of such fund(s). Accordingly, an investment in Fund Linked Notes may bear similar market risks to a direct fund investment. If the underlying fund does not perform sufficiently well, the value of the Fund Linked Notes will fall, and may in certain circumstances be zero.

In relation to ETFs (as defined below), see also "*Risks Relating to ETF Linked Notes*".

The return on Fund Linked Notes may be significantly less than the reported performance of the relevant fund(s) and may be zero

The amount payable (if any) in respect of Fund Linked Notes will be dependent on the performance of the relevant fund(s) underlying the Fund Linked Notes, which (as applicable) may be linked to the NAV per Fund Share and/or the actual redemption proceeds the Hedge Provider or a (hypothetical) investor in the relevant fund(s) would receive. The amount payable (if any) in respect of the Fund Linked Notes may be less than the amount payable from a direct investment in the relevant fund(s). In certain circumstances, a fund may continue reporting a NAV per Fund Share (or Aggregate Fund Shares NAV, as the case may be), but the Hedge Provider or a (hypothetical) investor may not be able to realise their investment in the relevant fund(s) at such reported NAV per Fund Share (or the corresponding NAV per Fund Share as calculated by the Calculation Agent). In such a case, the return on the Fund Linked Notes may be less and in certain circumstances may be significantly less than the reported performance of the relevant fund(s) and may be zero.

Fund Linked Notes may be cancelled, adjusted or redeemed early in certain circumstances

Fund Linked Notes may be subject to cancellation or early redemption or adjustment (including as to valuation and fund substitutions) if certain corporate events (such as insolvency (or analogous event) occurring with respect to a fund; litigation against, or regulatory events occurring with respect to, a fund; suspensions of fund subscriptions or redemptions; certain changes in net asset value of a fund; or modifications to the investment objectives or changes in the nature or administration of a fund) occur, if certain valuation or settlement disruption events occur with respect to a fund, or if certain events (such as illegality, disruptions or cost increases occur).

The issuer of fund shares or units may not disclose all relevant information

No fund service provider will have participated in the preparation of the relevant Pricing Supplement or in establishing the terms of the Fund Linked Notes, and none of the Issuer, the Guarantor or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of fund shares or units contained in such Pricing Supplement or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in any relevant Pricing Supplement) that would affect the trading price of the fund shares or units will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of fund shares or units could affect the trading price of the fund shares or units and therefore the trading price of the Fund Linked Notes.

Holders will have no participation or ownership rights in relation to the underlying fund(s)

Fund Linked Notes do not provide Holders with any participation rights in the underlying fund(s) and do not entitle holders of Fund Linked Notes to any ownership interest or rights in such fund(s). Except as may be otherwise provided in the Conditions and/or the relevant Pricing Supplement, Holders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant fund shares or units to which such Notes relate.

Fund trading strategies are complex, opaque and create the risk of significant losses which may reduce any amount payable to holders of Fund Linked Notes

Funds may trade and invest in a broad range of investments and financial instruments using sophisticated investment techniques for hedging and non-hedging purposes such as debt and equity securities, commodities and foreign exchange and may enter into derivative transactions, including, without limitation, futures, swaps and options. Such financial instruments and investment techniques may also include, but are not limited to, the use of leverage, short sales of securities, transactions that involve the lending of securities to financial institutions, the entry into repurchase and reverse repurchase agreements for securities and the investment in foreign securities and foreign currencies. These investment strategies and financial instruments create the risk of significant losses that may adversely affect the value of the fund and therefore the return on the Fund Linked Notes. Potential investors should be aware that none of the Issuer, the Guarantor, the Dealers or the Calculation Agent have any control over investments made by a fund and poor performance of a fund may significantly reduce the amount payable (if any) to Holders on cancellation or redemption, as applicable, of any Fund Linked Notes. Funds may often be illiquid and may only be traded on a monthly, quarterly or even less frequent basis. The trading strategies of funds are often opaque. Funds, as well as the markets and instruments in which they invest, are often not subject to review by governmental authorities, self-regulatory organisations or other supervisory authorities. Consequently, Holders may be exposed to the volatility in the performance of the relevant Funds which may affect the overall return on their investment.

The Hedging Provider may hedge the Issuer's obligations under Fund Linked Notes without regard to the interests of holders

In hedging the Issuer's obligations under the Fund Linked Notes, the Hedge Provider is not restricted to any particular hedging practice. Accordingly, the Hedge Provider may hedge its exposure using any method it, in its sole discretion, deems appropriate, including, but not limited to, investing in the relevant fund(s), replicating the performance of the relevant fund(s) or holding any of the assets underlying the relevant fund(s). The Hedge Provider may perform any number of different hedging practices with respect to Fund Linked Notes and is not required to have regard to the interests of holders of Fund Linked Notes, notwithstanding that its actions may ultimately result in holders receiving a lower return on their investment.

The occurrence of Extraordinary Fund Events may adversely affect the value or liquidity of the Fund Linked Notes

If certain events ("**Extraordinary Fund Events**") including events in the determination of the Calculation Agent occur, the Issuer or, as the case may be, the Guarantor may, in its sole and absolute discretion, take no action, adjust the terms of the Fund Linked Notes to reflect such event, substitute the relevant Fund Shares or redeem the Fund Linked Notes.

Consequently the occurrence of an Extraordinary Fund Event may have an adverse effect on the value or liquidity of the Fund Linked Notes. In addition, in the event that redemption proceeds in respect of the underlying Fund Shares are not received by the Hedge Provider on or prior to the scheduled date for settlement, such settlement

date may be postponed for such period as may be specified in the Pricing Supplement and no additional amount shall be payable as a result of such delay.

The Issuer will exercise its rights under the Fund Linked Note Conditions, including in particular the action it takes on the occurrence of an Extraordinary Fund Event, in its sole and absolute discretion. Subject to all regulatory obligations, none of the Issuer, the Guarantor, any Dealer or the Calculation Agent owes any duty or responsibility to any of the Holders of the Fund Linked Notes. The exercise of such rights in such manner may result in a greater loss in performance of the Fund Linked Notes than if the Issuer had taken different action.

A fund may be established as part of a master-feeder fund structure. Generally, a master-feeder fund structure involves the incorporation of a "master" fund company into which separate and distinct "feeder" funds invest. Active management of any investment strategy is, generally, performed at the master fund level. In instances where the fund(s) underlying the relevant Fund Linked Notes are "feeder" funds, the Extraordinary Fund Events extend to include the "master" fund and its service providers.

Risks Relating to ETF Linked Notes

An investment in ETF Linked Notes is not comparable to an investment in a conventional debt security

The Issuer may issue Notes where the amount of principal and/or interest payable in respect of the Notes are dependent upon the price or changes in the price of units or shares in an exchange traded fund or funds ("**ETFs**") ("**ETF Linked Notes**"). Accordingly an investment in ETF Linked Notes may bear similar market risks to a direct ETF investment but also entail significant risks not associated with an investment in a conventional ETF investment. Depending on the terms of the ETF Linked Notes (i) no or a limited amount of interest may be payable to Holders, (ii) payment of principal or interest may occur at a different time than expected and (iii) Holders may lose all or a substantial portion of their investment. In addition, the movements in the price of units, shares or interests in the ETFs may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the units or shares in the ETFs may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the units, shares or interests in the ETFs, the greater the effect on yield and the return for investors.

Holders will be exposed to the volatility of the market price of ETF Linked Notes

The market price of ETF Linked Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of units or shares in the ETFs. The price of units or shares in an ETF may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units or shares in the ETFs may be traded. In addition, the price of units or shares in an ETF may be affected by the performance of the fund service providers, and, in particular, the investment advisor. None of the Issuer, the Guarantor, any affiliate of the Issuer or Guarantor or the Calculation Agent make any representation as to the creditworthiness of any relevant ETF or any such fund's administrative, custodian, investment manager or adviser.

The value of ETF Linked Notes is linked to the performance of the underlying ETFs which may affect the overall return on investment

The relevant ETFs may trade and invest in a broad range of investments such as debt and equity securities, commodities or commodity indices and foreign exchange and may enter into derivative transactions, including, without limitation, futures and options. The relevant ETFs may often be illiquid and may only be traded on a monthly, quarterly or even less frequent basis. The trading strategies of ETFs are often opaque. The ETFs, as well as the markets and instruments in which they invest, are often not subject to review by governmental authorities, self-regulatory organisations or other supervisory authorities. Consequently, Holders may be exposed to the volatility in the performance of the ETFs which may affect the overall return on their investment.

The occurrence of Potential ETF Events or Extraordinary ETF Events may adversely affect the value or liquidity of the ETF Linked Notes

In the event of the occurrence of certain events ("**Potential ETF Events**"), the Calculation Agent may seek to make adjustments in accordance with the ETF Linked Conditions which may reduce the overall return on investment. If certain events ("**Extraordinary ETF Events**") including events in the determination of the Calculation Agent occur, the Issuer may, take no action, require the Calculation Agent, in its sole and absolute discretion, to determine the adjustments (if any) to be made to the terms of the ETF Linked Notes to reflect such

event, substitute the relevant ETF Shares or redeem the ETF Linked Notes. Consequently the occurrence of an Extraordinary Fund Event may have an adverse effect on the value or liquidity of the ETF Linked Notes.

The Issuer will exercise its rights under the ETF Linked Note Conditions, including in particular the action it takes on the occurrence of an Extraordinary ETF Event, in its sole and absolute discretion. Subject to all regulatory obligations, none of the Issuer, the Guarantor, any Dealer or the Calculation Agent owes any duty or responsibility to any of the Holders of the ETF Linked Notes. The exercise of such rights in such manner may result in a greater loss in performance of the ETF Linked Notes than if the Issuer had taken different action.

Risks Relating to Equity Linked Notes

Investors have no shareholder rights

As an owner of Equity Linked Notes, investors will not have voting rights or rights to receive dividends, interest or other distributions, as applicable, or any other rights with respect to any underlying security or index.

Risk of automatic early redemption in respect of Equity Linked Notes

In relation to certain Equity Linked Notes, Equity Linked Notes will be automatically redeemed prior to their maturity if certain conditions specified in the relevant Pricing Supplement are met. Notes of this type have an uncertain maturity date. Where such Notes are redeemed prior to their scheduled maturity date, investors may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the equivalent Equity Linked Notes.

Risks Common to Equity Linked and Inflation Linked Notes

Investors are exposed to certain key risks, including a loss of all or a substantial portion of their investment

An investment in Equity Linked or Inflation Linked Notes entails certain risks as set out below, which may vary depending on the specification and type or structure of the Equity Linked or Inflation Linked Notes. Potential investors in Equity Linked or Inflation Linked Notes should be aware that:

(a) they may lose all or a substantial portion of their principal or investment, depending on the performance of each relevant underlying security or index;

(b) the market price of such Equity Linked or Inflation Linked Notes may be very volatile;

(c) investors in Equity Linked or Inflation Linked Notes may receive no interest;

(d) a relevant underlying security or index may be subject to significant fluctuations that may not correlate with changes in securities prices, indices or inflation indices;

(e) any Dividend Index may carry additional specific risks not associated with a normal share index, in particular since such index will relate to dividend payments, if any, of relevant reference shares, instead of share prices;

(f) if a relevant underlying security or index is applied to Equity Linked Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the relevant underlying security or index on principal or interest payable on such Inflation Linked Notes is likely to be magnified; and

(g) the timing of changes in a relevant underlying security or index may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant underlying security or index, the greater the effect on yield.

Equity Linked and Inflation Linked Notes are not ordinary debt securities

The terms of Equity Linked or Inflation Linked Notes differ from those of ordinary debt securities because the Equity Linked or Inflation Linked Notes may not pay interest on maturity, depending on the performance of the relevant underlying security or notes or may return less than the amount invested or nothing. The price of Equity Linked Notes or Inflation Linked Notes may fall in value as rapidly as it may rise, and investors in Equity Linked Notes or Inflation Linked Notes may potentially lose all of their investment.

Prospective investors should refer to the "*Investment Considerations*" section and in particular the section therein entitled "*Considerations relating to whether an investment in Equity Linked and Inflation Linked Notes is suitable for a particular investor*".

The value of Equity Linked and Inflation Linked Notes may be substantially reduced by unpredictable factors

The value of the Equity Linked Notes or Inflation Linked Notes may be substantially reduced by several factors beyond the Issuer's and the Guarantor's control including:

1. *Valuation of the relevant underlying security or index*. The market price or value of an Equity Linked Note or Inflation Linked Note at any time is expected to be affected primarily by changes in the price, level or value of the relevant underlying security or index to which the Equity Linked Notes or Inflation Linked Notes are linked. It is impossible to predict how the price, level or value of the relevant underlying security or index will vary over time. The historical performance value (if any) of the relevant underlying security or index does not indicate the future performance of the relevant underlying security or index. Factors which may have an effect on the price, level or value of the relevant underlying security or index include the rate of return of the relevant underlying security or index and, where relevant, the financial position and prospects of the issuer of the relevant underlying security or index, the market price, level or value of the applicable underlying security, index, or inflation index, or basket of securities, indices, or inflation indices. In addition, the price, level or value of the relevant underlying security or index may depend on a number of inter-related factors, including economic, financial and political events and their effect on the capital markets generally and relevant stock exchanges. Potential investors should also note that while the value of the Equity Linked or Inflation Linked Notes is linked to the relevant underlying security or index and will be influenced (positively or negatively) by the relevant underlying security or index, any change may not be comparable and may be disproportionate. It is possible that while the relevant underlying security or index is increasing in value, the value of the Equity Linked Notes or Inflation Linked Notes may fall. Further, the Additional Terms and Conditions of the Equity Linked Notes or Inflation Linked Notes will allow the Calculation Agent to make adjustments or take any other appropriate action if circumstances occur where the Equity Linked or Inflation Linked Notes or any exchanges or price sources are affected by market disruption, adjustment events or circumstances affecting normal activities;

2. *Volatility*. The term "volatility" refers to the actual and anticipated frequency and magnitude of changes of the market price, level or value with respect to a relevant underlying security or index. Volatility is affected by a number of factors, such as macroeconomic factors (i.e. those economic factors which have broad economic effects), speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of a relevant underlying security or index will move up and down over time (sometimes more sharply than at other times) and different relevant underlying security or index will most likely have separate volatilities at any particular time;

3. *Dividend rates and other distributions*. The value of certain Equity Linked Notes could, in certain circumstances, be affected by fluctuations in the actual or anticipated rates of dividend (if any) or other distributions on a relevant underlying security;

4. *Interest rates*. Investments in the Equity Linked Notes or Inflation Linked Notes may involve interest rate risk. The interest rate level may fluctuate on a daily basis and cause the value of the Equity Linked Notes or Inflation Linked Notes to change on a daily basis. The interest rate risk is a result of the uncertainty with respect to future changes of the market interest rate level. In general, the effects of this risk increase as the market interest rates increase;

5. *Remaining term*. Generally, the effect of pricing factors over the term of Equity Linked Notes or Inflation Linked Notes will decrease as the maturity, date approaches. However, this reduction in the effect of pricing factors will not necessarily develop consistently up until the maturity date, but may undergo temporary acceleration and/or deceleration. Even if the price, level or value of the relevant underlying share or index rises or falls there may be a reduction or increase, as the case may be, in the value of Equity Linked Notes or Inflation Linked Notes due to the other value determining factors. Given that the term of Equity Linked Notes or Inflation Linked Notes is limited, investors cannot rely on the price, level or value of the relevant underlying share or index or the value of the Equity Linked Notes or Inflation Linked Notes recovering again prior to maturity;

6. *Creditworthiness*. Investors are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights against any other person. If the Issuer or the Guarantor becomes insolvent, investors may suffer potential loss of their entire investment irrespective of any favourable development of the other value determining factors, such as a relevant underlying share or index; and

7. *Exchange Rates*. The value of Equity Linked Notes or Inflation Linked Notes could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Equity Linked Notes or Inflation Linked Notes is to be made and any currency in which a relevant underlying share or index is traded, appreciation or depreciation of any such currencies and any existing or future or governmental or other restrictions on the exchangeability of such currencies. Rates of exchange between any relevant currencies which are current rates at the date of issue of the Equity Linked Notes or Inflation Linked Notes may not be representative of the relevant rates of exchange used in computing the value of the Equity Linked Notes or Inflation Linked Notes at any time thereafter.

Some or all of the above factors will influence the price that investors will receive if an investor sells its Equity Linked Notes or Inflation Linked Notes prior to maturity. Investors may have to sell certain Equity Linked Notes or Inflation Linked Notes at a substantial discount from the principal amount or investment amount if the market price, level or value of the applicable relevant underlying share or index is at, below, or not sufficiently above the initial market price, level or value or if market interest rates rise. The secondary market price of the Equity Linked Notes or Inflation Linked Notes may be lower than the market value of the issued Equity Linked Notes or Inflation Linked Notes as at the Issue Date to take into account, among other things, amounts paid to distributors and other intermediaries relating to the issue and sale of the Equity Linked Notes or Inflation Linked Notes and amounts relating to the hedging of the Issuer's obligations. As a result of all of these factors, any investor that sells the Equity Linked Notes or Inflation Linked Notes before the stated expiration or maturity date, may receive an amount in the secondary market which may be less than the then intrinsic market value of the Equity Linked Notes or Inflation Linked Notes and which may also be less than the amount (if any) the investor would have received had the investor held the Equity Linked or Inflation Linked Notes through to maturity.

Market Disruption Events and Disrupted Days may result in adjustments and/or early redemption of Notes

The Calculation Agent may determine that a Market Disruption Event or a failure to open of an Exchange or Related Exchange has occurred or exists on a relevant date of valuation, and any consequential postponement of such date of valuation may have an adverse effect on the value of the Equity Linked or Inflation Linked Notes.

In addition, the Calculation Agent may make adjustments to Equity Linked or Inflation Linked Notes to account for relevant adjustments or events in relation to the relevant underlying share or index including, but not limited to, determining a successor to the relevant underlying share or index or its sponsor (in the case of an index). In addition, in certain circumstances, the Issuer may redeem the Equity Linked or Inflation Linked Notes prior to the Maturity Date following any such event. In this case, in relation to each Equity Linked or Inflation Linked Note, the Issuer will pay an amount, if any, determined as provided in the Terms and Conditions.

There may be correlation risk in the use of Equity Linked or Inflation Linked Notes as hedging instruments

Any person intending to use Equity Linked or Inflation Linked Notes as a hedging instrument should recognise the "correlation risk" of doing this. Correlation risk is the potential differences in exposure for a potential investor that may arise from the ownership of more than one financial instrument. Equity Linked or Inflation Linked Notes may not hedge exactly a relevant underlying security or index or portfolio of which a relevant security or index forms a part. In addition, it may not be possible to liquidate Equity Linked or Inflation Linked Notes at a price which directly reflects the price, level or value of the relevant underlying security or index or portfolio of which a share or index forms part. Potential investors should not rely on the ability to conclude transactions during the term of the Equity Linked or Inflation Linked Notes to offset or limit the relevant risks. This depends on the market situation and the specific relevant underlying security or index conditions. It is possible that such transactions will only be concluded at an unfavourable market price, resulting in a corresponding loss for the Noteholder.

There are additional risks in relation to Equity Linked Notes or Inflation Linked Notes linked to a single emerging market security, a single emerging market index, or a basket of securities or a basket of indices composed, in part or in whole, of emerging market securities or indices

Fluctuations in the trading prices of the underlying emerging market equity will affect the value of Equity Linked Notes or Inflation Linked Notes. Changes may result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the related countries or member nations, including economic and political developments in other countries. Of particular importance to potential risks are: (i) rates of inflation; (ii) interest rate levels; (iii) balance of payments; and (iv) the extent of governmental surpluses or deficits in the relevant country. All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the related countries, the governments of the related countries and member nations (if any), and other countries important to international trade and finance. Government intervention could materially and adversely affect the value of such Equity Linked or Inflation Linked Notes. Governments use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes to affect the trading of the underlying equity. Thus, a special risk in purchasing such Equity Linked or Inflation Linked Notes is that their trading value and amount payable (if any) at maturity could be affected by the actions of governments, fluctuations in response to other market forces and the movement of currencies across borders. Emerging markets stocks may be more volatile than the stocks in more developed markets.

Liquidity may affect the pricing of the relevant underlying security or index on Equity Linked and Inflation Linked Note

The Issuer's and its affiliates' hedging costs tend to be higher the less liquidity the relevant underlying security or index has or the greater the difference between the "buy" and "sell" prices for the relevant underlying security or index or derivatives contracts referenced to the relevant underlying security or index. When quoting prices for Equity Linked or Inflation Linked Notes, the Issuer will factor in such hedging costs and will pass them on to the Noteholders by incorporating them into the "buy" and "sell" prices. Thus, Noteholders selling their Equity Linked or Inflation Linked Notes on an exchange or on the over-the-counter market may be doing so at a price that is substantially lower than the actual value of the Equity Linked or Inflation Linked Notes at the time of sale.

The Issuer and the Guarantor may deal with underlying companies but do not control them

The Issuer or the Guarantor or their respective subsidiaries may presently or from time to time engage in business with any underlying company, including entering into loans with, or making equity investments in, the underlying company or its affiliates or subsidiaries or providing investment advisory services to the underlying company, including merger and acquisition advisory services. Moreover, neither the Issuer nor the Guarantor has the ability to control or predict the actions of the underlying company or index publisher, including any actions, or reconstitution of index components, of the type that would require the calculation agent to adjust the payout to the investor at maturity.

Fluctuations in the value of components of underlying securities or indices may be offset by other fluctuations and there may be exchange rate risk

Fluctuations in the value of any one component of the relevant underlying security or index may, where applicable, be offset or intensified by fluctuations in the value of other components. Where the value of the components of the relevant underlying security or index is determined in a different currency to the value of the relevant underlying security or index, investors may be exposed to exchange rate risk.

Exchange rates and exchange controls may affect the value or return of the Equity Linked or Inflation Linked Notes

Investors in an Equity Linked or Inflation Linked Note denominated in, or the return on which is linked to value for a relevant underlying security or index denominated in currencies other than an investor's home currency are exposed to the risk of significant changes in rates of exchange between its home currency and the other relevant currencies and the possibility of the imposition or modification of exchange controls by the relevant governmental authorities. These risks generally depend on economic and political events over which the Issuer has no control. Depreciation against the investor's home currency or the currency of the return on an Equity Linked or Inflation Linked Note would result in a decrease in the effective yield of the Equity Linked or Inflation Linked Note below its coupon rate and could result in an overall loss to an investor on the basis of the investor's home currency.

In addition, investors in UVR Inflation-Adjusted Notes, UDI Inflation-Adjusted Notes or UF Inflation-Adjusted Notes should understand that the payments in respect of such Notes are adjusted by reference to the UVR Index,

UDI Index or UF Index, as applicable, in effect on the applicable payment date and so the return for investors is exposed to fluctuations in the relevant rate. In addition if certain changes are made in relation to such rate and other factors then the Calculation Agent is entitled to determine consequential adjustments to the Conditions or to determine that the Notes will be repayable at the Early Redemption Amount. In either case this means that investors will be exposed to the risk that such changes to the relevant rate occur and this may reduce the return on the Notes for investors.

Risks relating to Foreign Exchange (FX) Rate Linked Notes

Investors may lose all or a substantial portion of their investment

Potential investors in any such Notes should be aware that, depending on the terms of the Foreign Exchange (FX) Rate Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time or in a different currency than expected and (iii) they may lose a substantial portion or all of their investment. In addition, movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in currency exchange rates, the greater the effect on yield.

Movements in the foreign exchange rate(s) to which the Foreign Exchange (FX) Rate Linked Notes are linked may adversely affect the value of and return on the Foreign Exchange (FX) Rate Linked Notes

The Issuer may issue Notes where the amount of principal and/or interest payable in respect of the Notes are dependent upon movements in currency exchange rates or are payable in one or more currencies which may be different from the currency in which the Notes are denominated ("**Foreign Exchange (FX) Rate Linked Notes**"). Accordingly an investment in Foreign Exchange (FX) Rate Linked Notes may bear similar market risks to a direct foreign exchange investment.

The foreign exchange rate(s) to which the Notes are linked will affect the nature and value of the investment return on the Notes. The performance of foreign exchange rates are dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency. Where the Notes are linked to the currency of an emerging market jurisdiction, such risks may be magnified – see "*Risks in relation to emerging market currencies*" below.

If the amount of principal and/or interest payable are dependent upon movements in currency exchange rates and are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on principal or interest payable will be magnified.

The occurrence of disruption events may result in the restriction or variation of payments and other obligations under the Foreign Exchange (FX) Rate Linked Notes

Payments of principal and interest or other obligations of the Issuer in respect of any Foreign Exchange (FX) Rate Linked Notes may be restricted or varied upon the occurrence of certain disruption events applicable to the Notes. A relevant disruption event for an exchange rate may relate to the inability to obtain a price for the exchange rate from the applicable price source(s), illiquidity, the split of any relevant currency into a dual exchange rate, inconvertibility, non-transferability, a material change in circumstances in the jurisdiction of the Subject Currency that makes it impossible to fulfil certain hedging arrangements, a nationalisation or variations in the prices quoted for the exchange on different sources being greater than a specified percentage threshold (or not quoted for by members of a survey used to determine such source) if specified for that rate in the terms and conditions of the Notes and/or the Pricing Supplement.

Following a relevant disruption event, the applicable valuation date may be postponed so long as the relevant disruption event continues, the Calculation Agent may determine the applicable exchange rate, the Notes may be redeemed early (or on the originally designated date) by payment of the applicable early redemption amount rather than any amount that would have otherwise been calculated in respect of and due on the relevant date, the related

date for payment may be deferred so long as the relevant disruption event continues or a fallback reference price source or sources may be used to calculate the rate instead of the originally designated price source. Consequently, investors are exposed to the risk of an adverse effect on (i) the amounts due in respect of, the Notes due to the occurrence of any disruption event and application of the related disruption fallback(s); or (ii) an investor's investment schedule, timetable or plans if any due date for payment under the Notes is postponed as a consequence of a disruption event.

Risks in relation to emerging market currencies

Where the Notes are denominated in an emerging market currency or linked to one or more emerging market currency, amounts determined to be due in respect of such Notes may be significantly more volatile and subject to less certainty as to future rates than if the Notes were linked to currencies of more developed markets. For example, emerging markets' currencies are highly exposed to the risk of a currency crisis occurring in the future.

In particular, policies or actions of any relevant governments of the jurisdictions of the Subject Currencies and Base Currencies (the "**Currency Jurisdictions**") could adversely affect the relevant exchange rate(s) (such as through market interventions of their central banks or equivalent bodies; governmental action which changes or interferes with currency valuations or currency fluctuations that would otherwise occur in response to economic forces; and restrictions on foreign investment and currency convertibility or movement across borders). Non-governmental action may also directly or indirectly adversely affect the relevant exchange rates (such as through weak overall growth and performance of each applicable Currency Jurisdiction's economy and stock exchanges; political, economic and social uncertainty, including risks of nationalisation and expropriation of assets and natural disasters; or wars which affect any Currency Jurisdiction directly or indirectly).

Investors should note that the risk of occurrence and the severity of consequence of the matters described above may be greater with respect to any emerging market jurisdiction than they otherwise would be in relation to more developed countries. Economies in emerging markets are generally more heavily dependent upon international trade, and accordingly, may be affected adversely by trade barriers, foreign exchange controls (including taxes), managed adjustments in relative currency values and other protectionist measures imposed or negotiated with countries with which they trade.

The occurrence of any of the above circumstances may have an adverse effect on the value of the Notes and amounts due, or the date for payment thereunder.

General risks relating to Credit Linked Notes

There are specific risks relating to Credit Linked Notes

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon whether certain events ("**Credit Events**") have occurred in respect of one or more entities (together "**Reference Entities**" and each, a "**Reference Entity**") and, if so, on the value of certain specified debt obligations of such Reference Entity(ies).

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

The market price of such Notes may be volatile and will be affected by, amongst other things, the time remaining to the redemption date 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, over which neither the Issuer nor Guarantor has control.

This Offering Memorandum contains Additional Terms and Conditions for Credit Linked Notes with terms based on (but not identical to) the 2014 Credit Derivatives Definitions published by the International Swaps and Derivatives Association, Inc. (the "**2014 ISDA Definitions**") which are set out in *Annex 5*. In this respect investors should have regard to the risk factor entitled "*ISDA Credit Derivatives Definitions*".

The Issuer's obligations in respect of Credit Linked Notes are irrespective of the existence or amount of the Issuer's and/or any affiliates' credit exposure to a 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.

If Credit Linked Redemption is applicable the occurrence of Credit Events may affect the redemption date of the Notes

Credit Linked Notes in respect of which Credit Linked Redemption is applicable may be redeemed prior to their scheduled maturity, save where: (i) Maturity Credit Redemption applies; or (ii) the Notes are Tranched Linear Basket Credit Linked Notes or Tranched Index Credit Linked Notes or Basket Tranched Credit Linked Notes or Long/Short Credit Linked Notes; or (iii) the Notes are Non-Tranched Linear Basket Credit Linked Notes or Non-Tranched Index Credit Linked Notes where Credit Payment on Maturity applies. However, where the Credit Event Redemption Amount payable in respect of Notes described in (ii) or (iii) of the foregoing section is zero and Credit Linked Redemption is applicable, the Notes will be redeemed early. Where such Notes are redeemed early following a Credit Event, investors may lose some or all of the principal invested and will not receive the full amount of interest (if any) to the extent that interest on the Note is also Credit Linked.

Where Maturity Credit Redemption applies or where the Notes are Non-Tranched Linear Basket Credit Linked Notes or Non-Tranched Index Credit Linked Notes where Credit Payment on Maturity Applies (as specified in the Pricing Supplement) or where the Notes are Tranched Linear Basket Credit Linked Notes, Tranched Index Credit Linked Notes, Basket Tranched Index Credit Linked Notes or Long/Short Credit Linked Notes, in each case in respect of which Credit Linked Redemption is applicable, maturity of the Credit Linked Notes may be delayed until scheduled maturity of the Credit Linked Notes. Investors may therefore be forced to wait a significant time following the occurrence of the relevant Credit Event before they receive the redemption amount owed (if any).

If Credit Linked Redemption is applicable, the occurrence of a Credit Event may affect the amount payable on redemption of the Notes

Where Credit Linked Redemption is applicable and cash settlement or auction settlement applies, the occurrence of a Credit Event in relation to any Reference Entity from time to time may result in a redemption of the Notes in a reduced principal amount or at zero meaning that investors may lose some or all of the principal amount invested.

Increased credit risk is associated with "First-to-Default" or "Nth-to-Default" Credit Linked Notes, Linear Basket Credit Linked Notes or Index Credit Linked Notes or Long/Short Credit Linked Notes

Where the Notes are Single Reference Entity Credit Linked Notes, First-to-Default or Nth-to-Default Credit Linked Notes, and Credit-Linked Redemption is applicable, the Notes may be subject to redemption in full as described above as a consequence of the occurrence of a Credit Event in relation to a single Credit Event the first or the nth Reference Entity in respect of which a Credit Event occurs either shortly after such credit event or, where Maturity Credit Redemption is applicable, at the scheduled maturity date.

Where the Notes are Non-Tranched Linear Basket Credit Linked Notes or Non-Tranched Index Credit Linked Notes, and Credit-Linked Redemption is applicable, where Credit Payment As You Go applies, the Notes may be subject to redemption in part upon the occurrence of a Credit Event in relation to each Reference Entity in respect of which a Credit Event occurs unless Maturity Credit Redemption is applicable in which case such Notes shall only be redeemed at the scheduled maturity date.

Where the Notes are Tranched Linear Basket Credit Linked Notes, the redemption amount of the Notes will only be reduced as described above upon the occurrence of a Credit Event in relation to a number greater than the L (being the lower tranche level) number of Reference Entities specified in the Pricing Supplement but will be subject to redemption in full as described above upon the occurrence of a Credit Event in relation to a number equal to or greater than the H (being the higher tranche level) number of Reference Entities specified in the Pricing Supplement. The credit risk to Noteholders may further be increased as a result of the concentration of Reference Entities in a particular industry sector or geographic area or the exposure of the Reference Entities to similar financial or other risks.

Where the Notes are Tranched Index Credit Linked Notes or Basket Tranched Index Credit Linked Notes, the redemption amount of the Notes will only be reduced as described above upon the occurrence of a Credit Event resulting in the Aggregate Loss Percentage exceeding the Attachment Point specified in the Pricing Supplement or the Aggregate Loss Percentage in respect of a Basket Tranched Index Component exceeding the Attachment Point for that Basket Tranched Index Component specified in the Pricing Supplement, as the case may be, but will be subject to redemption in full as described above upon the occurrence of a Credit Event resulting in the Aggregate Loss Percentage, being equal to or greater than the Exhaustion Point specified in the Pricing Supplement or the Aggregate Loss Percentage in respect of each Basket Tranched Index Component exceeding

the Attachment Point for that Basket Tranched Index Component specified in the Pricing Supplement, as the case may be. The credit risk to Noteholders may further be increased as a result of the concentration of Reference Entities in a particular industry sector or geographic area or the exposure of the Reference Entities to similar financial or other risks.

Where the Notes are Long/Short Credit Linked Notes, the Notes will be redeemed at an amount that is equal to the sum of the Long Redemption Amount and the Short Redemption Amount. The occurrence of Credit Events may result in a reduction of the Long Redemption Amount but an increase in the Short Redemption Amount, depending on the Long Exposure or Short Exposure selected and the relevant Reference Entities. The credit risk to Noteholders may further be increased as a result of the concentration of Reference Entities in a particular industry sector or geographic area or the exposure of the Reference Entities to similar financial or other risks.

If Credit Linked Interest is applicable, the occurrence of Credit Events may reduce the interest payable on the Notes

In the case of Single Reference Entity Credit Linked Notes or First-to-Default Credit Linked Notes in respect of which Credit Linked Interest is applicable, following the occurrence of a Credit Event Determination Date no further interest will accrue on the Notes. In the case of Nth-to-Default Credit Linked Notes in respect of which Credit Linked Interest is applicable, following the occurrence of a Trigger no further interest will accrue on the Notes. In any such circumstances, interest may cease to accrue from the Credit Event Determination Date or from the Interest Payment Date immediately preceding the Credit Event Determination Date or Trigger, depending on the elections made in the Pricing Supplement.

In the case of Tranched Linear Basket Credit Linked Notes in respect of which Credit Linked Interest is applicable, following the occurrence of a Credit Event Determination Date with respect to a number of Reference Entities that is greater than the L (being the lower tranche) number of Reference Entities specified in the Pricing Supplement and each subsequent Credit Event Determination Date thereafter, interest that is subject to the Credit Linked provisions will accrue on a decreased principal amount of the Notes until a Credit Event Determination Date has occurred with respect to a number of Reference Entities that is equal to or greater than the H (being the higher tranche) number of Reference Entities specified in the Pricing Supplement and at which point no further interest shall be due in respect of the Notes.

In the case of Tranched Index Credit Linked Notes or Basket Tranched Index Credit Linked Notes, following the occurrence of a Credit Event Determination Date with respect to which the Aggregate Loss Percentage in respect of which a Credit Event Determination Date has occurred, exceeds the Attachment Point, (being the lower tranche specified in the Pricing Supplement) or, in the case of Basket Tranched Index Credit Linked Notes, the Aggregate Loss Percentage in respect of a Basket Tranched Index Component exceeds the Exhaustion Point in respect of that Basket Tranched Index Component and each subsequent Credit Event Determination Date thereafter, if Credit Linked Interest is applicable interest will accrue on a decreased principal amount of the Notes until the Scheduled Maturity Date or until a Credit Event Determination Date has occurred with respect to a number of Reference Entities such that Aggregate Loss Percentage is equal to or greater than the Exhaustion Point (being the upper tranche specified in the Pricing Supplement) or, in the case of Basket Tranched Index Credit Linked Notes, the Aggregate Loss Percentage in respect of each Basket Tranched Index Component is equal to or greater than the Exhaustion Point in respect of that Basket Tranched Index Component and at which point no further interest amounts shall be due in respect of the Notes.

In the case of Long/Short Credit Linked Notes in respect of which Credit Linked Interest is applicable, following the occurrence of a Credit Event Determination Date in respect of a Reference Entity referenced in the Long Exposure, interest may accrue on a decreased principal amount of the Notes and may cease to accrue entirely, depending on the nature of the Long Exposure specified in the Pricing Supplement.

Reference Entity Credit Risk

The holders of Credit Linked Notes will be exposed to the credit of one or more Reference Entities, which exposure shall be, unless otherwise stated in the Pricing Supplement, to the full extent of their investment in such Notes. Upon the occurrence of any of the default events comprising a Credit Event with respect to any Reference Entity, the Noteholders may suffer significant losses at a time when losses may be suffered by a direct investor in obligations of such Reference Entity. However, the holding of a Note is unlikely to lead to outcomes which exactly reflect the impact of investing in an obligation of a Reference Entity, and losses could be considerably greater than would be suffered by a direct investor in the obligations of a Reference Entity and/or could arise for reasons unrelated to such Reference Entity. Noteholders should also note that a Credit Event may occur even if the

obligations of a Reference Entity are unenforceable or their performance is prohibited by any applicable law or exchange controls. See also the risk factor "There are risks associated with leveraged exposures" below.

Investors in the Notes are accordingly exposed, as to (if Credit Linked Redemption is applicable) principal and (if Credit Linked Interest is applicable) interest, to the credit risk of one or more Reference Entities. The maximum loss to an investor in the Notes is (if Credit Linked Redemption is applicable) 100%. of their initial principal investment, together with (if Credit Linked Interest is applicable) any accrued interest amounts.

For Index Credit Linked Notes and Long/Short Credit Linked Notes that reference an Index, the Reference Entities and the Reference Obligations as of the Issue Date of the Credit Linked Notes will be those set out in the Index Annex, being the list for the relevant Markit iTraxx® Europe Index (in the case of iTraxx Non- Tranched Index Credit Linked Notes or iTraxx Tranched Index Credit Linked Notes) or Markit CDXTM Index (in the case of CDX Non-Tranched Index Credit Linked Notes or CDX Tranched Index Credit Linked Notes) with the Annex Date specified in the Pricing Supplement, as published by the Index Publisher (being Markit Group Limited as of the date of this Offering Memorandum). Any determinations by the Index Sponsor (being Markit Indices Limited in the case of iTraxx Non-Tranched Index Credit Linked Notes and iTraxx Tranched Index Credit Linked Notes and Markit North America, Inc. in the case of CDX Non-Tranched Index Credit Linked Notes and CDX Tranched Index Credit Linked Notes, in each case as of the date of this Offering Memorandum) with respect to replacement Reference Obligations and/or Successors (subject, in relation to Successors, to the further determination provisions set out in the Credit Linked Conditions), will apply for the purposes of the Credit Linked Notes and any such determinations and resulting changes in Reference Obligations and/or Reference Entities may have an adverse effect on the value of such Notes.

Additionally, if ISDA publicly announces one or more replacement Reference Obligations and/or Successors prior to the Trade Date but following the "Roll Date" (in the case of iTraxx Non-Tranched Index Credit Linked Notes or iTraxx Tranched Index Credit Linked Notes) or the "Effective Date" (in the case of CDX Non- Tranched Index Credit Linked Notes or CDX Tranched Index Credit Linked Notes) specified in the Index Annex, such replacement Reference Obligations and/or Successors will apply for the purposes of the Credit Linked Notes, notwithstanding that such announcement occurred prior to the Trade Date, and any such announcements and resulting changes in Reference Obligations and/or Reference Entities may have an adverse effect on the value of such Notes.

Investors' exposure to the credit performance of the Reference Entities may not correspond to actual market recovery on such Reference Entities, including for Zero/Set Recovery Notes, Tranched Linear Basket Credit Linked Notes, Tranched Index Credit Linked Notes, Basket Tranched Index Credit Linked Notes and Long/Short Credit Linked Notes

Interest and principal repayments on the Notes may be calculated by reference to the outstanding principal amount of the Notes. As at the Issue Date the outstanding principal amount is an amount equal to the Aggregate Principal Amount. If a Credit Event occurs in respect of a Reference Entity, then the outstanding principal amount may be reduced for the purposes of the determination of interest (if Credit Linked Interest is applicable) and/or the amount payable on redemption (if Credit Linked Redemption is applicable) by an amount equal to a predefined portion of the Aggregate Principal Amount (which may be one hundred percent of such predefined portion resulting in such portion of the outstanding principal amount being reduced in full) irrespective of the actual market recovery in respect of such Reference Entity. Therefore investors' exposure to each Reference Entity may exceed the exposure that they might incur in respect of having entered into a standard single name credit default swap as protection seller in respect of each Reference Entity and investors may lose the entire principal amount invested.

There is a risk that the Notes could be affected by a Credit Event or succession that took place prior to the Trade Date

In respect of a Credit Event relating to a Series of Credit Linked Notes, a Credit Event will not be determined by the Credit Derivatives Determinations Committee unless a request for the relevant Credit Derivatives Determinations Committee to consider whether the relevant event or circumstances constitutes a Credit Event is submitted to the DC Secretary within 60 calendar days of the occurrence of such event or circumstances unless a Credit Event Determination Date has already occurred with respect to such event. For the purposes of the succession provisions the look-back period is 90 calendar days and functions similarly. These provisions mean that there is a time limit on the ability to act on a Credit Event or succession and that it is possible that the Notes could be affected by a Credit Event or succession that took place prior to the Trade Date if Auction Settlement is specified as the applicable Settlement Method for a Series of Notes in the relevant Pricing Supplement.

Amendment of Credit Linked Conditions in accordance with market convention

The Calculation Agent may from time to time amend any provision of the Credit Linked Conditions to incorporate and/or reflect further or alternative documents or protocols from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees which the Calculation Agent and the Issuer determine in a commercially reasonable manner are necessary to reflect or govern market practice for credit derivative transactions or hedging arrangements of the Issuer. Any such adjustment may amend the Notes in a way that is adverse to the Noteholders and may have a negative impact on the value of the Notes.

ISDA Credit Derivatives Definitions

Whilst there are many similarities between the terms used in this Offering Memorandum and the 2014 ISDA Definitions, there are also many substantial differences and a prospective investor should understand that the complete terms and conditions of the Notes are as set out in this Offering Memorandum and the Pricing Supplement only and that the 2014 ISDA Definitions are not incorporated by reference to either. Consequently, investing in Credit Linked Notes is not necessarily equivalent to investing a credit default swap that incorporates either the 2003 ISDA Definitions or the 2014 ISDA Definitions.

While ISDA has published and, where appropriate, supplemented the 2014 ISDA Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the 2014 ISDA Definitions and the terms applied to credit derivatives generally, including Credit Linked Notes are subject to further evolution. Past events have shown that the view of market participants may differ as to how either set of the ISDA Definitions operate or should operate. As a result of the continued evolution of the market, the Credit Linked Notes may not conform to future market standards. Such a result may have a negative impact on the Credit Linked Notes and there can be no assurances that changes to the terms applicable to credit derivatives generally will be predictable or favourable to the Issuer or the Noteholders.

Risks relating to Auction Settlement of Credit Linked Notes

Where an Auction Final Price Determination Date occurs in respect of Credit Linked Notes, the Auction Final Price will be determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time. 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.

The Issuer and the Noteholders may have little or no influence in the outcome of any such auction. However, there is a possibility that the Issuer or the Calculation Agent (or one of their Affiliates) would act as a participating bidder in any such auction. In such capacity, it may take certain actions which may influence the Auction Final Price including (without limitation): (a) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations which are not denominated in the auction currency into such currency for the purposes of the auction; and (b) submitting bids and offers with respect to the relevant Deliverable Obligations. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), neither the Issuer nor the Calculation Agent (or any of their Affiliates) shall be under any obligation to consider the interests of any Noteholder and, as a result, may take action that is adverse to the interests of Noteholders.

Cheapest to value risk

Where Cash Settlement is applicable, upon the occurrence of an Event Determination Date, the Calculation Agent has the discretion to select Valuation Obligations of the Reference Entity for valuation in order to determine the Final Price. It is likely that the Valuation Obligations selected by the Calculation Agent are obligations of the Reference Entity with the lowest market value that are permitted to be valued in accordance with the terms of the Notes. This could result in a lower recovery value and hence greater losses for Noteholders. In addition, the Valuation Obligations may be illiquid and such illiquidity may be more pronounced following the occurrence of a Credit Event, thereby adversely affecting the value of the relevant Valuation Obligation which in turn would result in a lower recovery value for Noteholders.

Risks relating to EUA Contract Linked Notes

The occurrence of a Market Disruption Event relating to EUA Contract Linked Notes may have an adverse impact on Noteholders

If a Market Disruption Event (as defined in EUA Contract Linked Condition 2 (Market Disruption)) occurs or is continuing on a date for valuation in respect of EUA Contract Linked Notes, then the Issuer may take no action, require the Calculation Agent, in its sole and absolute discretion, to determine the adjustments (if any) to be made to the terms of the EUA Contract Linked Notes to reflect such event, or redeem the EUA Contract Linked Notes. Any such adjustment or early redemption of the Notes may have an adverse effect on the value and liquidity of such Notes and accordingly the amount Noteholders can expect to receive on their investment.

Risk Relating to Early Redemption

If the Pricing Supplement specified that "EUA Contract Early Redemption Amount" is applicable, investors should be aware that such Notes are subject to early redemption for taxation reasons, on an event of default and, at the discretion of the Issuer or Guarantor, on an occurrence of a Market Disruption Event. In such circumstances, the amount payable on an early redemption of such Notes will be determined by the Calculation Agent by reference, *inter alia*, to the EUA Value which may be a positive or negative value or zero depending on the relevant price of the EUA Contracts. The relevant prices of the EUA Contracts may fluctuate due to various factors and as such, affect the return on an investor's investment in such Notes.

Additional risks associated with EUA Contract Linked Notes

Trading in carbon emissions is a developing market and is highly speculative and volatile. The carbon emissions trading market has been and may again be subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the market, the participation of speculators and government regulation and intervention. In addition, in respect of the emissions trading market in Europe, EU allowances have allegedly been stolen or "phished" from the national registries of several European countries and from the carbon trading accounts of market participants. This has caused severe market disruption in the European carbon trading market with delivery of EU allowances suspended for significant periods. Any such disruption in the future would have a detrimental impact on the value or settlement of EUA Contract Linked Notes referencing EUA Contracts.

The Hedging Provider may hedge the Issuer's obligations under EUA Contract Linked Notes without regard to the interests of holders

In hedging the Issuer's obligations under the EUA Contract Linked Notes, the Hedge Provider is not restricted to any particular hedging practice. Accordingly, the Hedge Provider may hedge its exposure using any method it, in its sole discretion, deems appropriate, including, but not limited to, investing in the EU emissions allowance contract(s) or trading in, and holding, any EU Allowance(s). The Hedge Provider may perform any number of different hedging practices with respect to EUA Contract Linked Notes and is not required to have regard to the interests of holders of EUA Contract Linked Notes, notwithstanding that its actions may ultimately result in holders receiving a lower return on their investment.

4. Legal and Regulatory Risks

Risks in relation to regulatory treatment for Noteholders

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the derivatives and structured securities industries. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may restrict investment in certain Notes, have an adverse impact on the regulatory position for certain investors and/or on the incentives for certain investors to hold Notes and may thereby also affect the liquidity of such Notes in the secondary market. Investors in the Notes are responsible for analysing their own regulatory position. Prospective investors should therefore make themselves aware of the changes and requirements applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes.

Transfers of Implicit Yield Notes to or by Spanish Individuals will be null and void

The sale, transfer or acquisition of Implicit Yield Notes (as defined in Condition 8 of the "*Terms and Conditions of the Notes*"), including, but not limited to, Zero Coupon Notes, to or by individuals (*personas físicas*) who are tax resident in Spain (each a "**Spanish Individual**") is forbidden in all cases. Any transfer of Implicit Yield Notes

to or by Spanish Individuals is not permitted and such transfer will be considered null and void by the Issuer and the Guarantor. Accordingly, neither the Issuer nor the Guarantor will (i) recognise any Spanish Individual as an owner of Implicit Yield Notes or (ii) list any Implicit Yield Notes, and Spanish Individuals who are Noteholders may lose all or a substantial part of their investment on such Notes.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing any such "benchmarks"

A number of interest rates and other published values, indices which are "benchmarks", (including the euro interbank offered rate ("**EURIBOR**") and other types of indices such as indices comprised of interest rates, equities, funds, foreign exchange rates and combinations thereof) are the subject of recent national and international regulatory guidance and reform aimed at supporting the transition to more robust benchmarks. Most reforms have now reached their planned conclusion (including the transition away from LIBOR), and "benchmarks" remain subject to ongoing monitoring. These reforms have resulted in the cessation and loss of representativeness of certain benchmarks, including all London Interbank Offered Rate ("**LIBOR**") currencies and tenors, and may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and mostly applied, subject to certain transitional provisions, from 1 January 2018. The EU Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Guarantor) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). A proposal for a regulation amending the EU Benchmarks Regulation as regards the scope of the rules for benchmarks, the use in the EU of benchmarks provided by an administrator located in a third country, and certain reporting requirements (the "**EU BMR Review**") was published by the European Commission on 17 October 2023. The European Council and the European Parliament reached a provisional agreement on the EU BMR Review on 12 December 2024, ahead of formal adoption. As of the date of this Offering Memorandum, we were awaiting formal adoption and then publication in the Official Journal. The EU BMR Review aims to reduce the burden on administrators and users of benchmarks in the EU, while still ensuring robustness and reliability of benchmarks used and produced in the EU. With regard to timing, Article 2 of the EU BMR Review legislative proposal indicates that it will apply from 1 January 2026.

Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark. More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

In addition to so-called "critical benchmark" indices, such as EURIBOR, other interest rates, foreign exchange rates, and indices, including equity, commodity and "proprietary" indices or strategies, will in most cases be within scope of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, as "benchmarks" where they are used to determine the amount payable under, or the value of, certain financial instruments (including securities listed on an EU or UK regulated market, EU or UK multilateral trading facility, EU or UK organised trading facility or via a systematic internaliser).

Amongst other developments, relevant authorities are strongly encouraging the transition away from Interbank Offered Rates ("**IBORs**"), such as EURIBOR, and have identified "risk free rates" to take the place of such IBORs as primary benchmarks. This includes (i) for sterling LIBOR, a reformed Sterling Overnight Index Average

("**SONIA**"), as the primary sterling interest rate benchmark, (ii) for EONIA and EURIBOR, a new Euro Short-Term Rate ("**€STR**") as the new euro risk free rate, and (iii) for USD LIBOR, the Secured Overnight Financing Rate ("**SOFR**") as the primary U.S. dollar interest rate benchmark. Relevant authorities have also encouraged the replacement of EURIBOR with €STR in the future. The risk-free rates have a different methodology and other important differences from the IBORs they have, or will, eventually replace and have little, if any, historical track record and may be subject to changes in their methodology. Any of these developments could have a material adverse effect on the value of and return on Notes linked to any such rates. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

In addition to referencing IBOR rates for purposes of the Notes, the Issuer may reference swap rates, such as constant maturity swaps or "CMS" rates. These rates are determined by reference to market interest rate swap transactions that use an IBOR rate as one of the underlying components. Therefore, there is uncertainty about the future of such swap rates and generally these are likely to become unavailable at or about the time the related IBOR rates become non-representative if applicable.

In addition, under the terms of the Notes a General Administrator/Benchmark Event may arise if any of the following circumstances occurs or will occur: (1) a benchmark is materially changed or cancelled, (2)(i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn or (3) it is not commercially reasonable to continue use of the benchmark due to licensing restrictions or increased licence costs or (4) a regulatory supervisor announces the benchmark is no longer, or as of a specified future date, will no longer be, representative of any relevant underlying market(s). The occurrence of a General Administrator/Benchmark Event may cause the Issuer to adjust the terms and conditions of the Notes or early redeem the Notes.

The Issuer has a wide discretion in making any adjustments following a General Administrator/Benchmark Event. Such adjustments may include selecting one or more successor benchmarks and making related adjustments to the Notes, including the application of an adjustment spread and, if applicable, adjustments to reflect increased costs. Such adjustments may result in payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Notes if the original rate had continued to be published in its original form and used for the purposes of the Notes.

It is possible that a General Administrator/Benchmark Event or details of it are announced significantly in advance of action being appropriate in relation to the relevant Notes. The Issuer is only obliged to notify investors once it has determined the action to be taken as a result of the relevant event.

Reference Rate Event

A Reference Rate Event may arise if, among other things, any of the following circumstances occurs or will occur: (1) a benchmark is materially changed or cancelled or its use is prohibited, or (2)(i) any authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, is rejected or refused or is withdrawn or suspended, (ii) the benchmark or the administrator or sponsor of the benchmark is not included in or is removed from an official register or does not fulfil any required legal or regulatory requirement, (iii) there is an official announcement that the administrator of the relevant benchmark has ceased or will cease to provide such Reference Rate and there is no successor administrator, (iv) the relevant benchmark is no longer representative or, as of a future specified date, will no longer be representative of any relevant underlying market and economic reality that it is intended to measure or (v) any event which otherwise constitutes an "index cessation event".

For any Notes that use a Reference Rate and where ISDA Determination and 2006 ISDA Definitions are specified in the Pricing Supplement, the Priority Fallback following a Reference Rate Event may refer to actions that would be taken for a Floating Rate under an interest rate swap incorporating the 2006 ISDA Definitions. Supplement 70 to the 2006 ISDA Definitions (the "**ISDA IBOR Fallbacks Supplement**") includes fallbacks which will replace any Floating Rate that is a Relevant IBOR in circumstances broadly similar to a Reference Rate Event: in broad

terms a permanent cessation of that Relevant IBOR. The ISDA IBOR Fallbacks Supplement also includes fallbacks in the event that a Relevant IBOR is temporarily unavailable. "**Relevant IBORs**" include EURIBOR, TIBOR, BBSW, CDOR, HIBOR, SOR, and THBFIX. Once the relevant trigger event takes effect, the Floating Rate will fall back to a term adjusted risk-free rate for the relevant currency plus a spread. It should be noted that the ISDA IBORs Fallbacks Supplement will not cover all possible Floating Rates and this risk factor should be read accordingly.

Where ISDA Determination and 2021 ISDA Definitions are specified in the Pricing Supplement, fallbacks are specified for all Floating Rates that are included in the Floating Rate Matrix (each as defined in the 2021 ISDA Interest Rate Derivative Definitions (the "**2021 Definitions**")) to replace the relevant Floating Rate upon a permanent cessation of such Floating Rate and/or an announcement that such Floating Rate is no longer representative. Such fallbacks will result in either: (a) the relevant Floating Rate being replaced with a specified alternative rate set out in the 2021 Definitions; or (b) in circumstances where the 2021 Definitions would otherwise provide for the application of certain 'Generic Fallback Provisions' or 'Administrator/Benchmark Event Fallbacks', these events being subject to the consequences of a Reference Rate Event.

Where ISDA Determination and 2006 ISDA Definitions are specified in the Pricing Supplement, potential investors in any Notes that reference a Reference Rate should be aware that if one of more Priority Fallback(s) are specified in the definition of the relevant Floating Rate Option, then if a Reference Rate Cessation has occurred, where ISDA Determination applies the fallbacks in the ISDA IBOR Fallbacks Supplement shall apply, unless the Calculation Agent determines that (i) such application and/or any related adjustments would not achieve a commercially reasonable result for either the Issuer or the Noteholders, or (ii) it would be impracticable to apply the Priority Fallback(s) and/or to make any adjustments to the Conditions, in which case the alternative fallback provisions set out in the Conditions shall apply.

In the event that one particular tenor of a Relevant IBOR is permanently discontinued, then for so long as there is a longer and a shorter tenor still available, no trigger event will occur. Instead, the Floating Rate will be determined by interpolating between the next shortest and next longest tenors. If there are no shorter or no longer tenors available, then the rate will fall back to a term-adjusted risk-free rate plus a spread.

Any of these fallback provisions may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made under the Notes if the previous rate had continued being published in its current form. Whilst IBORs are forward-looking term rates that embed bank credit risk, risk-free rates are overnight rates, in their term versions are normally compounded in arrears as backward-looking rates and are intended to be nearly risk-free. As such, investors should be aware that the fallback rates that will apply following a trigger event under the ISDA IBOR Fallbacks Supplement may behave materially differently as interest reference rates for the Notes.

The absence of bank credit risk in the risk-free-rates may have an adverse effect on the value of the Notes. Both the ISDA IBOR Fallbacks Supplement and the 2021 Definitions provide that the applicable risk-free-rates will be term-adjusted and there will be an adjustment spread applied which may be positive, negative or zero. This is intended to reduce any transfer of economic value due to the absence of a bank credit risk premium in the replacement risk-free-rate. However, if such adjustment spread is negative, it will mean a lower rate of interest is payable. Even where such adjustment spread is positive, there can be no assurance that the adjustment spread will fully mitigate the transfer of economic value between the Issuer and Noteholders and the adjustment spread is not intended, or able, to replicate the dynamic bank credit risk premium embedded in an IBOR.

Following the occurrence of a Reference Rate Event, where fallbacks based on the ISDA IBOR Fallbacks Supplement or the 2021 Definitions do not apply, the Calculation Agent will seek to determine (i) a replacement reference rate and (ii) the related adjustment spread required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from the Issuer to the Noteholders (or vice versa) that would otherwise arise as a result of the replacement of the Reference Rate with the replacement reference rate. If it determines the replacement reference rate and related adjustment spread, it may also determine such other amendments which it considers necessary or appropriate in order to replace the Reference Rate with the replacement reference rate and the terms and conditions shall be amended as of the cut-off date, being (A) the later of the date on which the Reference Rate ceases or becomes non-representative or 60 business days following the date of the relevant announcement or publication or (B) the later of the Issue Date and either (I) 60 business days following the date on which the Calculation Agent determines that the relevant event has occurred or (II) the date on which any material change or prohibition of use of the Reference Rate becomes effective or the date following any non-approval, rejection or suspension of any authorisation, registration or similar requirement on

which the Issuer, the Calculation Agent or any other entity would not be permitted to perform its obligations in respect of the Notes, as applicable.

Any replacement reference rate shall be either a pre-nominated reference rate specified in the Pricing Supplement or, if no such rate is specified, either (a) a replacement reference rate which is formally designated by a relevant central bank or other supervisory authority or the administrator of the Reference Rate or (b) a replacement reference rate that the Calculation Agent determines has been recognised or acknowledged as being the industry standard for derivative transactions which reference such Reference Rate, or (c) if the Calculation Agent determines that there is no such rate, any other replacement reference rate which it determines to be a commercially reasonable alternative. Any such replacement reference rate may be a "risk free rate". If the Calculation Agent determines that it is not possible or commercially reasonable to identify a replacement reference rate and/or adjustment spread and related amendments or to make required amendments following a Benchmark Modification or if it is or would be unlawful or contrary to any applicable licence for the Issuer or the Calculation Agent to perform the relevant actions or an adjustment spread would subject the Issuer or Calculation Agent to material additional regulatory obligations or any required adjustments would not achieve a commercially reasonable result for the Issuer or the Noteholders, in each case, prior to the cut-off date, the Issuer shall early redeem the Notes.

Following the occurrence of a Reference Rate Event but prior to the cut-off date, the Reference Rate may continue to be used for the purposes of the Notes if it is still available and representative of the underlying market and economic reality it is intended to measure and the Issuer, the Calculation Agent or any other entity is permitted to perform its obligations in respect of the Notes. Otherwise, the level of the Reference Rate will be determined by the Calculation Agent either by reference to a previously published level or by reference to an industry standard or other commercially reasonable rate, index or benchmark determined by the Calculation Agent.

The Calculation Agent has a wide discretion in making any amendments following the occurrence of a Reference Rate Event. As described above, such amendments may include selecting one or more replacement reference rates and making related amendments to the Notes, including the application of an adjustment spread and, if applicable, amendments to reflect, among other things, increased costs. Such amendments may result in payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Notes if the original rate had continued to be published in its original form and used for the purposes of the Notes.

It is possible that a Reference Rate Event or details of it are announced significantly in advance of action being appropriate in relation to the relevant Notes. The Issuer is only obliged to notify investors once it has determined the action to be taken as a result of the relevant event.

In addition, investors in Notes linked to Reference Rates should be aware that:

- the composition and characteristics of any pre-nominated replacement reference rate or otherwise the replacement reference rate will not be the same as those of the Reference Rate which it replaces, nor will it be the economic equivalent of such Reference Rate, and there can be no assurance that it will perform in the same way as such Reference Rate would have or that it will be a comparable substitute for such Reference Rate. Therefore, the replacement of the Reference Rate with a pre-nominated replacement reference rate or otherwise the replacement reference rate could adversely affect the value of the Notes, the return on the Notes and the price at which a Noteholder would be able to sell such Notes;

- the failure of any pre-nominated replacement reference rate or otherwise the replacement reference rate to gain market acceptance could adversely affect the Notes;

- any pre-nominated replacement reference rate or otherwise the replacement reference rate may have a very limited history and its future performance cannot be predicted based on historical performance;

- the secondary trading market for Notes linked to any pre-nominated replacement reference rate or otherwise the replacement reference rate may be limited; and

- the administrator of any pre-nominated replacement reference rate or otherwise the replacement reference rate may discontinue such rate or make changes that could change its value and the administrator has no obligation to consider any holder's interests in doing so.

Consequently, potential investors in any Notes that reference a Reference Rate should be aware that the Reference Rate may be replaced, or the Notes may be early redeemed, in each case, without the consent of Noteholders.

IBOR-based swap rates

Following a Reference Rate Cessation in respect of a Reference Rate that is an IBOR swap rate, the Calculation Agent may be required to identify a Replacement Reference Rate that the Issuer determines has been recognised or acknowledged as being an industry standard for transactions which reference such IBOR swap rate (or if there is no industry standard that is appropriate in relation to the Notes, then the Calculation Agent shall select any other interest rate, index, benchmark or other price source it determines to be a commercially reasonable alternative). Potential investors should be aware that more than one possible replacement rate may exist and if so it is possible the Calculation Agent may select the least favourable replacement rate. However, as of the date of this document, there is currently no industry-wide approach for dealing with the discontinuance or non-representativeness of IBOR swap rates and a complete consensus does not exist as to what rate or rates may become accepted replacements. It is impossible to predict the effect of any such replacements on the value of the Notes. Additionally, even where administrators have published new swap rates linked to risk free rates, such as the GBP SONIA ICE Swap Rate launched by the ICE Benchmark Administration Limited on 14 December 2020, there can be no guarantee that such rates will be liquid or recognised or acknowledged as being the industry standard, and the method by which such new swap rates are calculated may change in the future. Consequently, the outcomes of determinations by the Calculation Agent may be unpredictable and the exercise of discretion by the Calculation Agent may adversely affect the market value of, and return (if any) on, the Notes. Further, there is no assurance that the characteristics of any replacement rate will be similar to the relevant IBOR swap rate, or that the replacement rate will produce the economic equivalent of the relevant IBOR swap rate.

Risk-free rates may differ from IBORs in a number of material respects and have a limited history

Risk-free rates may differ from IBORs in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behavior of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which references a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

The market continues to develop in relation to SONIA, SOFR and €STR as reference rates

Where the Pricing Supplement identifies that the Reference Rate will be determined by reference to Compounded Daily SONIA, Compounded Daily SOFR or Compounded Daily €STR, the Reference Rate will be determined on the basis of a compounded daily rate unless Index Determination is specified as applicable. Prospective investors in any Notes referencing SONIA, SOFR or €STR should be aware that the market continues to develop in relation to SONIA, SOFR and €STR as reference rates in the capital markets and their adoption as an alternative to GBP-LIBOR, USD-LIBOR, and, EONIA and EURIBOR respectively.

The market or a significant part thereof may adopt an application of SONIA, SOFR or €STR that differs significantly from that set out in the Terms and Conditions and used in relation to Notes referencing SONIA,

SOFR or €STR that are issued under the Program. Furthermore, the Issuer may in future issue Notes referencing SONIA, SOFR or €STR that differ materially in terms of interest determination when compared with any previous SONIA-, SOFR- or €STR-referenced Notes issued under the Program. The nascent development of compounded daily SONIA, SOFR and €STR as interest reference rates for the capital markets, as well as continued development of SONIA-, SOFR- and €STR-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-, SOFR-, or €STR-referenced Notes issued under the Program from time to time.

To the extent the SONIA, SOFR or €STR rate is not published, the applicable rate to be used to calculate the Interest Rate on Notes referencing SONIA, SOFR or €STR, as applicable, will be determined using the fallback provisions set out in the Terms and Conditions. Any of these fallback provisions may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Notes if the SONIA, SOFR or €STR rate had been so published.

In addition, the manner of adoption or application of SONIA, SOFR and €STR in the floating-rate notes markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in SONIA, SOFR and €STR notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR and €STR or any related indices.

The administrator of SONIA, SOFR or €STR may make changes that could change the value of SONIA, SOFR or €STR or discontinue SONIA, SOFR or €STR

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

U.S. withholding taxes may apply on "dividend equivalent" amounts.

Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder ("Section 871(m)") impose a withholding tax of 30% (or lower treaty rate applicable to dividends) on certain "dividend equivalents" paid or deemed paid to non-U.S. persons with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities. This withholding regime generally applies to Notes that substantially replicate the economic performance of one or more underlying U.S. equities, as determined based on one of two tests set forth in the regulations. However, based on a U.S. Internal Revenue Service notice, Notes issued prior to 2027 will generally be subject to withholding tax only if they have a "delta" of one with respect to the relevant underlying U.S. equity. The regulations provide certain other exceptions to this withholding regime, in particular for instruments linked to certain broad-based indices that meet requirements set forth in the regulations as well as instruments linked to securities that track such indices. The Issuer will not be required to pay any additional amounts in respect of amounts withheld under Section 871(m).

See "*Taxation and Disclosure of Information in Connection with Payments—Certain U.S. Federal Income Tax Considerations—Tax Consequences to Non-U.S. Holders—Section 871(m) Withholding Tax on Dividend Equivalents*" for further information. Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to a particular note.

The taking of any action under Law 11/2015 and its developing regulations could materially affect the value of any Notes. The liabilities of the Bank including the Guarantee may also be subject to loss absorption through their permanent write-down and/or conversion into equity

The Bank Recovery and Resolution Directive (the "**BRRD I**"), as amended by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD I as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC ("**BRRD II**" and together with BRRD I, and as amended from time to time, the "**BRRD**") was implemented in Spain through Law 11/2015 (as amended by Royal Decree-Law 11/2017, of 23 June, on urgent measures in financial matters (*Real Decreto-ley 11/2017, de 23 de junio, de medidas urgentes en materia financiera*) ("**RDL 11/2017**") and by Royal Decree-Law 7/2021, of 27 April ("**RDL 7/2021**") which has partially implemented BRRD II in Spain and as amended from time to time, "**Law 11/2015**").

BRRD, as implemented in Spain through Law 11/2015, together with Royal Decree 1012/2015, of 6 November, implementing Law 11/2015 (as amended, the "**RD 1012/2015**") and Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (as amended, replaced or supplemented from time to time, including by Regulation (EU) 2019/877 of the European Parliament and the Council of 20 May 2019, the "**SRM Regulation**") and its developing regulations is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in any relevant unsound or failing credit institution, investment firm, financial institution or holding company (each a "**relevant entity**") so as to ensure the continuity of the relevant entity critical financial and economic functions, while minimising the impact of a relevant entity's failure on the economy and financial system.

As provided in the BRRD, Law 11/2015 and its developing regulations contain four resolution tools and powers including bail-in which gives resolution authorities the power to write down and/or to convert certain claims of unsecured creditors (including the Noteholders and the Issuer) of a failing relevant entity (such as the Bank) (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims to equity or other instruments of ownership (the "**general bail-in tool**"), which equity or other instruments could also be subject to any future write-down. Any application of the general bail-in tool under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings. In this respect, as indicated in "*The Group including the Bank is subject to extensive regulation and regulatory and governmental oversight which could adversely affect its business, operations and financial condition*" below, the CMDI Proposal (as defined below) provides for a general depositor preference in insolvency. If the CMDI Proposal is implemented in its current form, this would mean that the senior preferred claims (such as those arising from the Guarantee) will rank junior to the claims of all depositors, including deposits of large corporates and other deposits that are currently excluded from such privileged claims. Any such general depositor preference would also impact upon any application of the Spanish Bail-in Power (as defined below), as such application is to be carried out in the order of the hierarchy of claims in normal insolvency proceedings. Accordingly, this would mean that following any such amendment of the insolvency laws of Spain to establish a general depositor preference, any resulting write-down or conversion of the senior preferred claims (such as those arising from the Guarantee) by the Relevant Resolution Authority (as defined below) would be carried out before any write-down or conversion of the claims of depositors such as those of large corporates that, with the current bail-in regime, would have been written-down or converted alongside the senior preferred indebtedness. By removing the requirement for such deposits to be written-down or converted in this manner, one of the stated objectives of this proposed amendment is to reduce the likelihood of deposits generally needing to be included in any such write-down or conversion upon any application of the Spanish Bail-in Power and improve the process for the application of the Spanish Bail-in Power. However, this may have the corresponding impact of increasing the likelihood of any write-down or conversion of the senior preferred claims (including those arising from the Guarantee). Nevertheless, the exact impact of the CMDI Proposal is not know yet given it is still in the form of a legislative proposal and therefore subject to further amendments.

Additionally, the impact of such application on holders of Notes (as beneficiaries of the Guarantee) or the Issuer will depend on their ranking in accordance with such hierarchy, including any priority given to other creditors such as depositors. The exercise of the general bail-in tool and the exercise of any such powers may result in such

Noteholders losing some or all of their investment. Such application could also involve the suspension of payments for a certain period, to or the disapplication of provisions in, the Terms and Conditions of the Notes. Furthermore, the determination that all or part of the Guarantee of the principal amount of any Notes or any liability of the Bank towards the Issuer will be subject to loss absorption is likely to be inherently unpredictable and may depend on a number of factors which may also be outside of the institution's control. This determination will be made by the institution's regulators and there may be many factors, including factors not directly related to the institution, which could result in such a determination.

As a result, the exercise of any power under Law 11/2015 or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of any Notes and/or the ability of the Issuer and the Guarantor to satisfy their respective obligations under any Notes and the Guarantee.

To the extent any resulting treatment of holders of Notes pursuant to the exercise of the general bail-in tool is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a holder has a right to compensation under the BRRD based on an independent valuation of the relevant entity (which is referred to as the "no creditor worse off safeguard" under the BRRD). Any such compensation is unlikely to compensate that holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the Notes.

Noteholders may not be able to exercise their rights on an event of default in the event of the adoption of any early intervention or resolution measure under Law 11/2015 and the SRM Regulation

The Bank may be subject to a procedure of early intervention or resolution pursuant to the BRRD as implemented through Law 11/2015, RDL 7/2021 and RD 1012/2015, and the SRM Regulation if the Bank or its group of consolidated credit entities is in breach (or due, among other things, to a rapidly deteriorating financial condition, it is likely in the near future to be in breach) of applicable regulatory requirements relating to solvency, liquidity, internal structure or internal controls or the conditions for resolution referred to in "*Additional information on the BRRD and SRM Regulation*" are met.

Pursuant to Law 11/2015, the adoption of any early intervention or resolution procedure shall not itself constitute an event of default or entitle any counterparty of the Issuer or Bank to exercise any rights it may otherwise have in respect thereof and any provision providing for such rights shall further be deemed not to apply. However, this does not limit the ability of a counterparty to declare any event of default and exercise its rights accordingly where an event of default arises either before or after the exercise of any such early intervention or resolution procedure and does not necessarily relate to the exercise of any relevant measure or power which has been applied pursuant to Law 11/2015.

Any enforcement by a Noteholder of its rights under the Notes upon the occurrence of an Event of Default following the adoption of any resolution procedure will be subject to the relevant provisions of the BRRD, as implemented through Law 11/2015, RDL 7/2021 and RD 1012/2015, and the SRM Regulation in relation to the exercise of the relevant measures and powers pursuant to such procedure, including the resolution tools and powers referred to in "*Additional information on the BRRD and SRM Regulation*". Any claims against the Bank on the occurrence of an Event of Default will consequently be limited by the application of any measures pursuant to the provisions of Law 11/2015, RDL 7/2021 and RD 1012/2015, and the SRM Regulation. The taking of any such action could adversely affect the rights of Noteholders and the price or value of their investment in the Notes as well as the ability of the Issuer and/or the Guarantor to satisfy its obligations under the Notes or the Guarantee. The enforcement by a holder of any rights it may otherwise have on the occurrence of any Event of Default may be limited in these circumstances.

Prospective investors should refer to the "*Investment Considerations*" section and in particular the section entitled "*Legal and Regulatory Considerations*" for more information on the BRRD and SRM Regulation.

Risks Relating to the Spanish Insolvency Law affecting the Bank

The RDL 1/2020, as defined below, superseded former Law 22/2003 (*Ley Concursal*) dated 9 July 2003 ("**Law 22/2003**"), which regulated Spanish insolvency proceedings. The RDL 1/2020 entered into force on 1 September 2020 and was subsequently amended by Law 16/2022, of 5 September 2022. The RDL 1/2020 covers Spanish provisions which regulated the bankruptcy, insolvency proceedings (including suspension of payments), pre-insolvency proceedings and any process affecting creditors' rights generally, including the ranking of its credits.

The RDL 1/2020 provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication in the Official Gazette (*Boletín Oficial del Estado*) of the court order declaring the insolvency, (ii) provisions in a contract granting one party the right to terminate it by reason only of the other's insolvency may not be enforceable, and (iii) interest (other than ordinary interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security and the maximum secured liabilities under the relevant security and provided that a contingent claim has been reported in due course to the insolvency administrator) shall cease to accrue as from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any interest accrued under secured liabilities up to an amount equal to the lower of the value of the asset subject to the security and the maximum secured liabilities under the relevant security) shall become subordinated.

In addition, as indicated in "*The Group including the Bank is subject to extensive regulation and regulatory and governmental oversight which could adversely affect its business, operations and financial condition*" above, the CMDI Proposal provides for a general depositor preference in insolvency. Therefore, the implementation of the CMDI Proposal in its current form would mean that the senior preferred claims (such as those arising from the Guarantee) will rank junior to the claims of all depositors, including deposits of large corporates and other deposits that are currently excluded from the above privileged claims. Nevertheless, the exact impact of the CMDI Proposal is not know yet given it is still in the form of a legislative proposal and therefore subject to further amendments.

The New York Branch may be subject to receivership proceedings by the OCC if Banco Santander, S.A. suffers insolvency or in certain other circumstances

The New York Branch is federally licensed by the OCC. The New York Branch is primarily regulated and examined by the OCC and is subject to banking laws and regulations applicable to a foreign bank that operates a federally-licensed branch in the United States. The OCC has the authority to appoint a receiver to take possession of all of Banco Santander, S.A.'s property and assets in the United States, including the property and assets of the New York Branch, if: (i) the OCC revokes Banco Santander, S.A.'s authority to operate a federal branch or agency in the United States, including the New York Branch; (ii) any of Banco Santander, S.A.'s creditors obtains a judgment against Banco Santander, S.A. or the New York Branch arising out of a transaction with any of Banco Santander, S.A.'s federal branches or agencies, in any court of the United States or any state of the United States and such judgment has remained unpaid for thirty days; or (iii) the OCC determines that Banco Santander, S.A. is insolvent. In any such receivership, only the claims of Banco Santander, S.A.'s depositors and creditors who are not affiliated with Banco Santander, S.A. and whose claim(s) (x) arise out of transaction(s) with any of Banco Santander, S.A.'s branches or agencies located in the United States and (y) would represent enforceable legal obligation(s) against such branch or agency if such branch or agency were a separate legal entity (which would include claims with respect to the New York Law Guarantee of noteholders of the 3(a)(2) Notes that are not affiliated with Banco Santander, S.A.) may be satisfied out of the property in such receivership. In these circumstances, if there are insufficient assets of Banco Santander, S.A. in the United States to fully satisfy the claims with respect to the New York Law Guarantee of any holders of 3(a)(2) Notes, those holders would then need to seek payment from Banco Santander, S.A. at its main office or a non-U.S. branch or, upon bankruptcy or certain other events in bankruptcy, insolvency, dissolution or reorganization relating to Banco Santander, S.A., from the liquidator or receiver or administrator, as applicable, of Banco Santander, S.A.

5. Risks Relating to Renminbi Notes

Notes settled in Renminbi or which may be settled in Renminbi ("**Renminbi Notes**") may be issued under the Program. Renminbi Notes contain particular risks for potential investors, including:

Renminbi is not completely freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi Notes.

Renminbi is not completely freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar. However, there has been significant reduction over the years by the PRC government of control, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

Currently, participating banks in Hong Kong and a number other jurisdictions have been permitted to engage in the settlement of Renminbi current account trade transactions. However, remittance of Renminbi by foreign investors into and out of the PRC for the purposes of capital account items, such as capital contributions, is

generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although starting from 1 October 2016, Renminbi has been added to the Special Drawing Rights (the international reserve assets created by the International Monetary Fund to supplement its member countries' official reserves) basket created by the International Monetary Fund and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the People's Bank of China, the central bank of the PRC (the "**PBOC**") in 2018, there is no assurance that the PRC Government will continue to gradually liberalise control over cross border remittance of Renminbi in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Renminbi Notes.

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

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBOC has entered into agreements on the clearing of Renminbi business with financial institutions (each a "**RMB Clearing Bank"**), including, but not limited to, Hong Kong and are in the process of establishing Renminbi clearing and settlement mechanisms in a number of other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all. If Renminbi is not available in certain circumstances as described in the Conditions applicable to Renminbi Notes, the Issuer can make payments in U.S. dollars or other specified currencies as set out in the Pricing Supplement.

Investment in Renminbi Notes is subject to exchange rate risks.

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. In August 2015, the PBOC implemented changes to the way it calculates the Renminbi's daily midpoint against the U.S. dollar to take into account market maker quotes before announcing the daily midpoint. This change, among others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies. All payments with respect to Renminbi Notes will be made in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in other foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against other foreign currencies, the value of investment in other applicable foreign currency terms will decline.

In the event that access to Renminbi becomes restricted to the extent that, by reason of Renminbi Inconvertibility, Renminbi Non Transferability or Renminbi Illiquidity (as defined in the Conditions), it is impossible, impractical, illegal or impracticable for the Issuer (or, if applicable, any party to a Hedge Position), to pay any amounts due in Renminbi, the Conditions allow the Issuer or, as the case may be, the Guarantor, to delay such payment in Renminbi until ten Business Days after such time the relevant Renminbi Currency Event ceases to exist; to make payment in U.S. dollars or other specified foreign currency at the prevailing spot rate of exchange; and/or to redeem the Notes by payment of the Early Redemption Amount in respect of each Calculation Amount, all as provided in more detail in the Conditions. As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a holder's investment in U.S. dollar or other foreign currency terms will decline.

Payments in respect of Renminbi Notes will only be made to investors in the manner specified in the terms and conditions of the relevant Notes.

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in the Renminbi Settlement Centre(s). All Renminbi payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by a Global Note or Global Note Certificate held in Euroclear and Clearstream, Luxembourg or any alternative clearing system, by transfer to a Renminbi bank account maintained in the Renminbi Settlement Centre(s) in accordance with prevailing Euroclear and/or Clearstream, Luxembourg rules and procedures, or (ii) for so long as Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in the Renminbi Settlement Centre(s) in accordance with prevailing rules and regulations. Other than as described in the Conditions, neither the Issuer nor the Guarantor can be required to make payment by any other means (including in any other currency or in bank notes or by transfer to a bank account in the PRC).

An investment in Renminbi Notes is subject to risk of change in the regulatory regime governing the issuance of Renminbi Notes.

Renminbi Notes issuance is subject to laws and regulations of the relevant Renminbi Settlement Centre(s). The PRC Government currently views Hong Kong as one of the key offshore RMB settled instrument centres and has established a cooperative relationship with Hong Kong's local government to develop the RMB settled instrument market. There can be no assurance that the PRC Government will continue to encourage issuance of RMB settled instruments outside of mainland China and any change in the Chinese government's policy or the regulatory regime governing the issuance of RMB settled instruments may adversely affect the Renminbi Notes.

An investment in fixed rate Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

If a Renminbi Note carries a fixed interest rate, then the trading price of such Renminbi Notes will vary with the fluctuations in Renminbi interest rates. If an investor in Renminbi Notes tries to sell such RMB Notes, then it may receive an offer that is less than the amount invested.

There may be PRC tax consequences with respect to investment in the Renminbi Notes

In considering whether to invest in the Renminbi Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the Noteholder's investment in the Renminbi Notes may be materially and adversely affected if the Noteholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Renminbi Notes.

Risks Relating to the Issuer, the Guarantor and the Group

6. Risks Relating to the Issuer

The Issuer is a special purpose finance vehicle

The Issuer's primary business is the raising of external funds for the purpose of on-lending to other members of the Group. The Issuer is not an operating company; it is a special purpose vehicle with no business other than **issuing securities and other financial instruments**. The Issuer is dependent on members of the Group for revenues and the provision of corporate services such as IT and human resource services. Substantially all the Issuer's assets will be loans and advances made by it to other members of the Group (or deposits of funds made in the Bank or any other member of the Group). The ability of the Issuer to pay interest and repay principal and any other amounts in respect of its borrowings, including its obligations under any Notes issued by it, depends upon the financial condition and liquidity of Guarantor and the Group. Notes issued by the Issuer will be unconditionally and irrevocably guaranteed by the Guarantor. The Guarantor will provide the Issuer with liquidity by way of intra-group arrangements or other transfers of value in order for it to fulfil its obligations under Notes issued by it. If the Group does not provide liquidity, or other circumstances, conditions, laws or regulations prevent the Guarantor from providing liquidity to the Issuer, there is a risk that the Issuer will not be able to fulfil its obligations under the Notes issued by it in which case the Guarantor will be liable for such obligations under its Guarantee of the Notes issued by the Issuer. Therefore, investors in the Notes issued by the Issuer should consider the risk factors, financial condition and liquidity of the Group in addition to that of the Issuer. By virtue of its dependence on the Guarantor and the Group, each of the risks described in these risk factors that affect the Guarantor and the Group will also indirectly affect the Issuer.

7. Macro-Economic and Political Risks

The Group's growth, asset quality and profitability, among others, may be adversely affected by a slowdown in one or more of the economies in which the Group operates, volatile macroeconomic and political conditions.

A slowdown or recession of one or more of the economies in which the Group operates could lead major financial institutions, including some of the world's largest global commercial banks, investment banks, mortgage lenders, mortgage guarantors and insurance companies to experience significant difficulties, including runs on deposits, the need for government aid or assistance or the need to reduce or cease providing funding to borrowers (including to other financial institutions). Volatile conditions in the global financial markets could also have a material adverse effect on the Group, including on the ability of the Group to access capital and liquidity on financial terms acceptable to the Group, if at all. If capital markets financing ceases to become available, or becomes excessively expensive, the Group may be forced to raise the rates it pays on deposits to attract more customers and become unable to maintain certain liability maturities. Any such increase in capital markets funding availability or costs or in deposit rates could have a material adverse effect on its interest margins and liquidity.

In particular, the Group faces, among others, the following risks related to the economic downturn and volatile conditions:

- Reduced demand for its products and services.
- Increased regulation of its industry.
- Compliance with such regulation would likely continue to increase the costs of the Group and may affect the pricing for its products and services, increase its conduct and regulatory risks related to non-compliance and limit its ability to pursue business opportunities.
- Inability of its borrowers to timely or fully comply with their existing obligations. Macroeconomic shocks may negatively impact the income of its customers, both retail and corporate, and may adversely affect the recoverability of its loans, resulting in increased loan losses.
- The process the Group uses to estimate losses inherent in its credit exposure requires complex judgements, including forecasts of economic conditions and how these economic conditions might impair the ability of its borrowers to repay their loans. The degree of uncertainty concerning economic conditions may adversely affect the accuracy of its estimates, which may, in turn, impact the reliability of the process and the sufficiency of its loan loss allowances.
- The value and liquidity of the portfolio of investment securities that the Group holds may be adversely affected.

The recoverability of the loan portfolios of the Group and its ability to increase the amount of loans outstanding and its results of operations and financial condition in general, are dependent to a significant extent on the level of economic activity in Europe (in particular, Spain and the UK), North America (in particular, Mexico and the

United States) and South America (in particular, Brazil). The credit quality of the loan portfolio of the Group may deteriorate as a result of these risks and the Group's loan loss reserves could be insufficient to cover the Group's loan losses, which can have a material adverse effect on the Group. See risk factor entitled "The credit quality of the loan portfolio of the Group may deteriorate and the Group's loan loss reserves could be insufficient to cover its loan losses, which could have a material adverse effect on the Group".

In addition, the Group is exposed to sovereign debt in these regions. The Group's net exposure to sovereign debt at 31 December 2024 amounted to €198,627 million (10.81% of the Group's total assets at that date) of which the main exposures in the eurozone relate to Spain and Portugal with net exposure of €56,293 million and €7,652 million, respectively. In North America, the main exposures relate to Mexico and the United States (the "**US**") (€21,642 million and €24,926 million, respectively) and in South America to Brazil (€26,641 million). Recessionary conditions in the economies of Europe, North America or some of the South American countries in which the Group operates, would likely have a significant adverse impact on its loan portfolio and sovereign debt holdings and, as a result, on its financial condition, cash flows and results of operations.

The Group's revenues are also subject to risk of deterioration from unfavourable political and diplomatic developments, social instability, international conflicts, and changes in governmental policies, including expropriation, nationalisation, international ownership legislation, sanctions, interest-rate caps, fiscal and monetary policies globally.

For the year ending 31 December 2024, 48% of the underlying profit attributable to the Bank's operating areas (i.e., without considering the -€1,154 million underlying loss accounted for in the Corporate Centre (which includes the centralized activities relating to equity stakes in financial companies, financial management of the structural exchange rate position, assumed within the sphere of the Group's assets and liabilities committee, as well as management of liquidity and of shareholders' equity via issuances) resulting from centralised management of the areas) came from Europe (of which 27% was from Spain and 10% from the UK), 28% from South America (18% from Brazil), 20% from North America (8% from the United States and 12% from Mexico) and 5% from the Digital Consumer Bank Europe segment. As of 31 December 2024, the total assets (i.e., without considering €240,948 million total assets accounted for in the Corporate Centre and without intra-group eliminations) stood at 55% in Europe (29% in Spain and 18% in the UK), 18% in South America (12% in Brazil), 17% in North America (12% in the United States and 5% in Mexico) and 10% in the Digital Consumer Bank Europe segment.

In particular, the main regions where the Group operates are subject to the following macroeconomic and political conditions, which could have a material adverse effect on its business, results of operations, financial condition and prospects:

- After a period of persistent high inflation throughout the world, particularly in Europe and the United States, during 2023 and 2024 inflation slowly converged towards central banks' objectives allowing interest rates cuts during the second half of 2024. A return to periods of high inflation could result in higher operating costs, a decrease in the purchasing power of families with the consequent increase in delinquencies in the Group's credit portfolios, and lower economic growth derived from the tightening of monetary and fiscal policies aimed at containing inflation, among other risks, any of which could have a material adverse effect on the Group's operations, financial condition and prospects.

- Among the risks that could negatively affect the economies and financial markets of the regions where the Group operates and lead to a slowdown of the global economy, recession, inflationary pressures and/or stagflation are (i) the continuance or escalation of the wars in Ukraine and the Middle East, (ii) increases in the prices of energy and other commodities; (iii) the breakdown of global supply chains, and (iv) the return to tight monetary and fiscal policies, resulting in rising interest costs.

- Scenarios of political tensions and instability throughout the world stemming from a variety of factors, such as heightened polarisation and political fragmentation, may lead to shifting and unpredictable outcomes in political elections, legislative and policy-making efforts, social conditions and the global economy and to the progressive erosion of the rule of law in certain long-standing democracies. Furthermore, increasing public debt levels together with high interest costs may not be sustainable and could lead certain countries to face higher sovereign risk premia and sovereign debt crises. A deterioration of the global economic, political, social and financial environment, particularly in Europe and the Americas, could have a material adverse impact on the financial sector, affecting the Group's operating results, financial position and prospects.

- In particular, the risk of returning in Europe to a fragile and volatile environment, heightened political tensions or recession could be aggravated if, among others, (i) the German economy falls into recession due to reduced competitiveness of its industrial sector, (ii) the policies implemented to provide emergency assistance and support to Ukraine, to alleviate the consequences of the war in the EU countries and to contain inflation do not succeed, (iii) the reforms aimed at improving the labour market, productivity and competitiveness fail, (iv) the banking union and other measures of European integration do not take hold, or (v) anti-European groups become more widespread.

- The new presidential administration in the United States has increased and is expected to continue increasing trade tariffs that could significantly reshape international trade relations and supply chains, potentially resulting in lower growth globally. Growing protectionism and trade tensions, such as the tensions between the United States and China in recent years, could intensify, which could have a negative impact on the economies of the countries where the Group operates, and impact its operating results, financial condition and prospects.

- The shift of the global economy's centre of gravity from the Atlantic to the Pacific and, particularly, China's increasing relevance as a key trading partner and source of financing for Latin American economies, could negatively impact United States and European banks, especially those, such as the Group, which count with a limited presence in Asia, which could reduce the Group's global market share and customer base, affecting the Group's business, operating results, financial condition and prospects.

- China's uncertain economic outlook could negatively affect the world economy and impact the Group's operating results, financial condition and prospects.

- The economies of some of the countries where the Group operates, particularly in Latin America, face long-standing structural problems, including weaknesses in infrastructure, economic competitiveness and education, high levels of social inequality, high inflation and increasing public debt levels and have experienced significant volatility in recent decades. This volatility resulted in fluctuations in the levels of deposits and in the relative economic strength of various segments of the economies to which the Group lends. In addition, some of the countries where the Group operates are particularly affected by commodities price fluctuations, which in turn may affect financial market conditions through exchange rate fluctuations, interest rate volatility and deposits volatility. In addition, the Group is exposed to variations in its net interest income or in the fair value of its assets and liabilities resulting from exchange rate fluctuations. Fiscal instability, political tensions and financial volatility, particularly in Brazil, Mexico, Chile and Argentina, could have a negative impact on the economy of these countries and may have a material adverse effect on the Group.

The continuance or escalation of the wars in Ukraine and the Middle East could materially affect the Group's financial position and increase the Group's operational risk.

On 24 February 2022, Russia launched a large-scale military action against Ukraine. The war in Ukraine has caused an ongoing humanitarian crisis in Europe as well as volatility in financial markets globally, heightened inflation, shortages and increases in the prices of energy, oil, gas and other commodities. The continuance or escalation of the war, including its extension to other countries in the region, has led to, and could continue to lead to further increases in energy, oil and gas prices (particularly if supplies to Europe are interrupted) and inflationary pressures, which in turn could lead to increases in interest rates and market volatility. In addition, the war has exacerbated supply chain problems, particularly to those businesses most sensitive to rising energy prices. The war and its effects have exacerbated and could continue to exacerbate the current slowdown in the global economy and could negatively affect the payment capacity of some of the Group's customers, especially those with more exposure to the Russian or Ukrainian markets.

In response to the Russian military action against Ukraine, several countries, including the United States, the EU member states, the UK and other United Nations ("**UN**") member states, have imposed severe sanctions on Russia and Belarus, including freezing/blocking assets, targeting major Russian banks, the Russian Central Bank, and certain Russian companies and individuals, imposing trade restrictions against Russia and Russian interests, as well as the disconnection of certain Russian banks from the SWIFT system (Society for Worldwide Interbank Financial Telecommunication). In addition, the sanctions imposed also include a ban on trading in sovereign debt and other securities. The scale of sanctions is unprecedented, complex and rapidly evolving, and poses continuously increasing operational risk to the Group. Its corporate framework and policies are designed to ensure compliance with applicable laws, regulations and economic sanctions in the countries in which the Group operates, including the United States, UK, EU and UN economic sanctions. The Group cannot predict whether any of the

countries in which it operates will enact additional economic sanctions or trade restrictions in response to the Russian military action against Ukraine. While the Group does not knowingly engage in direct or indirect dealings with sanctioned parties according to applicable sanctions, or in direct dealings with the sanctioned countries/territories, it may on occasion have indirect dealings within the sanctioned countries/territories, but it aims to operate in line with applicable United States, EU, UK and UN blocking and sectoral sanctions regulations.

Furthermore, the risk of cyberattacks on companies and institutions has increased and could increase even further as a result of the wars. Although the Group is actively monitoring cyberattacks, there can be no assurance that the Group's cyber security and data protection measures and defences will be effective at identifying, preventing, mitigating or remediating any such cyberattacks.

On 7 October 2023, Hamas launched an attack on Israel targeting Israeli civilians. In response, Israel declared war against Hamas, attacking Hamas targets in Gaza and the region. In 2024, in response to attacks from Lebanon and Iran, Israel attacked Lebanon targeting Hezbollah infrastructure and leaders and carried out airstrikes against Iranian military sites. The war, a further escalation of the conflict and any resulting conflicts in the region could exacerbate the ongoing humanitarian crisis and could lead to higher oil and gas prices, the imposition of sanctions, travel and import/export restrictions, further disruptions in supply chains, inflationary pressures and market volatility, among other potential consequences.

The Group does not have a physical presence in Russia and Ukraine and its physical presence in the Middle East is very limited. Further, the Group's direct exposure to Russian, Ukrainian or Middle Eastern markets is not material. However, the impact of the wars and sanctions on global markets, macroeconomic conditions globally, and other potential future geopolitical tensions and consequences remain uncertain and may exacerbate its operational risk. Episodes of economic and market volatility and pressure on supply chains and inflation may continue to occur and could worsen if the wars persist or increase in severity. As a result, the Group's businesses, results of operations and financial position could be adversely affected by any of these factors directly or indirectly arising from the wars in Ukraine and in the Middle East.

The outbreak of highly contagious diseases or other public health emergencies, could materially and adversely impact the business at the Group, its financial condition, liquidity and results of operations.

Although the World Health Organization declared an end to covid-19 as a public health emergency, the emergence of new covid-19 waves, of variants or strains resistant to existing or new vaccines, or of any other highly contagious diseases or other public health emergencies may force countries to re-adopt measures that restrict economic activity, may deteriorate the macroeconomic environment and may adversely impact the business and results of operations of the Group, which could include, but is not limited to (i) a continued decreased demand for its products and services, (ii) further material impairment of its loans and other assets including goodwill, (iii) decline in the value of collateral, (iv) constraints on its liquidity due to market conditions, exchange rates and customer withdrawal of deposits and continued draws on lines of credit, and (v) downgrades to its credit ratings. See risk factor "*Credit, market and liquidity risk may have an adverse effect on the Group's credit ratings and the Group's cost of funds. Any downgrade in the Group's credit rating would likely increase the Group's cost of funding, require the Group to post additional collateral or take other actions under some of the Group's derivative and other contracts and adversely affect the Group's interest margins and results of operations*".

Moreover, the operations of the Group could be impacted by risks from remote work or bans on non-essential activities. If, as a result of any future public health emergencies, the Group becomes unable to successfully operate its business from remote locations including, for example, due to failures of its technology infrastructure, increased cybersecurity risks, or governmental restrictions that affect its operations, this could result in business disruptions that could have a material and adverse effect on its business.

The resurgence of covid-19 or other variants or strains, or any future outbreak of any other highly contagious diseases, or other public health emergencies may have adverse effects on the Group's business, financial condition, liquidity and results of operations or cause other risks to it.

The UK's withdrawal from the EU could continue to have a material adverse effect on the UK-based operations, financial condition and prospects of the Group.

The UK ceased to be a member of the EU ("**Brexit**") in 2020 and a limited trade deal was agreed between the UK and the EU with the relevant new regulations coming into force on 1 January 2021.

The trade deal, however, did not include agreements on certain areas, such as financial services and data adequacy.

The Financial Services and Markets Act 2023 ("**FSMA 2023**") established a framework for HM Treasury to revoke EU-derived financial services legislation and for it to be replaced by Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) rules. This process of revoking and replacing retained EU law may result in material changes to the UK regulatory regime and the impact of these regulatory developments and changes on Santander UK plc ("**Santander UK**") is difficult to predict.

In 2021, the EU Commission adopted an adequacy decision for the UK, allowing for the continued flow of personal data between the EU and the UK without additional safeguards or permissions. However, this decision came with an expiry date of 27 June 2025, if not renewed. If the EU Commission's adequacy decision for the UK is not renewed, personal data flows from entities in the EU to Santander UK in the UK could be impacted. In the event this occurs, Santander UK may face additional costs to facilitate those data flows, to the extent those data flows are impacted, with the UK being subject to EU transfer rules as a non-adequate jurisdiction. For more information on cross-border transfers of personal data.

The continuing impact of Brexit on the wider UK economy could have a material adverse effect on Santander UK's customers and, consequently, on the operations, financial condition and prospects of the Group.

The Group considered these circumstances in its assessment of the recoverability of the cash-generating unit that supports Santander UK's goodwill, which was impaired in 2019 and 2020. There has been no impairment of Santander UK's goodwill since then.

8. Risks Relating to the Group's Business

Legal, Regulatory and Compliance Risks to the business model of the Group.

The Group is exposed to risk of loss from legal and regulatory proceedings.

The Group faces risk of loss from legal and regulatory proceedings, including tax proceedings, that could subject it to monetary judgements, regulatory enforcement actions, fines and penalties. The current regulatory and tax enforcement environment in the jurisdictions in which the Group operates reflects an increased supervisory focus on enforcement, combined with uncertainty about the evolution of the regulatory regime, and may lead to material operational and compliance costs.

The Group is from time to time subject to regulatory investigations and civil and tax claims, and party to certain legal proceedings incidental to the normal course of its business, including, among others, in connection with conflicts of interest, lending and derivatives activities, relationships with its employees and other commercial, privacy, data protection, cybersecurity, tax or climate related matters. In view of the inherent difficulty of predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of investigation or discovery, or have common elements but require assessment of circumstances on a case-by-case basis, the Group cannot state with certainty what the eventual outcome of these pending matters will be or what the eventual loss, fines or penalties related to each pending matter may be such as, for instance, in relation to recent judgements rendered by the Spanish Supreme Court concerning revolving credit cards.

The amount of the Group's reserves in respect of these matters, which considers the likelihood of future cash outflows associated with each of such claims, is substantially less than the total amount of the claims asserted against it, and, in light of the uncertainties involved in such claims and proceedings, there is no assurance that the ultimate resolution of these matters will not significantly exceed the reserves currently accrued by the Group. As a result, the outcome of a particular matter may be material to its operating results for a particular period. As of 31 December 2024, the Group had provisions for taxes, other legal contingencies and other provisions for €5,051 million.

For example, in Poland the Group is exposed to significant litigation in connection with CHF indexed and CHF denominated loans in which it is facing claims that those loans or clauses included in them are abusive. After the 15 June 2023 judgement rendered on this matter by the Court of Justice of the European Union ("**CJEU**"), on 25 April 2024, the Polish Supreme Court issued a resolution regarding the CHF indexed and CHF denominated loans, in which it considered that the primary consequence of finding abusive contractual clauses would be contract invalidation. At the same time, nine judges of the Polish Supreme Court declined to participate in the resolution raising questions of a constitutional nature and six judges submitted dissenting opinions mainly on issues related to the maintenance of the agreement after the elimination of abusive clauses.

Santander Bank Polska and Santander Consumer Bank Poland estimate legal risk using a model that considers different possible outcomes and regularly monitor court rulings on foreign currency loans to verify changes in case law practice, including the impact of the aforementioned Polish Supreme Court resolution on such case law. The Bank is reaching settlements with customers who have taken legal action as well as with those who have not yet decided to file a lawsuit. The settlement scenario is reflected in the model used to calculate provisions for legal risks.

As of 31 December 2024, Santander Bank Polska S.A. and Santander Consumer Bank S.A. maintained a portfolio of mortgages denominated in or indexed to CHF for an approximate gross amount of z5,173.7 million or €1,210.1 million and the total value of the adjustments to gross carrying amount in accordance with IFRS9 as well as the provisions recorded under IAS37, amount to z6,592.0 million or €1,541.9 million). The provisions and adjustments recorded are deemed sufficient to cover the risks associated with the legal claims against the Group. However, in the event that the Group is required to make higher payments than estimated, either with respect to existing or new claims, there could be a significant adverse effect on its results and financial situation.

As another example, following the FCA motor market review in 2019 which resulted in a change in rules in January 2021, Santander Consumer (UK) plc ("**SCUK**") has received a number of county court claims and complaints in respect of its historical use of discretionary commission arrangements ("**DCAs**") prior to the 2021 rule changes. In January 2024, the FCA commenced a review of the use of DCAs between lenders and credit brokers (the "**FCA Review**"). As indicated by the FCA, currently the deadline for finalising the FCA Review is May 2025. As a consequence of the FCA Review, the handling of these complaints has been currently paused until 4 December 2025. A claim has also been issued against SCUK, Santander UK and others in the Competition Appeal Tribunal ("**CAT**"), alleging that SCUK's historical DCAs in respect of used car financing operated in breach of the Competition Act 1998. This proceeding is currently paused until the end of July 2025 connected to the outcome of the FCA Review.

In a judicial proceeding brought against other financial entities, on 25 October 2024, the Court of Appeal of the UK issued a judgment establishing certain criteria which, after the corresponding assessment by SCUK, has led it to recognise a provision of £293 million (€353.3 million) as of 31 December 2024, although the referred judgment has been appealed before the UK Supreme Court. This provision includes estimates for operational and legal costs (including litigation costs) reached after considering various scenarios which consider the differences and similarities between the cases in the referred judgment and SCUK's situation, as well as the outcome of the aforementioned Supreme Court appeal, the scope, nature and timeframe of any redress scheme, applicable time periods, claims, rates and compensatory interest rates.

The outcome of the FCA Review may be informed (i) by the judgment of the Court of Appeal handed down on 25 October 2024, as well as the anticipated judgment of the UK Supreme Court on appeal; and (ii) by the outcome of a judicial review of a final decision by the Financial Ombudsman Service ("**FOS**") against another lender that was heard in October 2024. Judgment in this case was handed down in December 2024 and permission for leave to appeal to the Court of Appeal has been granted.

The Group including the Bank is subject to extensive regulation and regulatory and governmental oversight which could adversely affect its business, operations and financial condition.

As a financial institution, the Group including the Bank is subject to extensive regulation, which materially affects its businesses.

In Spain and the other jurisdictions where the Group operates, there is continuing political, competitive and regulatory scrutiny of the banking industry, including banking practices, products, services and pricing policies. Political involvement in the regulatory process, in the behaviour and governance of the banking sector and in the major financial institutions in which the local governments have a direct financial interest and in their products and services, and the prices and other terms they apply to them, is likely to continue. Accordingly, the statutes, regulations and policies to which the Group is subject may be changed at any time. In addition, the interpretation and the application by regulators of the laws and regulations to which the Group is subject may also change from time to time. Extensive legislation and regulation affecting the financial services industry has been adopted in regions that directly or indirectly affect the Group's business, including Spain, the United States, the EU, the UK, Latin America and other jurisdictions, and further regulations are in the process of being implemented. The manner in which those laws and related regulations are applied to the operations of financial institutions is continuously evolving. Moreover, to the extent these regulations are implemented inconsistently in the various jurisdictions in which the Group operates, it may face higher compliance costs. Any legislative or regulatory actions and any required changes to its business operations resulting from such legislation and regulations, as well

as any deficiencies in its compliance with such legislation and regulation, could result in significant loss of revenue, limit the ability of the Group to pursue business opportunities in which the Group might otherwise consider engaging, limit the Group's ability to provide certain products and services, affect the value of assets that it holds, require the Group to increase its prices and therefore reduce demand for its products, impose additional compliance and other costs on the Group or otherwise adversely affect its businesses.

In particular, legislative or regulatory actions resulting in enhanced prudential standards, in particular with respect to capital and liquidity, could impose a significant regulatory burden on the Bank or on its subsidiaries and could limit the Bank subsidiaries' ability to distribute capital and liquidity, thereby negatively impacting the Bank. Future liquidity standards could require the Bank to maintain a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, which would negatively affect its net interest margin. Moreover, regulatory and supervisory authorities periodically review the Group's allowance for loan losses.

Such regulators and supervisors may recommend the Bank to increase its allowance for loan losses or to recognise further losses. Any such additional provisions for loan losses, as recommended by these regulatory and supervisory agencies, whose views may differ from those of the Bank's management, could have an adverse effect on its earnings and financial condition. Accordingly, there can be no assurance that future changes in regulations or in their interpretation or application will not adversely affect the Group.

The wide range of regulations, actions and proposals which most significantly affect, or which could most significantly affect, the Group in the future, relate to capital requirements, funding and liquidity and development of a fiscal and banking union in the EU, which are discussed in further detail below. Moreover, there is uncertainty regarding the future of financial reforms in the United States and the impact that potential financial reform changes to the United States banking system may have on ongoing international regulatory proposals. In general, regulatory reforms adopted or proposed in the wake of the financial crisis have increased and may continue to materially increase the Group's operating costs and negatively impact the Group's business model. Furthermore, regulatory authorities have substantial discretion in how to regulate banks, and this discretion, and the means available to the regulators, have been increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to a crisis, and these may especially affect financial institutions such as the Group that are deemed to be a global systemically important institution ("**G-SII**"). The main regulations and regulatory and governmental oversight that can adversely impact the Group include but are not limited to the items below.

Furthermore, on 18 April 2023, the European Commission published a package of legislative proposals to reform the current framework for bank crisis management and deposit insurance (the "**CMDI Proposal**") within the European Union, which involves the revision of Directive 2014/59/EU on recovery and resolution (BRRD), Regulation (EU) 806/2014 on the Single Resolution Mechanism (SRM), and Directive 2014/49/EU ("**Directive 2014/49**") on deposit guarantee schemes (DGSD). Among other issues, it establishes a general preference for all deposits over ordinary unsecured credits. As of the date hereof, there is still uncertainty regarding the specific impacts that will arise from these proposals, as they are subject to the relevant legislative process and further amendments by the European Parliament and the Council, until the final text is approved and its provisions come into effect. On 19 June 2024, the Council agreed on a negotiating mandate on the review of CMDI Proposal framework. Following this agreement, the trilogue between the European Commission, the Council of the European Union, and the European Parliament began, with subsequent meetings held on 14 January 2025 and 4 February 2025. Further trilogues are expected to negotiate the final shape of the legislation.

Increasingly stricter capital regulations and potential requirements could have an impact on the functioning of the Group and its businesses

Increasingly onerous capital requirements constitute one of the Bank's main regulatory challenges. Increasing capital requirements may adversely affect the Bank's profitability and create regulatory risk associated with the possibility of failure to maintain required capital levels.

In 2011, the framework known as Basel III, which is a full set of reform measures to strengthen the regulation, supervision and risk management of the banking sector, was introduced (see "*Investment Considerations—Additional information on the BRRD and SRM Regulation—Capital requirements, liquidity, funding and structural reform*"). This aimed to boost the banking sector's ability to absorb impacts caused by financial and economic stress, improve risk management and corporate governance, and improve banking transparency and disclosures. Concerning capital, Basel III redefines available capital at financial institutions (including new deductions and raising the requirements for eligible equity instruments), tightens the minimum capital

requirements, compels financial institutions to operate permanently with surplus capital (capital "buffers"), and includes new requirements for the risks considered.

The amendments to the solvency requirements of credit institutions and various transparency regulations, from the practical standpoint, grant priority to high-quality capital (Common Equity Tier 1 or "**CET1**"), introducing stricter eligibility criteria and more stringent ratios, in a bid to guarantee higher standards of capital adequacy in the financial sector.

The European Central Bank (the "**ECB**") is required under Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the "**SSM Regulation**") to carry out a supervisory review and evaluation process (the "**SREP**") at least on an annual basis.

The Bank announced on 11 December 2024 that it had received from the ECB its decision regarding the prudential minimum capital requirements effective as of 1 January 2025, following the results of SREP. The ECB's decision maintains an unchanged Pillar 2 requirement (P2R) of 1.74% at a consolidated level of which at least 0.98% must be covered with CET1. Accordingly, the minimum CET1 and capital requirements as of 1 January 2025 are 9.67% and 13.93% on a consolidated basis, respectively. As of 31 December 2024, on a consolidated basis, the Group's total capital ratio was 17.39% while its CET1 ratio was 12.78%. If the Group did not apply the transitory IFRS 9 provisions, nor the subsequent amendments introduced by Regulation 2020/873 of the EU, the fully-loaded CET1 ratio would have been 12.76%.

In addition, the Bank shall comply with the TLAC/MREL Requirements (as defined in section "*Regulation –EU Banking Reforms*"). The Bank announced on 24 June 2024 that it received a formal notification from the Bank of Spain with its binding minimum MREL requirement, both total and subordinated, for the resolution group of Banco Santander (the "**Resolution Group**") at a sub-consolidated level, as determined by the Single Resolution Board ("**SRB**"). The total MREL requirement that is in effect from 1 January 2025 is 32.39% (and 33.59% as from 24 June 2025) of the Resolution Group's total risk weighted assets. The subordination requirement that is in effect from 1 January 2025 was set at 11.30% (and will be maintained as of 24 June 2025). Future requirements are subject to ongoing review by the resolution authority.

See "*Investment Considerations—Additional information on the BRRD and SRM Regulation—Capital requirements, liquidity, funding and structural reform*" for additional information.

In this regard, there can be no assurance that the application of the existing regulatory requirements, standards or recommendations will not require the Bank to issue additional securities that qualify as own funds or eligible liabilities, to maintain a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, to liquidate assets, to curtail business or to take any other actions, any of which may have a material adverse effect on the Group's business, results of operations and/or financial position.

Any failure by the Bank and/or the Group to maintain its Pillar 1 minimum regulatory capital ratios and any Pillar 2 additional capital requirements could result in administrative actions or sanctions (including restrictions on Discretionary Payments, as defined in section *"Regulation – EU Banking Reforms"*), which, in turn, may have a material adverse impact on the Group's results of operations.

Moreover, it should not be disregarded that new and more demanding additional regulatory requirements, standards or recommendations may be applied in the future, notably once the final Basel III reforms are implemented in the EU. In this regard, the European Commission published on 27 October 2021 a legislative proposal which aims to complete the post-crisis reforms and to faithfully implement the outstanding elements of the Basel III reform in the EU.

All the applicable regulations and the approval of any other regulatory requirements could have an adverse effect on the Group's activities and operations, and most particularly affect the ability of the Bank to distribute dividends. Therefore, these regulations could have a material adverse effect on the Group's business, results of operations and/or financial position.

See "*Investment Considerations—Additional information on the BRRD and SRM Regulation—Capital requirements, liquidity, funding and structural reform*" for additional information.

The Group is subject to potential action by any of its regulators or supervisors, particularly in response to customer complaints.

As noted above, the business and operations of the Group are subject to increasingly significant rules and regulations that are required to conduct banking and financial services business. These apply to business operations, affect financial returns, include reserve and reporting requirements, and prudential and conduct of business regulations. These requirements are set by the relevant central banks and regulatory authorities that authorise, regulate and supervise the Group in the jurisdictions in which it operates.

In their supervisory roles, the regulators seek to maintain the safety and soundness of financial institutions with the aim of strengthening the protection of customers and the financial system. The supervisors' continuing supervision of financial institutions is conducted through a variety of regulatory tools, including the collection of information by way of prudential returns, reports obtained from skilled persons, visits to firms and regular meetings with management to discuss issues such as performance, risk management and strategy. In general, these regulators have a more outcome-focused regulatory approach that involves more proactive enforcement and more punitive penalties for infringement. As a result, the Group faces increased supervisory scrutiny (resulting in increasing internal compliance costs and supervision fees), and in the event of a breach of its regulatory obligations the Group is likely to face more stringent regulatory fines. Some of the regulators, have been focusing intently on consumer protection and on conduct risk and could continue to do so. This has included a focus on the design and operation of products, the behaviour of customers and the operation of markets. Such a focus could result, for example, in pricing regulations that could restrict the ability of the Group to charge certain levels of interest in credit transactions or in regulation that would prevent the Group from bundling products that it offers to its customers. Some of the laws in the relevant jurisdictions in which the Group operates, give the regulators the power to make temporary product intervention rules either to improve a firm's systems and controls in relation to product design, product management and implementation, or to address problems identified with financial products. These problems may potentially cause significant detriment to consumers because of certain product features or governance flaws or distribution strategies. Such rules may prevent institutions from entering into product agreements with customers until such problems have been solved. Some of the regulatory regimes in the relevant jurisdictions in which the Group operates, requires the Group to be in compliance across all aspects of its business, including the training, authorisation and supervision of personnel, systems, processes and documentation. If it fails to comply with the relevant regulations, there would be a risk of an adverse impact on its business from sanctions, fines or other actions imposed by the regulatory authorities. Customers of financial services institutions, including Group's customers, may seek redress if they consider that they have suffered loss as a result of the mis-selling of a particular product, or through incorrect application of the terms and conditions of a particular product. Given the inherent unpredictability of litigation and the evolution of judgements by the relevant authorities, it is possible that an adverse outcome in some matters could harm the reputation of the Group or have a material adverse effect on its operating results, financial condition and prospects arising from any penalties imposed or compensation awarded, together with the costs of defending such an action, thereby reducing its profitability.

The Group is subject to review by tax authorities, and an incorrect interpretation of tax laws and regulations by the Group may have a material adverse effect on it.

The preparation of the tax returns of the Group requires the use of estimates and interpretations of complex tax laws and regulations and is subject to review by tax authorities. The Group is subject to the income tax laws of Spain and the other jurisdictions in which it operates. These tax laws are complex and subject to different interpretations by the taxpayer and relevant governmental tax authorities, which are sometimes subject to prolonged evaluation periods until a final resolution is reached. In establishing a provision for income tax expense and filing returns, the Group must make judgements and interpretations about the application of these inherently complex tax laws. If the judgement, estimates and assumptions the Group uses in preparing its tax returns are subsequently found to be incorrect, there could be a material adverse effect on Group's results of operations. In some jurisdictions, the interpretations of the tax authorities are unpredictable and frequently involve litigation, which introduces further uncertainty and risk as to tax expense.

The Group may not be able to detect or prevent money laundering and other financial crime activities fully or on a timely basis, which could expose it to additional liability and could have a material adverse effect on the Group.

The Group is required to comply with applicable anti-money laundering and combating the financing of terrorism ("**AML/CFT**"), anti-bribery and corruption, sanctions and other laws and regulations (collectively, financial crime compliance ("**FCC**") regulations).

These laws and regulations require the Group, among other things, to conduct full customer due diligence (including sanctions and politically exposed person screening), keep its customer, account and transaction information up to date and have FCC policies and procedures in place detailing what is required from those responsible. The Group is also required to conduct FCC training for its employees and to report suspicious transactions and activity to appropriate law enforcement following full investigation by Group's local FCC team.

Financial crime continues to be the subject of enhanced regulatory scrutiny and supervision by regulators globally. FCC regulations are increasingly complex and detailed. Key standard-setting and regulatory bodies continue to provide guidelines to strengthen the interaction and cooperation between prudential and AML CFT supervisors. Compliance with these laws and regulations requires automated systems, sophisticated monitoring and skilled compliance personnel.

The Group maintains updated policies and procedures aimed at detecting and preventing the use of its banking network for money laundering and other financial crime related activities. However, emerging technologies, such as cryptocurrencies and innovative payment methods, could limit Group's ability to track the movement of funds. The ability of the Group to comply with the legal requirements depends on its ability to improve detection and reporting capabilities and reduce variation in control processes and oversight accountability. These require implementation and embedding within its business effective controls and monitoring, which in turn requires on-going changes to systems and operational activities.

Financial crime is continually evolving and, as noted, is subject to increasingly stringent regulatory oversight and focus. This requires proactive and adaptable responses from the Group so that the Group is able to deter threats and criminality effectively. As a global bank, the Group is particularly exposed to this risk. Even known threats can never be fully eliminated, and there have been, and may in the future be, instances where the Group may be used by other parties to engage in money laundering and other illegal or improper activities. In addition, the Group relies heavily on its employees to assist the Group by spotting such activities and reporting them, and its employees have varying degrees of experience in recognising criminal tactics and understanding the level of sophistication of criminal organisations. Where the Group outsources any of its customer due diligence, customer screening or anti financial crime operations, it remains responsible and accountable for full compliance and any breaches. If the Group is unable to apply the necessary scrutiny and oversight of third parties to whom it outsources certain tasks and processes, there remains a risk of regulatory breach.

If the Group is unable to fully comply with applicable laws, regulations and expectations, regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties on the Group, including requiring a complete review of its business systems, day-to-day supervision by external consultants and ultimately the revocation of Group's banking licence.

The Group has been, and may in the future be, subject to negative coverage in the media about it or its clients, including with respect to alleged conduct such as failure to detect and/or prevent any financial crime activities or comply with FCC regulations. Negative media coverage of this type about the Group, whether it has merit or not, could materially and adversely affect its reputation and perception among current and potential clients, investors, vendors, partners, regulators and other third parties, which in turn could have a material adverse effect on the Group's operating results, financial condition and prospects as well as damage its customers' and investors' confidence and the market price of its securities.

The reputational damage to the business of the Group and global brand could be severe if it were found to have breached FCC requirements. Its reputation could also suffer if the Group is unable to protect its customers' bank products and services from being used by criminals for illegal or improper purposes.

In addition, while the Group reviews its relevant counterparties' internal policies and procedures with respect to such matters, it expects its relevant counterparties to maintain and properly apply their own appropriate compliance procedures and internal policies. Such measures, procedures and internal policies may not be completely effective in preventing third parties from using its (and its relevant counterparties') services as a conduit for illicit purposes (including illegal cash transactions) without the Group's (and its relevant counterparties') knowledge. If the Group is associated with, or even accused of being associated with, breaches of FCC requirements the Group's reputation could suffer and/or it could become subject to fines, sanctions and/or legal enforcement (including being added to 'watch lists' that would prohibit certain parties from engaging in transactions with the Group), any one of which could have a material adverse effect on its operating results, financial condition and prospects.

Any such risks could have a material adverse effect on the Group's operating results, financial condition and prospects.

See – "The Group is subject to extensive regulation and regulatory and governmental oversight which could adversely affect its business, operations and financial condition".

Changes in taxes and other assessments may adversely affect the Group.

The legislatures and tax authorities in the tax jurisdictions in which the Group operates regularly enact reforms to the tax and other assessment regimes to which it and its customers are subject to. Such reforms include changes in tax rates and, occasionally, enactment of temporary taxes, the proceeds of which are earmarked for designated governmental purposes.

The effects of these changes and any other changes that result from enactment of additional tax reforms cannot be quantified and there can be no assurance that any such reforms would not have an adverse effect upon the business of the Group.

For example, Law 38/2022, of 27 December, established a temporary tax on financial credit institutions in Spain applicable to fiscal years 2023 and 2024. The tax was calculated as 4.8% of the sum of interest income/charges and commission income/expenses derived from the business activities carried out in Spain. In 2024, Law 7/2024, of 20 December, established a new tax on interests and commissions for fiscal years 2025, 2026 and 2027.

Credit Risks.

The credit quality of the loan portfolio of the Group may deteriorate and the Group's loan loss reserves could be insufficient to cover its loan losses, which could have a material adverse effect on the Group.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent to a wide range of the businesses of the Group. Non-performing or low credit quality loans have in the past negatively impacted the Group's results of operations and could do so in the future. In particular, the amount of the reported credit impaired loans of the Group may increase in the future as a result of growth in the Group's total loan portfolio, including as a result of loan portfolios that the Group may acquire in the future (the credit quality of which may turn out to be worse than it had anticipated), or factors beyond the Group's control, such as adverse changes in the credit quality of its borrowers and counterparties or a general deterioration in economic conditions in the regions where the Group operates or in global economic and political conditions, including as a result of the continuance or escalation of the wars in Ukraine and in the Middle East. In certain markets, the combined pressure of economic downturn, high inflation and high interest rates may impact the ability of the Group's customers to repay their debt. If the Group was unable to control the level of its credit impaired or poor credit quality loans, this could have a material adverse effect on the Group.

The loan loss reserves of the Group are based on its current assessment of and expectations concerning various factors affecting the quality of its loan portfolio. These factors include, among other things, the financial condition of the borrowers of the Group, repayment abilities and repayment intentions, the realisable value of any collateral, the prospects for support from any guarantor, government macroeconomic policies, interest rates and the legal and regulatory environment. Because many of these factors are beyond the Group's control and there is no infallible method for predicting loan and credit losses, the Group cannot assure that its current or future loan loss reserves will be sufficient to cover actual losses. If the Group's assessment of and expectations concerning the above mentioned factors differ from actual developments, if the quality of its total loan portfolio deteriorates, for any reason, or if the future actual losses exceed the estimates of expected losses of the Group, it may be required to increase its loan loss reserves, which may adversely affect the Group. Additionally, in calculating the Group's loan loss reserves, the Group employs qualitative and quantitative criteria and statistical models which may not be reliable in all circumstances and which are dependent upon data that may not be complete. For further details regarding the Group's risk management policies, see "*Failure to successfully implement and continue to improve the risk management policies, procedures and methods of the Group, including its credit risk management systems, could materially and adversely affect the Group, and it may be exposed to unidentified or unanticipated risks*".

On 31 December 2024, net loans and advances to customers of the Group amounted to €1,054,069 million (compared to €1,036,349 million as of 31 December 2023).

The loan portfolio of the Group is mainly located in Europe (in particular, Spain and the UK), North America (in particular, the United States) and South America (in particular, Brazil). At 31 December 2024, Europe accounted for 55% of the Group's total loan portfolio (Spain accounted for 23% of its total loan portfolio and the UK, where the loan portfolio consists primarily of residential mortgages, accounted for 23%), North America accounted for 17% (of which the United States represents 13% of its total loan portfolio), South America accounted for 14% (of which Brazil represents 8% of its total loan portfolio) and the Digital Consumer Bank Europe segment accounted for 13%.

Mortgage loans are one of the Group's principal assets, comprising 42% of its net loans and advances as of 31 December 2024, mainly located in Spain and the UK. 81 per cent of such mortgage loans are residential. If Spain or the UK experience situations of economic stagnation, persistent housing oversupply, decreased housing demand, rising unemployment levels, increasing interest rates, subdued earnings growth, greater pressure on disposable income, a decline in the availability of mortgage finance or continued global markets volatility, for instance, home prices could decline, while mortgage delinquencies, forbearances and the Group's NPL ratio could increase, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations. At 31 December 2024, the NPL ratio of residential mortgage loans for the Group in Spain and the UK was 1.32% and 1.07%, respectively.

At 31 December 2024 the total Group NPL ratio stood at 3.05% as compared to 3.14% at 31 December 2023. Coverage as of 31 December 2024 was 65% as compared to 66% a year earlier.

Impairment on financial assets not measured at fair value through profit or loss (net) of the Group in 2024 was €12,644 million (mainly related to loans and advances to customers), a 2.4% decrease as compared to €12,956 million in 2023.

At 31 December 2024, the gross amount of the Group's refinancing and restructuring operations was €27,144 million (3% of total gross loans and credits), of which €8,254 million have real estate collateral. At the same date, the net amount of non-current assets held for sale amounted €4,002 million, of which €2,621 million were foreclosed assets.

The value of the collateral securing the Group's loans may not be sufficient, and the Group may be unable to realise the full value of the collateral securing its loan portfolio.

The value of the collateral securing the loan portfolio of the Group may fluctuate or decline due to factors beyond its control, including as a result of macroeconomic factors, especially those affecting Europe, North America and South America or the continuance or escalation of the wars in Ukraine and the Middle East.

The value of the collateral securing its loan portfolio may be adversely affected by force majeure events, such as natural disasters (including as a result of climate change), particularly in locations where a significant portion of its loan portfolio is composed of real estate loans.

The Group may also not have sufficiently recent information on the value of collateral, which may result in an inaccurate assessment for impairment losses of its loans secured by such collateral.

If any of the above were to occur, the Group may need to make additional provisions to cover actual impairment losses of its loans, which may materially and adversely affect its results of operations and financial condition.

In addition, technological changes in the auto industry, accelerated by environmental rules, could affect the auto consumer business of the Group in the EU and the United States, particularly residual values of leased vehicles. This transformation could affect the Group's auto finance business view of (i) a transition from fuel to electric engines, environmental aspects related to emissions and transition risks derived from political and regulatory decisions (e.g., traffic restrictions in city centers), (ii) growing customer preferences for car leasing, subscription, car sharing and other services instead of vehicle ownership, (iii) greater market concentration in certain manufacturers, distributors and other agents, and (iv) more online sales channels. In addition, the auto industry could also suffer from supply chain disruption and shortages of batteries, semi-conductors and others in the wake of the wars, geopolitical and macroeconomic tensions, conflicts and other events, affecting guarantees, residual used car value and loan delinquencies. Although the Group monitors the auto portfolios and dealers and it has launched specific plans to tackle particular issues, the auto industry changes and disruptions described above could have a material adverse effect on its operating results, financial condition and prospects.

At 31 December 2024, 42% of the Group's loans and advances to customers had property collateral while 24% had other types of collateral (securities, pledges and others).

The Group is subject to counterparty risk in its banking business.

The Group is exposed to counterparty risk in addition to credit risks associated with lending activities. Counterparty risk may arise from, for example, investing in securities of third parties, entering into derivative contracts under which counterparties have obligations to make payments to the Group or executing securities, futures, currency or commodity trades from proprietary trading activities that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, clearing houses or other financial intermediaries.

The Group routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual funds, hedge funds and other institutional clients. Defaults by, and even rumours or questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions. Many of the routine transactions the Group enters into expose it to significant credit risk in the event of default by one of its significant counterparties.

Operational and technology risks.

Any failure to improve or upgrade the information technology infrastructure and information management systems of the Group in an effective, timely and cost-effective manner including in response to new or modified privacy, cybersecurity and data laws, rules and regulations, could have a material adverse effect on the Group.

The ability of the Group to remain competitive depends in part on its ability to upgrade its information technology in an effective, timely and cost-effective manner. It must continually make significant investments in, and improvements to, the information technology infrastructure and information management systems of the Group in order to meet the needs of its customers. The Group cannot guarantee that in the future it will be able to maintain the level of capital expenditures necessary to support the continuous improvement and upgrading of its information technology infrastructure and information management systems and networks. To the extent that the Group is dependent on any particular technology or technological solution, it may be harmed if such technology or technological solution becomes non-compliant with existing industry standards or applicable laws, rules or regulations, fails to meet or exceed the capabilities of its competitors' equivalent technologies or technological solutions, becomes increasingly expensive to service, retain and update, becomes subject to third party claims of intellectual property infringement, misappropriation or other violation, or malfunctions or functions in a way the Group did not anticipate. Additionally, new technologies and technological solutions, such as artificial intelligence ("**AI**"), are continually being released. As such, it is difficult to predict the problems the Group may encounter in improving its technologies' functionality. There is no assurance that the Group will be able to successfully adopt new technology as critical systems and applications become obsolete and better ones become available. Any failure to effectively improve or upgrade the information technology infrastructure and information management systems and networks in an effective, timely and cost-efficient manner could have a material adverse effect on the Group.

Any failure or disruption of the Group's operational processes or systems, or cyberattacks, data breaches, data losses and other security incidents with respect to the Group or its third-party vendors' systems could adversely affect the Group's business or reputation, and create significant legal, regulatory or financial exposure.

Like other financial institutions, in conducting the Group's banking operations, the Group receives, manages, holds, transmits and otherwise processes certain proprietary and sensitive or confidential information, including personal information of customers and employees as well as a large number of assets. Accordingly, the business of the Group relies on its ability to process a large number of transactions efficiently and accurately, and on its ability to rely on its digital technologies, computer and email services, software and networks, as well as on the secure storage, transmission and otherwise processing of proprietary confidential, sensitive and personal data and other information using the computer systems and networks of the Group or those of its third party vendors. The Group's operations must also comply with complex and evolving laws and regulations in the countries in which the Group operates. The proper and secure functioning of its financial controls, accounting and other data collection and processing systems is critical to its business and to its ability to compete effectively. Cyberattacks, data breaches, data losses and other security incidents, including fraudulent withdrawal of money, can result from, among other things, inadequate personnel, inadequate or failed internal control processes and systems, or external events or actors that interrupt normal business operations malfunctions, software and hardware failure, defective software or hardware updates, malware and ransomware, social engineering and phishing attacks, denial-of-service attacks, misconduct, fraud, and other events that could have a serious impact on the Group. The Group also faces the risk that the design of its or its third-party vendors' cybersecurity controls and procedures prove to be inadequate or are circumvented such that its data or client records are incomplete, not recoverable or not

securely stored. Moreover, it is not always possible to deter or prevent employee errors or misconduct, and the precautions the Group takes to detect and prevent this activity may not always be effective. Any material disruption or slowdown of the systems of the Group could cause information, including data related to customer requests, to be lost or to be delivered to its clients with delays or errors, which could reduce demand for its services and products, produce customer claims and materially and adversely affect the Group.

The Group prioritises early identification, monitoring and mitigation of risks (including those resulting from its interactions with third parties) in its goal to provide a resilient and secure operational environment. In this regard, although (i) the Group has policies, procedures and controls in place designed to safeguard proprietary sensitive and confidential information, including personal information, (ii) the Group takes protective technical measures and monitor and develop the Group's systems and networks to protect the Group's technology infrastructure, data and information from misappropriation or corruption, and (iii) the Group works with its clients, vendors, service providers, counterparties and other third parties to develop secure data and information processing, collection, authentication, management, usage, storage and transmission capabilities and to ensure the eventual destruction of proprietary, sensitive and confidential information, including personal information, the Group, its third-party vendors or other third parties with which the Group does business have been and may continue to be subject to cyberattacks, data breaches, data losses and other security incidents. For example, on 14 May 2024, the Group announced that it had become aware of an unauthorised access to a Santander database that included certain customer and employee information hosted by a third-party provider (the "**2024 Unauthorised Access**").

The implementation of the Group's cybersecurity policies, procedures, controls and technical measures is designed to reduce the risk of such cyberattacks, data breaches, data losses and other security incidents but does not guarantee full protection or a risk-free environment. This is especially applicable in the current global environment, with the wars in Ukraine and the Middle East resulting in an increased risk of cyberattacks, data breaches, data losses and other security incidents and other disruptions in response to, or retaliation for, the sanctions and costs imposed on Russia and certain other countries directly or indirectly involved in the wars. Additionally, the shift to remote work policies for a significant portion of the Group's workforce, as they access the Group's secure systems and networks remotely and its customers' increased reliance on digital banking products and other digital services, including mobile payment products, has also increased the risk of cyberattacks, data breaches, data losses and other security incidents (see –"*The outbreak of any other highly contagious diseases or other public health emergencies, could materially and adversely impact the Group's business, at the Group, its financial condition, liquidity and results of operations*.").

While the Group generally performs cybersecurity due diligence on its key vendors, because it does not control its vendors and its ability to monitor their cybersecurity is limited, the Group cannot ensure the cybersecurity measures they take will be sufficient to protect any information it shares with them. Due to applicable laws and regulations or contractual obligations, the Group may be held responsible for cyberattacks, data breaches, data losses and other security incidents attributed to its vendors as they relate to the information the Group share with them.

In addition, the Group may also be impacted by cyberattacks against national critical infrastructures of the countries where it operates, such as telecommunications networks. The Group's information technology systems are dependent on such critical infrastructure and any cyberattack against such critical infrastructure could negatively affect its ability to service its customers. As the Group does not operate such critical infrastructure, it has limited ability to protect its information technology systems from the adverse effects of a cyberattack.

The Group has seen in recent years the information technology systems and networks of companies and organisations being increasingly targeted, and the techniques used to obtain unauthorised, improper or illegal access to such information technology systems and networks have become increasingly complex and sophisticated, including through the use of AI. Furthermore, such techniques change frequently and are often not recognised or detected until after they have been launched and can originate from a wide variety of sources, including not only organised crime, hackers, activists, terrorists, nation-states, nation-state supported actors and others, any of which may see their effectiveness enhanced by the use of AI. As attempted attacks continue to evolve in scope and sophistication, the Group may incur significant costs in order to modify or enhance its protective measures against such attacks, or to investigate or remediate any vulnerability or resulting breach, or in communicating cyberattacks, data breaches, data losses or other security incidents to its customers, affected individuals or regulators, as applicable.

If the Group cannot maintain effective and secure proprietary, confidential, sensitive and personal data, or if the Group or its third-party vendors fall victim to successful cyberattacks, penetrations, compromises, breaches or circumventions of the Group's information technology systems or networks, such as the 2024 Unauthorised Access, or experience other data breaches, data losses or other security incidents in the future, the Group may incur substantial costs and suffer other negative consequences, such as disruption to its operations,

misappropriation of personal, proprietary, confidential or sensitive information, remediation costs (including liabilities for stolen assets or information, repairs of system damage, among others), increased cybersecurity protection costs, lost revenues arising from the unauthorised use of personal, proprietary, confidential or sensitive information or the failure to retain or attract its customers following an operational or security incident, litigation and legal risks (including claims from customers, employees or other third parties, regulatory action, reporting obligations, investigation, fines and penalties), increased insurance premiums, reputational damage affecting its customers' and the investors' confidence, as well as damages to the Group's competitiveness, stock price and long-term shareholder value. In addition, the Group's remediation efforts may not be successful, and it may not have adequate insurance to cover these losses. While the Group maintains insurance coverage, it cannot assure that such coverage will be adequate or otherwise protect the Group from liabilities or damages with respect to claims alleging compromises of proprietary, confidential, sensitive or personal data or otherwise relating to data privacy, data protection and cybersecurity matters. In addition, the Group cannot be sure that its existing insurance coverage will continue to be available on acceptable terms or at all, or that its insurers will not deny coverage to any future claim. Moreover, even when a failure of or interruption in the Group's or its third-party vendors' systems or facilities is resolved in a timely manner or an attempted cyberattack, data breach, data loss or other security incident is successfully avoided or thwarted, substantial resources and management attention are expended in doing so, and to successfully avoid or resolve any such incidents, the Group may be required to take actions that could adversely affect customer satisfaction or retention, as well as harm its reputation.

Any of the cyberattacks, data breaches, data losses and other security incidents described above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group relies on third parties and affiliates for important products and services.

Third party vendors and certain affiliated companies provide key components to the business infrastructure of the Group such as loan and deposit servicing systems, back office and business process support and software, information technology production and support, internet connections and network access, including cloud-based services, as well as those of the Group's service providers. Relying on these third parties and affiliated companies can be a source of operational and regulatory risk to the Group, including with respect to security breaches, service outages and other disruptions or failures affecting such parties. The Group is also subject to risk with respect to security breaches, service outages and other disruptions or failures affecting the vendors and other parties that interact with these service providers. As the interconnectivity of the Group with these third parties and affiliated companies increases, the Group increasingly faces the risk of operational failure with respect to their systems. The Group may be required to take steps to protect the integrity of its operational systems, thereby increasing its operational costs and potentially decreasing customer satisfaction.

In addition, any problems caused by these third parties or affiliated companies, including as a result of them not providing the Group their services for any reason, or performing their services poorly, could adversely affect its ability to deliver products and services to customers and otherwise conduct its business, which could lead to reputational damage and regulatory investigations and intervention. While the Group has diversified providers for the main services and keeps strict and close monitoring on them, in some instances, replacing these third-party vendors could also entail significant delays and expense. Further, the operational and regulatory risk that the Group faces as a result of these arrangements may be increased to the extent that it restructures such arrangements. Any restructuring could involve significant expense to the Group and entail significant delivery and execution risk which could have a material adverse effect on its business, operations and financial condition.

The Group utilises AI, which could expose the Group to liability or adversely affect its business.

The Group utilises and is continuing to explore further uses of AI in connection with its business, products and services. Particularly, we are using AI for transaction monitoring and sanctions screening, improving customer experience and automating processes to reduce operational risk, among others. However, there are significant risks involved in utilising AI and no assurance can be provided that the Group's use will enhance its products or services or produce the intended results. For example, AI algorithms may be flawed, insufficient, of poor quality, reflect unwanted forms of bias or contain other errors or inadequacies, any of which may not be easily detectable; AI has been known to produce false inferences or outputs; AI may subject the Group to new or heightened legal, regulatory, ethical or other challenges; AI may involve inappropriate or controversial data practices by developers and end-users, or other factors adversely affecting public opinion of AI, any of which could impair the acceptance of AI solutions, including those incorporated into the Group's products and services. If the AI solutions that the Group creates or uses are deficient, inaccurate or controversial, it could incur operational inefficiencies, competitive harm, legal liability, brand or reputational harm, or other adverse impacts on its business and financial results. Further, there can be no assurance that the use of AI by the Group will be successful in reducing its operational risk or increasing its operational efficiencies or otherwise result in its intended outcomes. Additionally,

the use of any third-party AI-powered solutions in connection with the Group's business by any of the Group's employees, contractors, vendors or service providers may lead to the inadvertent disclosure or incorporation of the Group's proprietary, confidential, sensitive or personal information into publicly available or third-party training sets which may impact its ability to realise the benefit of the Group's intellectual property or proprietary, confidential, sensitive or personal information, harming its competitive position and business. If the Group does not have sufficient rights to use the data or other material or content on which its AI solutions or other AI tools it uses rely, the Group also may incur liability through the violation of applicable laws and regulations, third-party intellectual property, privacy or other rights, or contracts to which the Group is a party. See risk factor "*The Group including the Bank is subject to extensive regulation and regulatory and governmental oversight which could adversely affect its business, operations and financial condition*".

Liquidity and Funding Risks

Liquidity and funding risks are inherent in the Group's business and could have a material adverse effect on it.

Liquidity risk is the risk that the Group either does not have sufficient financial resources available to meet its obligations as they are due, or can only secure them at excessive cost. This risk is inherent in any banking business and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation, including as a result of the continuance or escalation of the wars in Ukraine and the Middle East. While the Group has in place liquidity management processes to mitigate and control these risks as well as an organisational model based on autonomous subsidiaries in terms of capital and liquidity which limits the possibility of contagion between their units, systemic market factors make it difficult to eliminate these risks completely. Constraints in the supply of liquidity, including in inter-bank lending, could materially and adversely affect the cost of funding of the Group's business, and extreme liquidity constraints may affect its current operations and its ability to fulfil regulatory liquidity requirements, as well as limit growth possibilities.

The cost of the Group to obtain funding is directly related to prevailing interest rates and to its credit spreads. Increases in interest rates and/or in the Group credit spreads could significantly increase the cost of funding of the Group. For example, throughout 2022 and 2023 the ECB, the Bank of England, the Federal Reserve and other central banks increased interest rates to contain inflation and it was not until mid-2024 that they started to decrease rates. Credit spreads variations are market-driven and may be influenced by market perceptions of the creditworthiness of the Group. Changes to interest rates and in the credit spreads of the Group may occur frequently and could be unpredictable and highly volatile.

The Group relies, and will continue to rely, primarily on retail deposits to fund lending activities. The ongoing availability of this type of funding is directly related to its solvency and to the success of the policies of the Group, and it is also sensitive to a variety of factors beyond the Group's control, such as general economic conditions and the confidence of retail depositors in the economy and in the financial services industry, and the availability and extent of deposit guarantees, as well as competition for deposits with other banks and neobanks or with other products, such as mutual funds. Any of these factors could increase the amount of retail deposit withdrawals in a short period of time, thereby reducing the ability of the Group to access retail deposit funding on appropriate terms, or at all, in the future. If these circumstances were to arise, this could have a material adverse effect on the operating results of the Group, financial condition and prospects.

Difficulties or liquidity issues faced by certain financial entities could cause withdrawals of deposits from these entities and volatility in international markets. The spread or potential spread of these or other issues to the broader financial sector could have a material adverse effect on the Group's operating results, financial condition and prospects.

Central banks took extraordinary measures to increase liquidity in the financial markets as a response to the financial crisis and the covid-19 pandemic. In Europe, the ECB's pandemic emergency purchase programme ("**PEPP**") finalised at the end of March 2022, although maturing principal payments have been repurchased until December 2024. The progressive removal of these facilities could have an adverse effect on the ability of the Group to access liquidity and on the Group's funding costs.

Additionally, the activities of the Group could be adversely impacted by liquidity tensions arising from generalised drawdowns of committed credit lines to the customers of the Group.

The Issuer cannot assure that in the event of a sudden or unexpected shortage of funds in the banking system, the Group will be able to maintain levels of funding without incurring high funding costs, a reduction in the term of

funding instruments or the liquidation of certain assets. If this were to happen, the Group could be materially adversely affected.

Finally, the implementation of internationally accepted liquidity ratios might require changes in business practices that affect the profitability of the Group. The liquidity coverage ratio ("**LCR**") is a liquidity standard that measures if banks have sufficient high-quality liquid assets to cover expected net cash outflows over a 30-day liquidity stress period. At 31 December 2024, the LCR ratio including liquidity transfer restrictions of the Group was 153%, above the 100% minimum requirement. The net stable funding ration ("**NSFR**") provides a sustainable maturity structure of assets and liabilities such that banks maintain a stable funding profile in relation to their activities. At the end of 2024, the NSFR ratio of the Group stood at 126% for the Group and over 100% for all of the Group's main subsidiaries.

Credit, market and liquidity risk may have an adverse effect on the Group's credit ratings and the Group's cost of funds. Any downgrade in the Group's credit rating would likely increase the Group's cost of funding, require the Group to post additional collateral or take other actions under some of the Group's derivative and other contracts and adversely affect the Group's interest margins and results of operations.

Credit ratings affect the cost and other terms upon which the Group is able to obtain funding. Rating agencies regularly evaluate the Group, and their ratings of its debt are based on internal methodologies dependant on a number of factors, including its financial strength and conditions affecting the financial services industry. In addition, due to the methodology of the main rating agencies, the credit rating of the Group is affected by the rating of Spanish sovereign debt. The Group's credit rating is in most cases above Spain's sovereign debt rating; however, if Spain's rating is downgraded the credit rating of the Group would also likely be downgraded.

Any downgrade in the Group's debt credit ratings would likely increase its borrowing costs and require the Group to post additional collateral or take other actions under some of its derivative and other contracts, and could limit the Group's access to capital markets and adversely affect its commercial business. For example, a ratings downgrade could adversely affect the ability of the Group to sell or market some of its products, engage in certain longer-term and derivatives transactions and retain the Group's customers, particularly customers who need a minimum rating threshold in order to invest. In addition, under the terms of certain of the derivative contracts and other financial commitments of the Group, the Group may be required to maintain a minimum credit rating or terminate such contracts or require the posting of collateral. Any of these results of a ratings downgrade could reduce the liquidity of the Group and have an adverse effect on it, including on its operating results and financial condition.

The Group has the following ratings by the major rating agencies as of the report dates indicated below:

Rating agency	Long term	Short term	Last report date	Outlook
Banco Santander, S.A.				
Fitch Ratings [(1)]	A (Senior A+)	F2 (Senior F1)	February 2025	Stable
Moody's [(2)]	A2	P-1	October 2024	Positive
Standard & Poor's [(3)]	A+	A-1	September 2024	Stable
DBRS [(4)]	A (High)	R-1 (Medium)	September 2023	Stable
Santander UK plc				
Fitch Ratings [(1)]	A+	F1	May 2024	Stable
Moody's [(2)]	A1	P-1	February 2024	Stable
Standard & Poor's [(3)]	A	A-1	October 2024	Stable

Rating agency	Long term	Short term	Last report date	Outlook
Banco Santander (Brasil), S.A.				
Moody's (2)	Baa3	-	October 2024	Positive
Standard & Poor's (3)	BB-	B	September 2024	Stable

(1) Fitch Ratings Ireland Limited (Fitch Ratings).
(2) Moody's Investor Service Spain, S.A. (Moody's).
(3) S&P Global Ratings Europe Limited (Standard & Poor's).
(4) DBRS Ratings Limited (DBRS).

The Group conducts substantially all of its material derivative activities through Banco Santander and Santander UK. The Group estimates that as of 31 December 2024, if all the rating agencies were to downgrade Banco Santander's long-term senior debt ratings by one notch, the Group would be required to post up to €227 million in additional collateral pursuant to derivative and other financial contracts. A hypothetical two-notch downgrade would result in a further requirement to post up to €237 million in additional collateral. The Group estimates that as of 31 December 2024, if all the rating agencies were to downgrade Santander UK's long-term credit ratings by one notch, and thereby trigger a short-term credit rating downgrade, this could result in contractual outflows from Santander UK's total liquid assets of £2.4 billion (equivalent to €2.9 billion) of cash and additional collateral that Santander UK would be required to post under the terms of secured funding and derivatives contracts. A hypothetical two-notch downgrade would result in a further outflow of £0.7 billion (equivalent to €0.8 billion) of cash and collateral under secured funding and derivatives contracts.

While certain potential impacts of these downgrades are contractual and quantifiable, the full consequences of a credit rating downgrade are inherently uncertain, as they depend on numerous dynamic, complex and inter-related factors and assumptions, including market conditions at the time of any downgrade, whether any downgrade of its long-term credit rating precipitates downgrades to its short-term credit rating, and assumptions about the potential behaviours of various customers, investors and counterparties. Actual outflows could be higher or lower than the preceding hypothetical examples, depending upon certain factors including which credit rating agency downgrades the credit rating of the Group, any management or restructuring actions that could be taken to reduce cash outflows and the potential liquidity impact from loss of unsecured funding (such as from money market funds) or loss of secured funding capacity. Although unsecured and secured funding stresses are included in the stress testing scenarios of the Group and a portion of its total liquid assets is held against these risks, a credit rating downgrade could still have a material adverse effect on the Group.

In addition, if the Group were required to cancel its derivatives contracts with certain counterparties and were unable to replace such contracts, the market risk profile of the Group could be altered.

There can be no assurance that the rating agencies will maintain the current ratings or outlooks. In general, the future evolution of the Group's ratings is linked, to a large extent, to the general macroeconomic outlook (including as a result of the continuance or escalation of the wars in Ukraine and in the Middle East on the asset quality, profitability and capital of the Group. Failure to maintain favourable ratings and outlooks could increase the cost of funding of the Group and adversely affect interest margins, which could have a material adverse effect on the Group.

Market Risks

The Group's financial results are constantly exposed to market risk. The Group is subject to fluctuations in interest rates and other market variables, which may materially and adversely affect the Group and its profitability.

The Group's financial results are constantly exposed to market risk. In 2022, 2023 and 2024, inflationary pressures, increases in the prices of energy, oil, gas and other commodities and the continuance or escalation of the wars in Ukraine and the Middle East caused and could continue to cause high market volatility which could materially and adversely affect the Group and its trading and banking book.

Economic activities exposed to market risk include (i) transactions where risk is assumed as a consequence of potential changes in interest rates, inflation rates, exchange rates, stock prices, credit spreads, commodity prices, volatility and other market factors, (ii) activities exposed to the liquidity risk from the Group's products and markets, and (iii) activities exposed to the balance sheet liquidity risk.

Interest rate risk arises from movements in interest rates that reduce the value of a financial instrument, a portfolio or the Group. It can affect loans, deposits, debt securities, most assets and liabilities held for trading, and derivatives.

Interest rates are sensitive to many factors beyond the Group's control, including increased regulation of the financial sector, monetary policies and domestic and international economic and political conditions. Variations in interest rates could affect the interest earned on the assets and the interest paid on the borrowings of the Group, thereby affecting its interest income/ (charges), which comprises the majority of its revenue, reducing the growth rate of the Group and potentially resulting in losses. In addition, costs in which the Group incurs as it implements strategies to reduce interest rate exposure could increase in the future (which, in turn, will impact the results of the Group).

A low interest rate environment, such as that experienced in the eurozone, in the UK and in the United States from 2013 to 2022, could result in rates on many of the Group's interest-bearing deposit products being priced at or near zero or negative, limiting its ability to further reduce rates and could negatively impact its margins and the Group's results of operations.

Throughout 2022 and 2023, central banks, including the ECB, the Bank of England and the Federal Reserve, increased interest rates to contain inflation. During 2023 and 2024 inflation slowly converged towards central banks objectives allowing rate cuts during the second half of 2024.

Increases in interest rates may reduce the volume of loans that the Group originates. Sustained high interest rates have historically discouraged customers from borrowing and have resulted in increased delinquencies in outstanding loans and deterioration in the quality of assets. Increases in interest rates may reduce the value of the financial assets of the Group and may reduce gains or require the Group to record losses on sales of its loans or securities. Additionally, a shrinking yield premium between short-term and long-term market interest rates coupled with inflation, could adversely affect the Group's business and results of operations.

Exchange rate risk is the possibility of loss because the currency of a long or open position will depreciate against the base currency. It can affect debt in subsidiaries whose local currency is not the euro, as well as loans denominated in a foreign currency.

Equity risk is the possibility of loss from open positions in securities if their market price or expected future dividends fall. It affects shares, stock market indices, convertible bonds and derivatives with shares as the underlying asset (put, call, equity swaps, etc.).

The performance of financial markets may cause changes in the value of the Group's investment and trading portfolios. The volatility of world equity markets due to the continued economic uncertainty and sovereign debt crisis has had a particularly strong impact on the financial sector. Continued volatility may affect the value of the Group's investments in equity securities and, depending on their fair value and future recovery expectations, could become a permanent impairment which would be subject to write-offs against the results of the Group.

Other market risks include inflation rate risk, credit spread risk, commodity price risk and volatility risk. Additionally, other more complex coverage market risks are considered, such as correlation risk, market liquidity risk, prepayment or cancellation risk and subscription risk. In addition, balance sheet liquidity risk (unlike market liquidity risk) is the possibility of loss caused by forced disposal of assets or cash flow imbalance if a bank meets its payment obligations late or at excessive cost. It can cause losses by forced asset sales or impacts on margins due to the mismatch between expected cash inflows and outflows.

Market risk affects (i) the Group's interest income / (charges); (ii) the market value of its assets and liabilities, in particular of its securities holdings, loans and deposits and derivatives transactions; and (iii) other areas of its business such as the volume of loans originated or credit spreads.

Market risk could include unexpected or unpredictable risks related to periods in which the market does not calculate prices efficiently (for example, during market interruptions or shocks).

If any of these risks were to materialise, net interest income or the market value of the Group's assets and liabilities could suffer a material adverse impact.

The Group is subject to market, operational and other related risks associated with its derivative transactions that could have a material adverse effect on the Group.

The Group enters into derivative transactions for trading purposes as well as for hedging purposes. The Group is subject to market, credit and operational risks associated with these transactions, including basis risk (the risk of loss associated with variations in the spread between the asset yield and the funding and/or hedge cost) and credit or default risk (the risk of insolvency or other inability of the counterparty to a particular transaction to perform its obligations thereunder, including providing sufficient collateral).

Market practices and documentation for derivative transactions differ by country. In addition, the execution and performance of these transactions depend on the ability of the Group to maintain adequate control and administration systems. Moreover, its ability to adequately monitor, analyse and report derivative transactions continues to depend, largely, on its information technology systems. These factors further increase the risks associated with these transactions and could have a material adverse effect on the Group.

At 31 December 2024, the notional value of the trading derivatives in the books of the Group amounted to €9,978,141 million (with a fair value of €64,100 million of debit balance and €57,753 million of credit balance).

At 31 December 2024, the nominal value of the hedging derivatives in the books of the Group within its financial risk management strategy and with the aim of reducing asymmetries in the accounting treatment of its operations amounted to €511,727 million (with fair value of €5,672 million in assets and €4,752 million in liabilities).

Market conditions have resulted and could result in material changes to the estimated fair values of the Group's financial assets. Negative fair value adjustments could have a material adverse effect on its operating results, financial condition and prospects.

In the past, financial markets have been subject to significant stress resulting in steep falls in perceived or actual financial asset values, particularly due to volatility in global financial markets and the resulting widening of credit spreads, including as a result of the wars in Ukraine and the Middle East. The Group has material exposures to securities, loans and other investments that are recorded at fair value and are therefore exposed to potential negative fair value adjustments. Asset valuations in future periods, reflecting then-prevailing market conditions, may result in negative changes in the fair values of the financial assets of the Group and these may also translate into increased impairments, including as a result of more stringent climate change or reputational requirements. In addition, the value ultimately realised by the Group on disposal may be lower than the current fair value. Any of these factors could require the Group to record negative fair value adjustments, which may have a material adverse effect on its operating results, financial condition or prospects.

In addition, to the extent that fair values are determined using financial valuation models, such values may be inaccurate or subject to change, as the data used by such models may not be available or may become unavailable due to changes in market conditions, particularly for illiquid assets, and particularly in times of economic instability. In such circumstances, its valuation methodologies require the Group to make assumptions, judgements and estimates in order to establish fair value, and reliable assumptions are difficult to make and are inherently uncertain and valuation models are complex, making them inherently imperfect predictors of actual results. Any consequential impairments or write-downs could have a material adverse effect on the operating results, financial condition and prospects of the Group.

Risks related to the industry of the Group

Goodwill impairments may be required in relation to acquired businesses.

The Group has made business acquisitions in recent years and may make further acquisitions in the future. It is possible that the goodwill which has been attributed, or may be attributed, to these businesses may have to be written-down if Group's valuation assumptions are required to be reassessed as a result of any deterioration in their underlying profitability, asset quality and other relevant matters. Impairment testing in respect of goodwill is performed annually, or more frequently if there are impairment indicators present, and comprises a comparison of the carrying amount of the cash-generating unit with its recoverable amount. Goodwill impairment does not, however, affect the regulatory capital of the Group. No impairment was recognised in 2022, while in 2023 and 2024 we recognised €20 million and €4 million, respectively. There can be no assurances that the Group will not

have to write down the value attributed to goodwill in the future, which would adversely affect the Group's results and net assets.

Changes in the pension liabilities and obligations of the Group could have a material adverse effect on it.

The Group provides retirement benefits for many of its former and current employees through a number of defined benefit pension plans. The Group calculates the amount of its defined benefit obligations using actuarial techniques and assumptions, including mortality rates, the rate of increase of salaries, discount rates, inflation, the expected rate of return on plan assets, and others. The accounting and disclosures are based on IFRS-IASB and on those other requirements defined by the local supervisors. Given the nature of these obligations, changes in the assumptions that support valuations, including market conditions, can result in actuarial losses which would in turn impact the financial condition of the pension funds of the Group. Because pension obligations are generally long term obligations, fluctuations in interest rates have a material impact on the projected costs of its defined benefit obligations and therefore on the amount of pension expense that it accrues.

Any increase in the current size of the funding deficit in the defined benefit pension plans of the Group could result in the Group having to make increased contributions to reduce or satisfy the deficits, which would divert resources from use in other areas of its business. Any such increase may be due to certain factors over which the Group has no or limited control. Increases in its pension liabilities and obligations could have a material adverse effect on its business, financial condition and results of operations.

At 31 December 2024, the provision for pensions and other obligations of the Group amounted to €2,646 million.

The Group depends in part on dividends and other funds from subsidiaries.

Some of the operations of the Group are conducted through its financial services subsidiaries. As a result, its ability to pay dividends, to the extent the Group decides to do so, depends in part on the ability of its subsidiaries to generate earnings and to pay dividends of the Group. Payment of dividends, distributions and advances by the subsidiaries of the Group will be contingent upon their earnings and business considerations and is or may be limited by legal, regulatory and contractual restrictions. For instance, the repatriation of dividends from its Argentine subsidiaries have been subject to certain restrictions. Additionally, the right of the Group to receive any assets of any of its subsidiaries as an equity holder of such subsidiaries upon their liquidation or reorganisation will be effectively subordinated to the claims of its subsidiaries' creditors, including trade creditors. The Group also has to comply with increased capital requirements, which could result in the imposition of restrictions or prohibitions on "discretionary payments" including the payment of dividends and other distributions to the Group by its subsidiaries.

In 2020, given the uncertainty about the economic impact of the covid-19 pandemic, the ECB, the Prudential Regulation Authority of the UK and the Federal Reserve of the United States, imposed limitations on the distribution of dividends which were in force until the third quarter of 2021. Since then, supervisors assess the capital and dividend distribution plans for each entity as part of their regular supervisory process and make individualised recommendations.

To the extent that these recommendations, or other similar measures that may be taken by supervisory authorities from other regions, are applied by some of the subsidiaries of the Group, it could have a material adverse effect on its business, financial condition and results of operations.

At 31 December 2024, dividend income for Banco Santander, S.A. represented 4% of its total income.

Increased competition, including from non-traditional providers of banking services such as financial technology providers, and industry consolidation may adversely affect the results of operations of the Group.

The Group faces substantial competition in all parts of its business, including in payments, in originating loans and in attracting deposits. The competition in originating loans comes principally from other domestic and foreign banks, mortgage banking companies, consumer finance companies, insurance companies and other lenders and purchasers of loans.

In addition, there has been a trend towards consolidation in the banking industry, which has created larger banks with which the Group must now compete. There can be no assurance that this increased competition will not adversely affect its growth prospects, and therefore its operations. The Group also faces competition from non-bank competitors, such as brokerage companies, department stores (for some credit products), leasing and factoring companies, mutual fund and pension fund management companies and insurance companies.

Non-traditional providers of banking services, such as internet based e-commerce providers, mobile telephone companies and internet search engines may offer and/or increase their offerings of financial products and services directly to customers. These non-traditional providers of banking services currently have an advantage over traditional providers because they are not subject to banking regulation. Several of these competitors may have long operating histories, large customer bases, strong brand recognition and significant financial, marketing and other resources. They may adopt more aggressive pricing and rates and devote more resources to technology, infrastructure and marketing.

New competitors may enter the market or existing competitors may adjust their services with unique product or service offerings or approaches to providing banking services. If the Group is unable to successfully compete with current and new competitors, or if it is unable to anticipate and adapt its offerings to changing banking industry trends, including technological changes, its business may be adversely affected. In addition, the failure of the Group to effectively anticipate or adapt to emerging technologies or changes in customer behaviour, including among younger customers, could delay or prevent its access to new digital-based markets, which would in turn have an adverse effect on its competitive position and business. Furthermore, the widespread adoption of new technologies, including distributed ledger, AI and/or biometrics, to provide services such as digital currencies, cryptocurrencies and payments, could require substantial expenditures to modify or adapt the existing products and services of the Group as it continues to grow its internet and mobile banking capabilities and could entail new direct risks (including financial and non-financial risks) and indirect risks related to loss of business opportunities. Its customers may choose to conduct business or offer products in areas that may be considered speculative or risky. Further growth of such new technologies and mobile banking platforms could negatively impact the value of the investments of the Group in bank premises, equipment and personnel for its branch network. The persistence or acceleration of this shift in demand towards internet and mobile banking may necessitate further changes to its retail distribution strategy, which may include closing, restructuring and/or selling certain branches of the Group (as the Group has been doing in recent years). These actions could lead to losses on these assets and may lead to increased expenditures to renovate, reconfigure or close a number of its remaining branches or to otherwise reform its retail distribution channel. Furthermore, if the Group fails to implement such changes to its distribution strategy swiftly and effectively, it could face an adverse effect on its competitive position.

In particular, the Group faces the challenge to compete in an ecosystem where the relationship with the consumer is based on access to digital data and interactions. This access is increasingly dominated by digital platforms who are already eroding its results in very relevant markets such as payments. This privileged access to data can be used as a leverage to compete with the Group in other adjacent markets and may reduce its operations and margins in core businesses such as lending or wealth management. The alliances that its competitors are starting to build with large technology firms can make it more difficult for the Group to successfully compete with them and could adversely affect it.

Increasing competition could also require that the Group increases its rates offered on deposits or lower the rates it charges on loans, which could also have a material adverse effect on the Group, including its profitability. It may also negatively affect its business results and prospects by, among other things, limiting its ability to increase its customer base and expand its operations and increasing competition for investment opportunities.

If the customer service levels of the Group were perceived by the market to be materially below those of its competitor financial institutions, the Group could lose existing and potential business. If the Group is not successful in retaining and strengthening customer relationships, it may lose market share, incur losses on some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on the Group's operating results, financial condition and prospects.

If the Group is unable to manage the growth of its operations, to integrate successfully its inorganic growth, or to execute successfully any of its strategic actions this could have an adverse impact on its profitability.

The Group allocates management and planning resources to develop strategic plans, priorities, policies and targets, including for organic growth, and to identify potential acquisitions, divestitures and areas for restructuring its businesses. The execution of these initiatives is subject not only to external factors but also to its decisions, including those that alter or redefine its business practices, operational frameworks, strategic objectives, corporate priorities, internal policies, and procedural guidelines. The Group cannot provide assurance that it will, in all cases, be able to deliver our strategic plans, priorities, policies and targets.

Furthermore, in order to grow and remain competitive, the Group will need to adapt to changes to meet the demands and expectations of regulators, clients, shareholders and other stakeholders, including in relation to matters of public policy, regardless of whether there is a legal requirement to do so. The Group cannot guarantee

that it will be able to implement changes to any of its strategic plans, priorities, policies and targets, in a timely and appropriate manner, or that it will be able to accurately predict trends, initiatives and business practices of financial institutions. It is also possible that regulators, clients, shareholders and other stakeholders might not be satisfied or even disagree with the Group's strategic plans, priorities, policies and targets, or the speed of their adoption, implementation, evolution and consequences.

From time to time, the Group evaluates acquisition and partnership opportunities that it believes offer additional value to its shareholders and are consistent with its business strategy. However, the Group may not be able to identify suitable acquisition or partnership candidates, and its ability to benefit from any such acquisitions and partnerships will depend in part on its successful integration of those businesses. Any such integration entails significant risks such as unforeseen difficulties in integrating operations and systems, unexpected liabilities or contingencies relating to the acquired businesses, including legal claims and delivery and execution risks. The Group can give no assurances that its expectations with regards to integration and synergies will materialise. In addition, any acquisition or venture could result in inconsistencies in standards, controls, procedures and policies. Moreover, the success of any acquisition or venture will, at least in part, be subject to a number of political, economic and other factors that are beyond the control of the Group. Any of these factors, individually or collectively, could have a material adverse effect on the Group.

The challenges that may arise from the decisions of the Group include:

- managing efficiently the operations and employees of expanding businesses;
- maintaining or growing its existing customer base;
- assessing the value, strengths and weaknesses of investment or acquisition candidates, including local regulation that can reduce or eliminate expected synergies;
- financing strategic investments or acquisitions;
- aligning its current information technology systems adequately with those of an enlarged group;
- applying its risk management policy effectively to an enlarged group;
- managing a growing number of entities without over-committing management or losing key personnel; and
- meeting the expectations of regulators and its clients, shareholders and other stakeholders.

Moreover, the success of the acquisition or venture will at least in part be subject to a number of political, economic and other factors that are beyond the control of the Group. Any of these factors, individually or collectively, could have a material adverse effect on the Group.

Furthermore, there is no assurance that the changes to the Group's operating model that became effective on 1 January 2024, which included the reorganisation of its primary and secondary segments, will yield all of the expected benefits in the timeframes that the Group expects.

Any failure to manage growth effectively, an inability to successfully adapt to changing conditions or to successfully execute any of its strategic actions, or any changes in its business practices, operational framework, strategic objectives, corporate priorities, internal policies and procedural guidelines could have a material adverse effect on its operating results, financial condition and prospects.

Risk Management

Failure to successfully implement and continue to improve the risk management policies, procedures and methods of the Group, including its credit risk management systems, could materially and adversely affect the Group, and it may be exposed to unidentified or unanticipated risks.

Risk management is a central part of the activities of the Group. The Group seeks to manage and control its risk exposure through a forward-looking management model, based on robust governance and advanced risk management tools, supported by a risk culture that permeates the organisation. While the Group's management model uses a broad and diversified set of risk monitoring, control and mitigation techniques, such management

model may not be fully effective at mitigating its risk exposure in all economic market environments or against all types of risk, including risks that it may fail to identify or anticipate.

Some of the tools and metrics of the Group for managing risk are based on its use of observed historical market behaviour. The Group applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Group did not anticipate or correctly evaluate in its statistical models. This would limit its ability to manage its risks. Thus, the losses of the Group thus could be significantly higher than the historical measures indicate. In addition, its statistical models may not take all risks into account or measure emerging risks correctly.

The Group's approach to managing risks could prove insufficient, exposing it to material unanticipated losses. The Group could face adverse consequences as a result of decisions, which may lead to actions by management, based on models that are poorly developed, implemented or used, or as a result of the modelled outcome being misunderstood or the use of such information for purposes for which it was not designed or if the data and inputs of the models were incorrect or insufficient. If existing or potential customers or counterparties believe the risk management of the Group is inadequate, they could take their business elsewhere or seek to limit their transactions with it. Any of these factors could have a material adverse effect on the reputation, operating results, financial condition and prospects of the Group.

As a retail bank, one of the main types of risks inherent to the business of the Group is credit risk. For example, an important feature of its credit risk management system is to employ an internal credit rating to assess the particular risk profile of individual customers and SMEs. As this process involves detailed analyses of the customer, taking into account both quantitative and qualitative factors, it is subject to human or information technology systems errors. In exercising their judgement on the customers' current or future credit risk behaviour of the Group, its management models may not always be able to assign an accurate credit rating, which may result in a higher exposure to credit risks than indicated by the Group's risk rating system.

Some of the models and other analytical and judgement-based estimations the Group uses in managing risks are subject to review by, and require the approval of, regulators. If models do not comply with all their expectations, regulators may require the Group to make changes to such models, may approve them with additional capital requirements or it may be precluded from using them. Any of these possible situations could limit the ability of the Group to expand its businesses or have a material impact on its financial results.

The Group sets concentration limits according to risk appetite, develops risk policies and conducts reviews to manage credit risk concentration and is subject to regulatory limits on large exposures. However, if the Group fails to anticipate deteriorating sectors or regions, it fails to comply with internal or regulatory concentration limits, or if one or more of the Group's largest borrowers fail to service their loans, the Group's operating results, financial condition and prospects could be adversely affected.

Failure to effectively implement, consistently monitor or continuously improve the credit risk management system of the Group may result in an increase in the level of non-performing loans and a higher risk exposure for the Group, which could have a material adverse effect on it.

In addition, failure to successfully execute any of the Group's decisions and actions affecting or changing its practices, operations, priorities, strategies, policies, procedures or frameworks, could have a material adverse effect on the Group.

The board of directors of the Group is responsible for the approval of the Group's general policies and strategies, and in particular for the corporate risk framework, and for defining the risk appetite. In addition to the executive committee, which maintains a special focus on risk, the board has a specific risk supervision, regulation and compliance committee.

Model risk.

The Group relies on models for many of its decisions. Their inaccurate or incorrect use could have a material adverse effect on the Group.

The Group uses models for admission (scoring and rating) and behavioral credit processes, for the definition of credit limits, for the calculation of capital, provisions, market and structural risk, operational, compliance and liquidity risk. A model is a system, approach or quantitative method that applies statistical, economic, financial or mathematical theories, techniques or hypotheses to transform input data into quantitative estimates and

forecasts. It involves simplified representations of real world relationships between characteristics, values and observed assumptions that allows the Group to focus on specific aspects.

Model risk is the negative consequence of decisions based on inaccurate, improper or incorrect use of models. Sources of model risk include (i) incorrect or incomplete data in the model itself or the modelling method used in systems; and (ii) incorrect use or implementation of the model.

Model risk can cause financial loss, erroneous commercial and strategic decision-making or damage to the Group's transactions any of which could have a material adverse effect on its operating results, financial condition and prospects. In addition, the Group's regulatory models and the underlying methodologies are subject to scrutiny from its supervisors, who could identify potential weaknesses or deficiencies that may result in enforcement actions, including sanctions, fines and/or the imposition of stricter capital requirements, as well as mandates and recommendations with respect to the methodologies underlying its models, which could also lead the Group to more onerous or inefficient capital consumptions.

Unprecedented movement in economic and market drivers related to external events such as the wars in Ukraine and the Middle East and the covid-19 pandemic required monitoring and adjustment of financial models (including credit loss and provisions models, capital models, traded risk models and models used in the asset/liability management process) to comply with the guidance and recommendations of standard setters, regulators and supervisors, particularly for credit loss models. It also resulted in the use of mitigants for model limitations, such as adjustments to model outputs to reflect consideration of management judgment. The performance and usage of models was and may continue to be impacted by the consequences of external events. In addition, data obtained during these external events may not be representative and may distort the calibration of the models in the future, which could have a material adverse effect on the Group.

In addition, the fair value of the Group's financial assets, determined using financial valuation models, may be inaccurate or subject to change and, as a consequence, the Group may have to register impairments or write-downs that could have a material adverse effect on its operating results, financial condition and prospects. See more information in "risk factor.".

General risks.

Risks related to the industry of the Group.

Climate change can create transition risks, physical risks, and other risks that could adversely affect the Group.

There is an increasing focus over the risks of climate change and related environmental sustainability matters. Climate change may imply two primary drivers of financial risk that could adversely affect the Group:

- Transition risks associated with the move to a low-carbon economy, both at idiosyncratic and systemic levels, such as through policy, regulatory and technological changes and business and consumer preferences, which could increase the Group's expenses and impact its strategies.

- Physical risks related to discrete events, such as flooding and wildfires, and extreme weather impacts and longer-term shifts in climate patters, such as extreme heat, sea level rise and more frequent and prolonged drought, which could result in financial losses that could impair asset values and the creditworthiness of the Group's customers. Such events could disrupt the Group's operations or those of its customers or third parties on which the Group relies and does business with, including through direct damage to assets and indirect impacts from supply chain disruption and market volatility.

These primary drivers could materialize, among others, in the following financial risks:

- Credit risks: Physical climate change could lower corporate revenues, increase operating costs and lead to increased credit exposure. Severe weather could also affect the value of collateral. Additionally, companies with business models not aligned with the transition to a low-carbon economy may face a higher risk of reduced corporate earnings and business disruption due to new regulations or market shifts.

- Market risks: Market changes in the most carbon-intensive sectors could affect energy and commodity prices, corporate bonds, equities and certain derivatives contracts. Increasing frequency of severe

weather events could affect macroeconomic conditions, weakening fundamental factors such as economic growth, employment and inflation and lead to higher volatility.

- Liquidity risks: Companies could face liquidity risks derived from cash outflows to improve their reputation in the market or solve climate-related problems. Extreme weather events could also affect the value of the Group's high-quality liquid assets or cause sovereign debt to rise limiting the Group's access to capital markets.

- Operational risks: Severe weather events could directly damage assets and impact business continuity, both of the customers and the Group's. Climate-related financial risks could also cause operational risk losses from litigation if, for example, the Group is perceived to misrepresent sustainability-related practices, achievement, metrics goals or targets.

- Regulatory compliance risks: Increased regulatory compliance risk may result from the increasing focus, pace, breadth and depth of regulatory expectations requiring implementation in short timeframes across multiple jurisdictions and from changes in public policy, laws and regulations in connection with climate change and related environmental sustainability matters.

- Reputational risk: The Group's reputation and client relationships may be damaged as a result of its practices, disclosures and decisions related to climate change and the environment, or to the practices or involvement of its clients, vendors or suppliers in certain industries or projects associated with causing or exacerbating climate change. Furthermore, parties who may suffer losses from the effects of climate change may seek compensation form those they hold responsible such as state entities, regulators, investors and lenders. The Group could face conduct risks derived from misrepresentations in its sustainability-related disclosures, including its practices, achievements, metrics, goals and targets or the sustainability characteristics of the Group's products or of its customers, investors or other stakeholders (greenwashing).

- Strategic risks: The Group's strategy could be affected if it fails to achieve its net-zero or other targets, including those related to the activities that the Group finances and those concerning its own operations.

As climate risk is interconnected with all key risk types, the Group has developed and continues to enhance processes to embed climate risk considerations into its core processes and risk management cycle; however, because the timing and severity of climate change may not be predictable, and is rapidly evolving, the Group's risk management strategies may not be effective in mitigating climate risk exposure. Additionally, the Group may become subject to new or heightened regulatory requirements relating to climate change, which may result in increased regulatory, compliance or other costs. As the risks, perspective and focus of regulators, shareholders, employees, and other stakeholders regarding climate change are evolving rapidly, it can be difficult to assess the ultimate impact on the Group of climate change-related risks, compliance risks, and uncertainties.

The Group periodically discloses information such as emissions and other climate-related performance data, statistics, metrics and/or targets. If the Group lacks robust and high-quality climate-related procedures, controls and data, the Group may not be able to disclose reliable climate-related information. In addition, because the climate-related information is based on current expectations and future estimates about the Bank's and third-parties' operations and businesses and addresses matters that are uncertain to varying degrees, the Group may not be able to meet its estimates and targets or it may not be able to achieve them within the timelines it announces. Actual or perceived shortcomings with respect to these emissions and other climate-related initiatives and reporting could result in litigation or regulatory enforcement and impact its ability to hire and retain employees, increase its customer base, and attract and retain certain types of investors.

The exposures in the sectors potentially most affected by climate factors - in accordance with market consensus and the execution of the materiality analysis carried out by the Group - mainly correspond to corporate & investment banking portfolios. The management of these clients, in these sectors, includes, where appropriate and permissible, the consideration of climate aspects in their initial analysis, in the granting of credit, and in the preparation and review of their credit ratings. These ratings influence the parameters that are used to calculate their credit losses (typically via probability of default, PD). Accordingly, when climate factors are relevant, they have an impact, together with other elements of analysis, on the calculations of credit losses that support capital and provisions. The Group has recently participated in climate stress regulatory exercises according to which the current overall coverage of potential losses would be adequate in the time horizons of the maturities of the Group portfolios.

According to the materiality assessment that the Group carried out in September 2024, sectors with very high climate risk (oil and gas and mining and metals), mainly due to transition risk, accounted for 14 per cent. of the total corporate & investment banking credit portfolio. The Group has alignment metrics and action plans for these and other sectors.

Initiatives and business practices of financial institutions with respect to climate matters and other matters of public policy, including environmental, social and governance (ESG) matters, have recently become the subject of significant scrutiny by regulatory agencies and government officials. Views on sustainability or ESG practices, particularly those related to climate issues, have become ideological issues and both opponents and proponents of various ESG-related matters have increasingly engaged in a range of activism to advocate their positions. In particular, there are a growing number of initiatives in certain jurisdictions aimed at discouraging or limiting the consideration of ESG factors by financial institutions that may conflict with certain regulatory requirements to which the Group is subject or the expectations of its clients, shareholders and other stakeholders. Such differing, sometimes conflicting, views and regulations on sustainability and ESG-related matters increase the risk that certain of the Group's actions, or lack of action, on such matters will be perceived negatively. Additionally, the overall expectations of regulators and clients, shareholders and other stakeholders in certain jurisdictions, particularly in Europe, with respect to certain of these issues may differ significantly from those in other jurisdictions, such as the United States.

Furthermore, the Group's relationships or ability to transact with clients and customers, and with governmental or regulatory bodies in certain jurisdictions could be adversely affected if its decisions with respect to doing business with companies in certain sensitive industries are perceived to harm those companies, result in violations of law and breaches of fiduciary duty or to align with particular ideological, political or social views. The Group is also exposed to risks associated to the non-compliance with relevant legal requirements, including fines, penalties, litigation, regulatory sanctions, difficulties in obtaining governmental approvals, restrictions on its business activities or reputational damage, any of which could be material. Additionally, the Group's participation in, or association with, certain groups or initiatives and its business practices or positions with respect to matters of public policy, including ESG matters, could be criticized by activists, governmental authorities and clients, shareholders and other stakeholders. Any of the conditions described above, or the Group's failure to identify other climate-related risks could have a material adverse effect on the business, financial condition and results of operations of the Group.

The financial problems faced by its customers could adversely affect the Group.

Potential market turmoil and economic recession could materially and adversely affect the liquidity, credit ratings, businesses and/or financial conditions of the customers of the Group, which could in turn increase its non-performing loan ratios, impair its loan and other financial assets and result in decreased demand for borrowings and deposits in general. In addition, the customers of the Group may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect its fee and commission income. Any of the conditions described above could have a material adverse effect on the business, financial condition and results of operations of the Group.

The ability of the Group to maintain its competitive position depends, in part, on the success of new products and services the Group offers to its customers and on its ability to offer products and services that meet the customers' needs during the whole life cycle of the products or services, and the Group may not be able to manage various risks it faces as it expands its range of products and services that could have a material adverse effect on the Group.

The success of the operations and profitability of the Group depend, in part, on the success of new products and services it offers to its customers and on its ability to offer products and services that meet their needs during their entire life cycle. However, customers' needs or desires may change over time, and such changes may render the products and services of the Group obsolete, outdated or unattractive and it may not be able to develop new products that meet its customers' changing needs. The success of the Group is also dependent on its ability to anticipate and leverage new and existing technologies that may have an impact on products and services in the banking industry. Technological changes may further intensify and complicate the competitive landscape and influence customers behaviour. If the Group cannot respond in a timely fashion to the changing needs of its customers, including as a result of ageing population, it may lose existing or potential customers, which could in turn materially and adversely affect the Group. In addition, the cost of developing products is likely to affect its results of operations.

The Group faces the challenge of simplifying range of its products and services and, at the same time, being able to satisfy the needs of its clients by offering new products and services. The development of these new products and services exposes it to new and potentially increasingly complex risks, such as the conduct risk in the relationship with customers, and development expenses. The employees and risk management systems of the Group, as well as its experience and that of its partners may not be sufficient to enable the Group to properly manage such risks. Any or all of these factors, individually or collectively, could have a material adverse effect on the Group.

While the Group has successfully increased its customer service levels in recent years, should these levels ever be perceived by the market to be materially below those of its competitor financial institutions, the Group could lose existing and potential new business. If the Group is not successful in retaining and strengthening customer relationships, it may lose market share, incur losses on some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on its operating results, financial condition and prospects.

The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel.

The continued success of the Group depends in part on the continued service of key members of its senior executive team and other key employees. The ability to continue to attract, train, motivate and retain highly qualified and talented professionals is a key element of the strategy of the Group. The successful implementation of this strategy and culture depends on the availability of skilled and appropriate management, both at the Group's head office and in each of its business units. If the Group or one of its business units or other functions fails to staff its operations appropriately or loses one or more of its key senior executives or other key employees and fails to replace them in a satisfactory and timely manner, its business, financial condition and results of operations, including control and operational risks, may be adversely affected.

The Group's ability to attract and retain qualified employees is affected by perceptions of its culture, social and corporate governance policies and management, its profile in the markets in which the Group operates and the professional opportunities it offers.

In addition, the financial industry has and may continue to experience more stringent regulation of employee compensation, which could have an adverse effect on the ability of the Group to hire or retain the most qualified employees. If the Group fails or is unable to attract and appropriately train, motivate and retain qualified professionals, its business may also be adversely affected.

Damage to the reputation of the Group could cause harm to its business prospects.

Maintaining a robust risk management framework based on robust ethical principles and corporate values is critical to protect the Group's reputation and the Group's brand, attract and retain customers, investors and employees and conduct business transactions with counterparties. Damage to the reputation of the Group could materially and adversely affect its perception among current and potential clients, investors, vendors, partners, regulators and other third parties, which in turn could have a material adverse effect on the Group's operating results, financial condition, and prospects as well as damage its customers' and investors' confidence and the market price of its securities. Harm to such reputation can arise from numerous sources, including, among others, employee misconduct, including the possibility of fraud perpetrated by the employees of the Group, litigation or regulatory enforcement, failure to deliver minimum standards of service and quality, negative perceptions regarding the Group's ability to maintain the security of its technology systems and protect customer data (including as a result of a cybersattack, data breach, data loss or other security incident), dealing with sectors that are not well perceived by the public (weapons industries or embargoed countries, for example), dealing with customers in sanctions lists, rating downgrades, significant variations in the share price of the Group throughout the year, compliance failures, unethical behaviour, actual or alleged conduct in any number of activities, including lending practice, sales and marketing, corporate governance and corporate culture, and the activities of customers and counterparties, including activities that negatively affect the environment. The Group's reputation could also suffer if it is the subject of negative coverage in the media, whether it has merit or not.

Actions by the financial services industry generally or by certain members of, or individuals in, the industry can also affect the reputation of the Group. For example, the role played by financial services firms in the financial crisis and the seeming shift toward increasing regulatory supervision and enforcement has caused public perception of the Group and others in the financial services industry to decline.

Additionally, the Group could suffer significant reputational harm that could affect its business, results of operations and prospects from any negative perceptions regarding topics related to environmental, social and corporate governance policies. There has been increased focus by customers, shareholders, investor advocacy groups, employees, regulators and other stakeholders on these topics, and the Group's policies, practices and disclosures in these areas could come under scrutiny. Governments may implement new or additional regulations and standards or investors, customers and other stakeholders may impose new expectations or focus investments in ways that cause significant shifts in disclosure, consumption and behaviours that may have negative impacts on the Group's reputation and business. If regulators or stakeholders consider the Group's efforts to be ineffective, inadequate or unsatisfactory, whether real or perceived, it could harm its reputation, business and prospects and the Group could be subject to enforcement, other supervisory actions or other harm.

The Group could also suffer significant reputational harm if it fails to identify and manage potential conflicts of interest properly. The failure, or perceived failure, to adequately address conflicts of interest could affect the willingness of clients to deal with the Group or could give rise to litigation or enforcement actions against the Group, which could have an adverse effect on its operating results, financial condition and prospects.

The Group may be the subject of misinformation and misrepresentations deliberately propagated in media or social media to harm its reputation or for other deceitful purposes, or by profiteering short sellers seeking to gain an illegal market advantage by spreading false information about the Group. There can be no assurance that it will effectively neutralise and contain a false information that may be propagated regarding the Group, which could have an adverse effect on its operating results, financial condition and prospects.

The Group engages in transactions with its subsidiaries or affiliates that others may not consider to be on an arm's-length basis.

The Group and its affiliates have entered into a number of services agreements pursuant to which it renders services, such as administrative, accounting, finance, treasury, legal services and others.

Spanish and United States law provide for several procedures designed to ensure that the transactions entered into with or among the financial subsidiaries and/or affiliates of the Group do not deviate from prevailing market conditions for those types of transactions.

The Bank is likely to continue to engage in transactions with its affiliates. Future conflicts of interests may arise between the Group and any of its affiliates, or among its affiliates, which may not be resolved in its favour.

Reporting and control risks.

Changes in accounting standards could impact reported earnings.

The accounting standard setters and other regulatory bodies periodically change the financial accounting and reporting standards that govern the preparation of the consolidated financial statements of the Group. These changes can materially impact how the Group records and reports its financial condition and results of operations, as well as affect the calculation of its capital ratios. In some cases, the Group could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements.

The financial statements of the Group are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of its operations and financial position.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the results and financial position of the Group, based upon materiality and significant judgements and estimates, include impairment of loans and advances, goodwill impairment, valuation of financial instruments, deferred tax assets provision and pension obligation for liabilities.

If the judgement, estimates and assumptions the Group uses in preparing its consolidated financial statements are subsequently found to be incorrect, there could be a material effect on its results of operations and a corresponding effect on its funding requirements and capital ratios.

Disclosure controls and procedures over financial and non-financial reporting may not prevent or detect all errors or acts of fraud.

Disclosure controls and procedures, including internal controls over financial and non-financial reporting (including climate-related reporting), are designed to provide reasonable assurance that information required to be disclosed by the company in reports filed or submitted under the US Securities Exchange Act of 1934 (the "**Exchange Act**") is accumulated and communicated to management, and recorded, processed, summarised and reported within the time periods specified in the US Securities and Exchange Commission's rules and forms.

These disclosure controls and procedures have inherent limitations which include the possibility that judgements in decision-making can be faulty and that breakdowns occur because of errors or mistakes. Additionally, controls can be circumvented by any unauthorised override of the controls. Consequently, the businesses of the Group are exposed to risk from potential non-compliance with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions, civil claims and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of 'rogue traders' or other employees. It is not always possible to deter employee misconduct and the precautions the Group takes to prevent and detect this activity may not always be effective. Accordingly, because of the inherent limitations in the control system, misstatements due to error or fraud may occur and not be detected.

Foreign private issuer and other risks.

The corporate disclosure of the Group may differ from disclosure regularly published by issuers of securities in other countries, including the US.

Issuers of securities in Spain are required to make public disclosures that are different from, and that may be reported under presentations that are not consistent with, disclosures required in other countries, including the US. In particular, for regulatory purposes, the Group currently prepares and will continue to prepare and make available to its shareholders statutory financial statements in accordance with IFRS-IASB, which differs from US Generally Accepted Accounting Principles in a number of respects. In addition, as a foreign private issuer, the Group is not subject to the same disclosure requirements in the US as a domestic US registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports, the proxy rules applicable to domestic US registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules under Section 16 of the Exchange Act. Accordingly, the information about the Group available to holders or potential holders of the Notes will not be the same as the information available to shareholders of a US company and may be reported in a manner that you may not be familiar with.

Investors may find it difficult to enforce civil liabilities against the Group or its directors and officers.

The majority of the directors and officers of the Group reside outside of the US. In addition, a substantial portion of the Group's assets and the assets of its directors and officers are located outside of the US. Although the Group has appointed an agent for service of process in any action against it in the US, none of its directors or officers has consented to service of process in the US or to the jurisdiction of any US court. As a result, it may be difficult for investors to effect service of process within the US on such persons.

Additionally, investors may experience difficulty in Spain enforcing foreign judgements obtained against the Group and its executive officers and directors, including in any action based on civil liabilities under the US federal securities laws. Based on the opinion of Spanish counsel, there is doubt as to the enforceability against such persons in Spain, whether in original actions or in actions to enforce judgements of US courts, of liabilities based solely on the US federal securities laws.

INVESTMENT CONSIDERATIONS

This Investment Considerations section sets out important information and considerations in relation to the Notes which prospective investors should take into account prior to making an investment decision.

Considerations Relating to the Notes Generally

Considerations in relation to the Specific Buy-Back Provisions

Investors should be aware that the Specific Buy-Back Provisions will not affect the right of the investors to receive timely payments of principal and interest on the Notes. In consideration of the Issuer being able to maintain the notional Underlying Transactions in relation to the Notes, the Issuer will pay an Extra-Yield on the Notes (as such term is defined in Condition 6(l)(ii)).

In addition, the Specific Buy-Back Provisions may apply only to Notes where Santander US Capital Markets LLC acts as the sole Dealer and where the Specified Denomination in respect of each Note is equal to at least EUR 100,000 (or its equivalent amount in the Specified Currency).

Investors should refer to the risk factor entitled "*Any change in the Underlying Transactions or their market value may materially adversely affect the Buy-Back Price payable in respect of Notes in relation to which the Specific Buy-Back Provisions apply*" for further information on the risks relating to the Specific Buy-Back Provisions.

Considerations in relation to Global Note Certificates held by or on behalf of Euroclear and Clearstream, Luxembourg or DTC

Unless otherwise specified in the relevant Pricing Supplement, Notes issued under the Program may be represented by one or more Global Note Certificates. Such Global Note Certificates, unless otherwise specified in the relevant Pricing Supplement, will be registered in the name of a common depositary or, as the case may be, common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg or registered in the name of a nominee for DTC. Except in the limited circumstances described in the relevant Global Note Certificate, investors will not be entitled to receive Notes in definitive form.

Each of Euroclear, Clearstream, Luxembourg and DTC, and their respective direct and indirect participants, will maintain records of the beneficial interests in the Global Note Certificates. While the Notes are represented by one or more Global Note Certificates, investors will be able to trade their beneficial interests only through the relevant clearing system where their respective participants Notes are held.

While the Notes are represented by one or more Global Note Certificates, the Issuer and the Guarantor will discharge their payment obligations under the Notes by making payments through the relevant clearing system. A holder of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the relevant Notes. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificates.

Holders of beneficial interests in the Global Note Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system to appoint appropriate proxies.

Considerations in relation to Definitive Registered Notes

Where the Notes are issued in definitive registered form, a Noteholder's title to the Notes depends on entry of such Noteholder's name in a register kept by the Registrar on behalf of the Issuer, rather than possession of the Definitive Registered Note. The Definitive Registered Note that a Noteholder receives is not a document of title, but evidence that such Noteholder's name has been entered in the register. Investors should be aware that a Definitive Registered Note is transferable by execution of a written transfer instrument.

Considerations in relation to Notes that are issued as Green Bonds, Social Bonds or Sustainable Bonds

The relevant Pricing Supplement may provide that it will be the Issuer's intention to apply an amount equal to the whole or a part of the net proceeds of the issue of the relevant Notes to finance and/or refinance Eligible Assets, as described in the Guarantor's Green, Social and Sustainability Funding Global Framework published on the website of the Guarantor (see "*Use of Proceeds*").

Prospective investors should have regard to the information set out in the Green, Social and Sustainability Funding Global Framework and the Pricing Supplement regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

In particular, no assurance is given by the Issuer, the Guarantor or the Dealers that the use of such proceeds for any project will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations including, amongst others, the EU Taxonomy Regulation, the European Green Bond Regulation or Regulation (EU) 2020/852 as it forms part of domestic law in the UK by virtue of the EUWA, or any further regulations or standards that may be approved or created or by its own by-laws or governing rules or investment portfolio mandates.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Bank) which may be made available in connection with the issue of any Green Bonds, Social Bonds or Sustainable Bonds and in particular with any Eligible Asset, to fulfil any environmental, social and/or other criteria. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or the Guarantor or any other person to buy, sell or hold any such Notes.

In the event that any Green Bonds, Social Bonds or Sustainable Bonds are listed or admitted to trading on any dedicated "green", "environmental", "social" or "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or the Guarantor or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or the Guarantor or any other person that any such listing or admission to trading will be obtained in respect of any such Green Bonds, Social Bonds or Sustainable Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Bank that the proceeds of any Green Bonds, Social Bonds or Sustainable Bonds so specified for the relevant project are applied, in, or substantially in, the manner described in the Green, Social and Sustainability Funding Global Framework and the Pricing Supplement, there can be no assurance that the relevant project or use(s) the subject of, or related to, any Eligible Asset, will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such project. Nor can there be any assurance that such project will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Guarantor. Any such event or failure by the Guarantor will not constitute an Event of Default under the relevant Notes, or give rise to any other claim of a holder of such Green Bond, Social Bond or Sustainable Bond, as the case may be.

Additional information on the development of SONIA and €STR as reference rates

In connection with the development of the market in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The nascent development of Compounded Daily SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

Additional considerations associated with Notes that pay a floating rate of interest referencing SOFR

SOFR is a relatively new rate and may fail to maintain market acceptance. The New York Federal Reserve began to publish SOFR in April 2018. Although the New York Federal Reserve has published historical indicative SOFR information going back to 2014, such prepublication historical data inherently involves assumptions, estimates and approximations. Investors should not rely on any historical changes or trends in SOFR as an indicator of the future performance of SOFR. Since the initial publication of SOFR, daily changes in the rate have, on occasion,

been more volatile than daily changes in other benchmark or market rates. As a result, the return on and value of Notes that pay a floating rate of interest by reference to SOFR may fluctuate more than floating rate debt securities that are linked to less volatile rates.

Because SOFR is a relatively new market index, Notes that reference SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SOFR, such as the spread over the base rate reflected in the interest rate provisions, may evolve over time, and trading prices of Notes that reference SOFR may be lower than those of later-issued SOFR-linked debt securities as a result. Similarly, if SOFR does not prove to be widely used in securities like the Notes, the trading price of Notes that reference SOFR may be lower than those of securities linked to rates that are more widely used. Investors may not be able to sell Notes that reference SOFR at all or may not be able to sell such Notes at prices that will provide a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

The manner of adoption or application of reference rates based on SOFR in the bond market may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any potential inconsistencies between the adoption of reference rates based on SOFR across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes that reference SOFR.

The New York Federal Reserve notes on its publication page for SOFR that use of SOFR is subject to important limitations, including that the New York Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes. If the manner in which SOFR is calculated is changed or if SOFR is discontinued, that change or discontinuance may result in a reduction or elimination of the amount of interest payable on such Notes that reference SOFR and a reduction in the trading prices of such Notes.

Considerations Relating to Reference Item Linked Notes

Considerations in relation to regulatory consequences for a holder of Reference Item Linked Notes

There may be regulatory and other consequences associated with the ownership by certain investors of certain Reference Item Linked Notes. Each purchaser of Notes must conduct its own investigation into its regulatory position with respect to the potential purchase of Notes, and none of the Issuer, the Guarantor, the Dealer or the Arranger assumes any obligation or liability whatsoever to such purchaser in such regard.

Considerations in relation to taxation of Reference Item Linked Notes

Potential purchasers of Reference Item Linked Notes should be aware that stamp duty and other taxes and/or charges may be levied in accordance with the laws and practices in countries where the Reference Item Linked Notes are transferred and/or where any potential reference items are delivered, or elsewhere.

The considerations set out under this "*Considerations in relation to taxation of Reference Item Linked Notes*" section do not consider the tax treatment of payments in respect of Reference Item Linked Notes. Potential purchasers of Reference Item Linked Notes should note that the tax treatment of payments in respect of Reference Item Linked Notes may be different (and in some cases significantly different) from these considerations.

Potential purchasers of Reference Item Linked Notes who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax laws and regulations and their application and interpretation by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Considerations Relating to Equity Linked and Inflation Linked Notes

Considerations relating to whether an investment in Equity Linked and Inflation Linked Notes is suitable for a particular investor

Each potential investor should determine whether an investment in the Notes is appropriate in its particular circumstances. An investment in Equity Linked or Inflation Linked Notes requires a thorough understanding of the nature of the relevant transaction. Potential investors should be experienced with respect to an investment in the Equity Linked or Inflation Linked Notes and be aware of the related risks.

An investment in Equity Linked or Inflation Linked Notes is only suitable for potential investors who:

(a) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Equity Linked or Inflation Linked Notes and the information contained or incorporated by reference into this document;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;

(c) understand thoroughly the terms of the Equity Linked or Inflation Linked Notes and are familiar with the behaviour of the relevant underlying security or index and financial markets;

(d) are capable of bearing the economic risk of an investment in the Equity Linked or Inflation Linked Notes until the maturity date of the Equity Linked or Inflation Linked Notes;

(e) recognise that it may not be possible to dispose of the Equity Linked or Inflation Linked Notes for a substantial period of time, if at all, before the maturity date; and

(f) are able to evaluate (either alone or with the help of a financial and legal adviser) possible scenarios for economic, interest rate and other factors that may affect the investment in the Equity Linked or Inflation Linked Notes and the investor's risks.

Equity Linked or Inflation Linked Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Equity Linked Notes or Inflation Linked Notes unless such potential investor has the expertise (either alone or with a financial and legal adviser) to evaluate how the Equity Linked or Inflation Linked Notes will perform under changing conditions, the resulting effects on the value of the Equity Linked or Inflation Linked Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Investors should refer to the risk factor entitled "*Risks Common to Equity Linked and Inflation Linked Notes*" for information on the risks relating to these types of investment.

Considerations relating to exchange rates and exchange controls

Investors should consult their financial and legal advisers as to any specific risks entailed by an investment in Equity Linked or Inflation Linked Notes that are denominated or payable in, or the return on which is linked to values for a relevant underlying security or index denominated in a currency other than the currency of the country in which such investor resides or in which such investor conducts its business, which is referred to as their home currency. Such Equity Linked or Inflation Linked Notes are not appropriate investments for investors who are not sophisticated in foreign currency transactions.

Investors should refer to the risk factor entitled "*Exchange rates and exchange controls may affect the value or return of the Equity Linked or Inflation Linked Notes*" for information on the risks relating to such an investment.

Considerations Relating to EUA Contract Linked Notes

Additional investment considerations in respect of EUA Contract Linked Notes

In respect of EUA Contract Linked Notes, Noteholders will receive an amount (if any) on redemption determined by reference to the value of the underlying EUA Contract and/or EUA Contract Linked Notes will pay interest calculated by reference to the value of the underlying EUA Contract.

A Market Disruption Event will occur if there is a disruption in respect of an EUA Contract as a result of (a) price source disruption, (b) ability to trade, (c) the disappearance of an EUA Contract Reference Price, (d) a limit price event, (e) a change in composition, methodology or taxation, (f) the ability to deliver or accept EU Allowances, the discontinuation of the scheme for transferring EU Allowances, a suspension by the relevant registries of operations relating to recording the issue, holding, transfer, acquisition, surrender, cancellation and/or replacement of EU Allowances, (g) issues in relation to the establishment and functioning of the relevant registries or transaction logs maintained in respect of EU allowance transactions or (h) the enactment of any EU or EU member

state law or regulation which directly or indirectly imposes a restriction on the number of EUAs that the hedge provider is permitted to hold.

If a Market Disruption Event occurs:

(a) the Issuer or, as the case may be, the Guarantor may take no action;

(b) the Calculation Agent, acting on the instructions of the Issuer (or the Guarantor, as the case may be), may make any adjustment(s) to the terms of the EUA Contract Linked Notes as it considers appropriate; or

(c) the Issuer or, as the case may be, the Guarantor may redeem the EUA Contract Linked Notes by payment of the Early Redemption Amount or the EUA Contract Early Redemption Amount, as applicable.

In addition, if the reference price of an EUA Contract is subsequently corrected, the corrected reference price will be used if corrected within 30 calendar days of the original publication, provided that, if the corrected level is published less than three EUA Contract Business Days prior to a due date for payment it will be disregarded.

If the Pricing Supplement specifies that the EUA Contract Linked Notes are linked to the performance of a futures contract, the considerations described above will apply to such futures contract by reference to the underlying EUA Contract. If the Pricing Supplement specify that the EUA Contract Linked Notes are "Rolling Futures Contract Notes", the reference price of the EUA Contract will be valued by reference to futures contracts with delivery months that do not match the Redemption Date of the EUA Contract Linked Notes. The Calculation Agent will select a new futures contract on each Futures Rollover Date specified in the Pricing Supplement. If it is impossible or materially impracticable to select a new futures contract and/or hedge the Issuer's obligations in respect of the EUA Contract Linked Notes, the consequences of a Market Disruption Event described above will apply.

Additional investment considerations in respect of EU Allowances

The market for carbon emission allowances or credits has emerged as a consequence of the Kyoto Protocol and covers both industrial and developing countries. Industrial countries are allocated emissions allowances under the Kyoto Protocol. The EU introduced its own emission trading scheme in 2005 pursuant to Directive 2003/87/EC, as amended from time to time, which extends beyond the 2012 termination of the Kyoto Protocol.

One EU Allowance corresponds to the emission by the Noteholder of one tonne of carbon dioxide (CO2) equivalent during a specified period which is valid for meeting certain emissions related obligations. The EU's member states issue new EU Allowances annually to each company subject to the EU's emission trading scheme. These awards are made in accordance with an allocation plan approved by the European Commission which is based on the EU's application of the Kyoto Protocol's obligations to the industries covered by the EU's emission trading scheme. By 30 April in each year, companies are obliged to "surrender" a number of EU Allowances corresponding to their actual emissions in the preceding year. EU Allowances can also be rolled over from one year to the next if a company emits less carbon dioxide or carbon-equivalent greenhouse gas than the EU allowances it holds. EU Allowances have a limited or no value outside the EU's emissions trading scheme.

Legal and Regulatory Considerations

Risks in Relation to Spanish Taxation

Royal Decree Law 8/2014, of 4 July, introduced a 0.03% tax on bank deposits in Spain. This tax is payable annually by Spanish banks. There can be no assurance that additional national or transnational bank levies or financial transaction taxes will not be adopted by the authorities of the jurisdictions where the Bank operates.

Risks related to the Spanish withholding tax regime

Under Spanish Law 10/2014 and Royal Decree 1065/2007, as amended, income payments in respect of the Notes issued in accordance with Law 10/2014 or Implicit Yield Notes with a duration equal to or less than 12 months will be made without withholding tax in Spain. The Issuer is required pursuant to Spanish law to provide certain information regarding such Notes and such Implicit Yield Notes to the Spanish tax authorities. The Issuer, Guarantor and the Principal Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. The Issuer or the Guarantor (as the case may be) will withhold Spanish

withholding tax from any payment in respect of any income due under the above-mentioned Notes (as applicable) as to which the required information has not been provided and will not gross up payments in respect of any such withholding tax.

The Agency Agreement provides that the Principal Paying Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. The procedures may be modified, amended or supplemented, to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof or to reflect a change in applicable clearing system rules or procedures or to add procedures for one or more new clearing systems. See "*Taxation and Disclosure of Information in Connection with Payments—Spain—Information about the Notes in Connection with Payments—Notes issued in accordance with Law 10/2014 or Implicit Yield Notes with a duration equal to or less than 12 months*". None of the Issuer, the Guarantor, the Dealers or the Principal Paying Agent assume any responsibility therefore.

Notwithstanding the above, and if despite the transfer restrictions in connection with the holding by Spanish individuals of Implicit Yield Notes set out in "*Terms and Conditions of the Notes—Transfers of Registered Notes —Implicit Yield Notes*", the Notes are held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes (and, under certain circumstances, to Spanish entities subject to Corporate Income Tax) may be subject to withholding by such depositary or custodian at the current rate of 19%. The Issuer or the Guarantor (as case may be) will not gross up payments in respect of any such withholding tax.

In addition, in the case of Implicit Yield Notes including those with a duration of more than 12 months, in order for the Issuer to reimburse them, the holders are required to provide the Issuer with the legally required certificate issued by a Spanish financial institution or established in Spain which accredits the prior acquisition of such Implicit Yield Notes and the corresponding acquisition price. In accordance with the legislation currently in force, in the case of failure to provide such certificate, the Issuer will not proceed to pay to the holder the reimbursement thereof. The Issuer or the Guarantor (as case may be) will not gross up payments in respect of any withholding tax arising from said Implicit Yield Notes.

Holders must seek their own advice to ensure that they comply with all procedures to ensure the correct tax treatment of their Notes. None of the Issuer, the Dealers, the Principal Paying Agent or any clearing system assume any responsibility therefor.

Additional information on the BRRD and SRM Regulation

Capital requirements, liquidity, funding and structural reform

The Guarantor, as a Spanish financial institution, is subject to the Capital Requirements Regulation (Regulation (EU) No 575/2013) ("**CRR**") and the Capital Requirements Directive (Directive 2013/36/EU) ("**CRD IV**"). through which the EU began implementing the Basel III capital reforms from 1 January 2014. While the CRD IV required national transposition, the CRR was directly applicable in all the EU member states. This regulation is complemented by several binding technical standards and guidelines issued by the European Banking Authority ("**EBA**"), directly applicable in all EU member states, without the need for national implementation measures. The implementation of the CRD IV into Spanish law has taken place through Royal Decree Law 14/2013 and Law 10/2014, Royal Decree 84/2015, Bank of Spain Circular 2/2014 and Bank of Spain Circular 2/2016.

On 27 June 2019, a comprehensive package of reforms amending CRR, CRD IV as well as the European Bank Recovery and Resolution Directive (Directive 2014/59/EU) ("**BRRD**") and Regulation (EU) No 1093/2010 ("**SRM Regulation**") came into force: (i) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending CRD IV with respect to exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("**CRD V**"); (ii) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending BRRD with respect to the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC ("**BRRD II**"); (iii) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending CRR with respect to the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012 ("**CRR II**"); and (iv) Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation with respect to the loss-absorbing and recapitalisation capacity of credit institutions and investment firms ("**SRMR II**", and together with CRD V, BRRD II and CRR II, the "**EU Banking Reforms**").

The EU Banking Reforms cover multiple areas, including the Pillar 2 framework, the leverage ratio, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non-preferred" senior debt that should only be bailed-in after junior ranking instruments but before other senior liabilities, changes to the definitions of Tier 2 Instruments and Additional Tier 1 Instruments (as defined in the Terms and Conditions of the Notes), the MREL framework and the integration of the TLAC standard into EU legislation as mentioned above.

With respect to the European Commission's proposal to create a new asset class of "non-preferred" senior debt, on 27 December 2017, Directive 2017/2399 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy was published in the Official Journal of the European Union and sets forth a harmonised national insolvency ranking of unsecured debt instruments to facilitate the issuance by credit institutions of senior "non-preferred" instruments. Before that, Royal Decree-Law 11/2017, of 23 June, approving urgent measures on financial matters created in Spain the new asset class of senior "non-preferred" debt.

CRD V Directive and BRRD II were partially implemented into Spanish law through Royal Decree-Law 7/2021, of 27 April, (RDL 7/2021) which has amended, amongst others, Law 10/2014 and Law 11/2015, of 18 June, on the Recovery and Resolution of Credit Institutions and Investment Firms (Law 11/2015). Furthermore, Royal Decree 970/2021, of 8 November, amended Royal Decree 84/2015, and Circulars 5/2021 and 3/2022 of the Bank of Spain, which amended Circular 2/2016, completed the implementation into Spanish law of CRD V. In addition, Royal Decree 1041/2021, of 23 November, amended Royal Decree 1012/2015, of 6 November, which implemented Law 11/2015 (Royal Decree 1012/2015) and completed the implementation of CRD V and BRRD II.

On 27 October 2021, the European Commission published legislative proposals amending CRR and the CRD IV, as well as a separate legislative proposal amending CRR and BRRD in the area of resolution. In particular, these legislative proposals are the following: (i) Directive of the European Parliament and of the Council amending CRD IV as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, and amending BRRD; (ii) Regulation of the European Parliament and of the Council and its annex amending CRR as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor; and (iii) Regulation of the European Parliament and of the Council amending CRR and BRRD as regards the prudential treatment of global systemically important institution groups with a multiple point of entry resolution strategy and a methodology for the indirect subscription of instruments eligible for meeting the minimum requirement for own funds and eligible liabilities. In connection with (iii) above, in October 2022, Regulation (EU) 2022/2036 of the European Parliament and of the Council of 19 October 2022 amending Regulation (EU) No 575/2013 and Directive 2014/59/EU as regards the prudential treatment of global systemically important institutions with a multiple-point-of-entry resolution strategy and methods for the indirect subscription of instruments eligible for meeting the minimum requirement for own funds and eligible liabilities was adopted. In respect of the proposals referred to in limb (i) and (ii), on 19 June 2024, Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks ("**CRD VI**") and Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor ("**CRR III**") were published in the Official Journal of the EU.

CRR III is applicable since 1 January 2025 and Member States will have eighteen months to transpose CRD VI into national law. The CRR III is generally applicable from 1 January 2025 (though some provisions started to apply on 9 July 2024 and some provisions are also subject to transitional arrangements and will be phased in over the coming years). CRD VI must be transposed into national law by Member States by 10 January 2026.

Credit institutions, such as the Bank, are required, on a standalone and consolidated basis, to hold a minimum amount of regulatory capital of 8% of risk weighted assets (of which at least 4.5% must be Common Equity Tier 1 (CET1) capital and at least 6% must be Tier 1 capital). In addition to the minimum regulatory capital requirements, the CRD IV also introduced five capital buffer requirements that must be met with CET1 capital: (1) the capital conservation buffer for unexpected losses, requiring additional CET1 of up to 2.5% of total risk weighted assets; (2) the institution-specific counter-cyclical capital buffer (consisting of the weighted average of the counter-cyclical capital buffer rates that apply in the jurisdictions where the relevant credit exposures are located), which may require as much as additional CET1 capital of 2.5% of total risk weighted assets or higher pursuant to the requirements set by the competent authority; (3) the G-SIIs buffer requiring additional CET1 which shall be not less than 1% of risk weighted assets; (4) the other systemically important institutions buffer, which may be as much as 2% of risk weighted assets; and (5) the CET1 systemic risk buffer to prevent systemic or macroprudential risks of at least 1% of risk weighted assets (to be set by the competent authority). Entities are

required to comply with the 'combined buffer requirement' (broadly, the combination of the capital conservation buffer, the institution-specific counter-cyclical buffer and the higher of (depending on the institution) the systemic risk buffer, the G-SIIs buffer and the other systemically important institutions ("**O-SII**") buffer, in each case as applicable to the institution). Under the CRD V, where an institution is subject to a systemic risk buffer, that buffer will be cumulative with the applicable G-SIIs buffer or the other systemically important institution buffer. Under CRD VI, where an institution is subject to a systemic risk buffer, that buffer will continue to be cumulative with the applicable G-SIIs buffer or the other systemically important institution buffer. Additionally, CRD VI introduces a requirement for competent authorities to review the calibration of the systemic risk buffer rates to ensure they remain appropriate and do not double-count risks already covered by the output floor. This review must occur at least annually for the O-SII buffer and biennially for the systemic risk buffer, with the possibility of more frequent adjustments if necessary.

While the capital conservation buffer and the G-SII buffer are mandatory, the Bank of Spain has greater discretion in relation to the counter-cyclical capital buffer, the O-SII buffer and the systemic risks buffer. The ECB also has the ability to provide certain recommendations in this respect.

As of the date of this Offering Memorandum, the Bank is required to maintain a conservation buffer of additional CET1 capital of 2.5% of risk weighted assets, a G-SII buffer of additional CET1 capital of 1.25% of risk weighted assets and a counter-cyclical capital buffer of additional CET1 capital of 0.3979% of risk weighted assets. Bank of Spain agreed on 1 October 2024 to raise the countercyclical buffer applicable to credit exposures in Spain to 1% in line with the "positive neutral rate" approach, in two stages: (i) from the fourth quarter of 2024, it has been raised to 0.5% (applicable in the fourth quarter of 2025); and (ii) from the fourth quarter of 2025, it is expected to be raised by 0.5% to be set at 1% (applicable in the fourth quarter of 2026). On 18 December 2024, the Bank of Spain announced its intention to remain consistent with such strategy.

Moreover, article 104 of the CRD IV, as implemented by Article 68 of Law 10/2014, and similarly Article 16 of Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the SSM Regulation), also contemplate that in addition to the minimum Pillar 1 capital requirements and any applicable capital buffer, supervisory authorities may impose further Pillar 2 capital requirements to cover other risks, including those risks incurred by the individual institutions due to their activities not considered to be fully captured by the minimum capital requirements under the CRD IV and CRR, which should be set according to the specific situation of an institution excluding macroprudential or systemic risks, but including the risks incurred by individual institutions due to their activities (including those reflecting the impact of certain economic and market developments on the risk profile of an individual institution). This may result in the imposition of additional capital requirements on the Bank and/or the Group pursuant to this Pillar 2 framework.

In accordance with Articles 104a and b of the CRD V, as implemented in Spain by Article 69 and 69bis of Law 10/2014, the institutions' specific Pillar 2 capital shall consist of two parts: Pillar 2 requirements and Pillar 2 guidance. Pillar 2 requirements are binding, and breaches can have direct legal consequences for banks, while Pillar 2 guidance is not directly binding and a failure to meet Pillar 2 guidance does not automatically trigger legal action, even though the ECB expects banks to meet Pillar 2 guidance. Failure to comply with the Pillar 2 guidance is not relevant for the purposes of triggering the automatic restriction of the distribution and calculation of the 'Maximum Distributable Amount' (the "**Maximum Distributable Amount**") but, in addition to certain other measures, competent authorities are entitled to impose further Pillar 2 capital requirements where an institution repeatedly fails to follow the Pillar 2 capital guidance previously imposed.

Under the CRD IV, the ECB is required to carry out assessments of the additional Pillar 2 capital requirements that may be imposed for each of the European banking institutions subject to the SSM Regulation at least on an annual basis, and, accordingly, requirements may change from year to year. Any additional capital requirement that may be imposed on the Group by the ECB pursuant to these assessments may require the Group to hold capital levels similar to, or higher than, those required under the full application of the CRD IV. There can be no assurance that the Group will be able to continue to maintain such capital ratios.

Although CRR and CRD V do not require disclosure of the Pillar 2 guidance, the Market Abuse Regulation (MAR) ESMA Guidelines on delay in the disclosure of inside information and interaction with prudential supervision, as amended on 13 April 2022, provide that Pillar 2 guidance may be inside information if, for example, the difference between the Pillar 2 guidance and the institution's level of capital is not minor and is likely to involve a major reaction by the institution, such as a capital increase; or if the institution's Pillar 2 guidance is not in line with market expectations. To the extent that Pillar 2 guidance constitutes inside information,

it will need to be disclosed pursuant to the obligations applicable to the Bank contained in Regulation (EU) No 596/2014 of April 16, 2014, on market abuse.

In addition to the above, the EBA published on 19 December 2014 its final guidelines for common procedures and methodologies in respect of its supervisory review and evaluation process ("**SREP**"), as revised on 18 March 2022 with the aim of implementing the amendments to the CRD V Directive and CRR II and promoting convergence towards best supervisory practices (the "**EBA SREP Guidelines**"). Included in this were the EBA's proposed guidelines for a common approach to determining the amount and composition of additional Pillar 2 capital requirements implemented on 1 January 2016. Under these guidelines, national supervisors must set a composition requirement for the Pillar 2 additional capital requirements to cover certain specified risks of at least 56% CET1 capital and at least 75% Tier 1 capital. Under Article 104(a) of CRD V (implemented into Spanish law by Article 94.6 of Royal Decree 84/2015), EU banks are now allowed to meet Pillar 2 requirements with these minimum proportions of CET1 capital and Tier 1 capital.

The EBA SREP Guidelines also contemplate that national supervisors should not set additional capital requirements in respect of risks which are already covered by capital buffer requirements and/or additional macroprudential requirements; and, accordingly, the above 'combined buffer requirement' is in addition to the Pillar 1 and Pillar 2 capital requirements. Therefore capital buffers would be the first layer of capital to be eroded pursuant to the applicable stacking order, as set out in the 'Opinion of the EBA on the interaction of Pillar 1, Pillar 2 and combined buffer requirements and restrictions on distributions' published on 16 December 2015. In this regard, under Article 141 of the CRD IV, Member States of the EU must require that an institution that fails to meet the 'combined buffer requirement', be prohibited from paying any 'Discretionary Payments' (which are defined broadly by the CRD IV as payments relating to CET1, variable remuneration and discretionary pension benefits and distributions relating to Additional Tier 1 Instruments (as defined in the Terms and Conditions of the Notes)), until it calculates its applicable restrictions and communicates them to the regulator. Thereafter, any such Discretionary Payments shall be subject to such restrictions. The restrictions shall be scaled according to the extent of the breach of the 'combined buffer requirement' and calculated as a percentage of the profits of the institution since the last distribution of profits or 'Discretionary Payment'. Such calculation shall result in a Maximum Distributable Amount in each relevant period. As an example, the scaling is such that in the bottom quartile of the 'combined buffer requirement', no 'discretionary distributions' will be permitted to be paid. Articles 43 to 49 of Law 10/2014 and Chapter II of Title II of Royal Decree 84/2015 implement the above provisions in Spain. In particular, Article 48 of Law 10/2014 and Articles 73 and 74 of Royal Decree 84/2014 deal with restrictions on distributions. Furthermore, pursuant to article 16bis of Law 11/2015 and article 48ter of Law 10/2014, the calculation of the Maximum Distributable Amount, as well as consequences of, and pending, such calculation could also take place as a result of the breach of MREL and a breach of the leverage ratio buffer requirement.

CRD V further clarifies that Pillar 2 requirements should be positioned in the relevant stacking order of own funds requirements above the Pillar 1 capital requirements and below the "combined buffer requirement" or the leverage ratio buffer requirement, as applicable. In addition, CRD V also clarifies that Pillar 2 requirements should be set in relation to the specific situation of an institution excluding macroprudential or systemic risks, but including the risks incurred by individual institutions due to their activities (including those reflecting the impact of certain economic and market developments on the risk profile of an individual institution). Under Article 104(a) of CRD V (implemented into Spanish law by Article 94.6 of Royal Decree 84/2015), EU banks are now allowed to meet Pillar 2 requirements with these minimum proportions of CET1 capital and Tier 1 Capital.

CRD VI maintains the positioning of Pillar 2 requirements in the relevant stacking order of own funds requirements above the Pillar 1 capital requirements and below the "combined buffer requirement" or the leverage ratio buffer requirement, as applicable. Additionally, CRD VI specifies that when an institution becomes bound by the output floor, the nominal amount of additional own funds required to address risks other than the risk of excessive leverage should not increase because of the institution becoming bound by the output floor. Institutions are now required to integrate ESG risks into their governance arrangements, risk management frameworks, and capital planning processes. This includes setting forth specific plans with quantifiable targets to address ESG risks in the short, medium, and long term. CRD VI empowers regulatory authorities to require institutions to undertake stress testing or scenario analysis to assess risks arising from crypto-asset exposures and from the provision of crypto-asset services.

The Bank announced on 11 December 2024 that it received the ECB's decision regarding prudential minimum capital requirements effective as of 1 January 2025, following the results of SREP. The ECB's decision maintains an unchanged Pillar 2 requirement of 1.74% at a consolidated level of which at least 0.98% must be covered with CET1. Accordingly, the minimum CET1 and capital requirements as of 1 January 2025 are 9.67% and 13.93% on a consolidated basis, respectively. As of 31 December 2024, on a consolidated basis, the total capital ratio was

17.39% while the CET1 ratio was 12.78%. If the Bank had not applied the transitory IFRS 9 provisions, nor the subsequent amendments introduced by Regulation 2020/873 of the EU, the fully-loaded CET1 ratio would have been 12.76%.

As described above, Santander maintains a surplus of capital over these requirements, both at a consolidated and an individual level. Therefore, these capital requirements do not imply any limitation on Discretionary Payments, including to holders of Santander's Additional Tier 1 Instruments (as defined in the Terms and Conditions of the Notes). In addition to the above, the CRR also contains a binding 3%. Tier 1 leverage ratio ("**LR**") requirement, and which institutions must meet in addition and separately to their risk-based requirements.

Moreover, Article 92.1a of CRR includes a leverage ratio buffer for G-SIIs to be met with Tier 1 Capital and set at 50% of the applicable risk weighted G-SIIs buffer and that is in force since 1 January 2023. Pursuant to Article 141b of the CRD IV and Article 48ter of Law 10/2014, G-SIIs are also obliged to determine their Maximum Distributable Amount and restrict Discretionary Payments where they do not meet the leverage ratio buffer requirement under Article 92.1a of CRR.

Under Article 92a of CRR, institutions such as the Bank that are identified as resolution entities and are G-SII shall satisfy the following requirements for own funds and eligible liabilities: (a) 18% of risk weighted assets, and (b) 6.75% of its leverage ratio exposure (the Pillar 1 TLAC/MREL Requirements for G-SIIs). On top of that, Article 45 of the BRRD provides that Member States shall ensure that institutions meet, at all times, a minimum MREL requirement (the "**TLAC/MREL Requirements**").

The EU Banking Reforms integrate the total loss absorbing capacity ("**TLAC**") standard into the existing MREL rules and to ensure that both requirements are met with the largely similar instruments, with the exception of the subordination requirement, which will be partially institution-specific and determined by the resolution authority. Therefore, institutions such as the Bank could be subject to an institution-specific TLAC/MREL requirement, which may be higher than the Pillar 1 TLAC/MREL Requirements for G-SIIs.

Although the specific MREL requirements may vary depending on the specific characteristics of the credit entity (its application falls on resolution institution or resolution group, being entities subject to resolution following a Single Point of Entry or Multiple Point of Entry resolution strategy) and the resolution process, BRRD II together with CRR II introduce a relevant change for complying with MREL which now includes two different ratios (i) a risk ratio (percentage of total risk weighted assets of the resolution entity) and (ii) a non-risk ratio (percentage of the resolution entity's total exposure), as well as empower the Relevant Resolution Authority to authorise or require (a) complying with additional CET1, Additional Tier 1 or Tier 2 capital ratios (which was not foreseen in the previous MREL rules) and (b) that certain level of senior liabilities issued by the resolution entity can be subject to Bail-in.

MREL application is also subject to a different regime depending on the nature of the entity based on its resource volume and systemic profile. Thus, the MREL requirements are different for G-SIIs, "top tier" entities (which are not G-SIIs with aggregated asset volume of over EUR 100 billion), O-SIIs (which are institutions that, due to their systemic importance, are more likely to create risks to financial stability) and the rest of the resolution institutions. In particular, G-SIIs, "top tier" banks and O-SIIs are subject to Pillar 1 requirements: 18% (including the combined buffer requirements under CRD IV), and 13% of risk weighted assets and 6.75% and 5% of leverage exposure, respectively for G-SIIs and "top tier" banks and O-SIIs. These requirements are complemented by further Pillar 2 requirements, which would be determined on a case-by-case basis for the rest of the resolution institutions.

The EU Banking Reforms introduced limited adjustments to the existing MREL Rules ensuring technical consistency with the structure of any requirements for G-SIIs. Since 1 January 2022, the TLAC/MREL Requirements are fully applicable (a 18% minimum TLAC requirement).

According to Article 16.a) of the BRRD, any failure by an institution to meet the 'combined buffer requirement' when considered in addition to the applicable minimum TLAC/MREL Requirements is intended to be treated in a similar manner as a failure to meet the 'combined buffer requirement' on top of its minimum regulatory capital requirements (i.e. a resolution authority will have the power to impose restrictions or prohibitions on Discretionary Payments by the Bank). The referred Article 16.a) of the BRRD includes a potential nine-month grace period, whereby the resolution authority will assess on a monthly basis whether to exercise its powers, after such nine-month period the resolution authority is compelled to exercise its power to restrict Discretionary Payments (subject to certain limited exceptions). These restrictions were implemented in Spain by means of Article 16bis of Law 11/2015.

The Bank announced on 24 June 2024 that it had received formal notification from the Bank of Spain of its binding minimum MREL requirement, both total and subordinated, for the Resolution Group, as determined by the SRB and which replaces the previously applicable one. The total MREL requirement, currently in effect, was set at 29.69% of the Resolution Group's total risk weighted assets. The subordination requirement was set at 10.27%. The total MREL requirement that is in effect from January 2025 is 32.39% (and 33.59% as from 24 June 2025) of the Resolution Group's total risk weighted assets. The subordination requirement that is in effect from 1 January 2025 was set at 11.30% (and will be maintained as of 24 June 2025). Future requirements are subject to ongoing review by the resolution authority.

Additionally, the Basel Committee is currently in the process of reviewing and issuing recommendations in relation to risk asset weightings which may lead to increased regulatory scrutiny of risk asset weightings in the jurisdictions that are members of the Basel Committee.

In addition to the above, the Group shall also comply with the liquidity coverage ratio ("**LCR**") and the net stable funding ratio ("**NSFR**") requirements provided in CRR. As of 31 December 2024, the Group's LCR was 153%, above the 100% minimum requirement. In relation to the NSFR, the institutions shall maintain from 28 June 2021 an NSFR (calculated in accordance with Title IV of the CRR) of at least 100%. As of 31 December 2024, the Group's NSFR was 126%, above the 100% minimum requirement.

In addition, on 18 April 2023, the European Commission adopted the CMDI Proposal, which enables authorities to organise an orderly market exit for a failing bank of any size and business model and consists of three pillars: (i) preserving financial stability and protecting taxpayers' money through facilitating the use of deposit guarantee schemes in crisis situations; (ii) shielding the real economy from the impact of bank failure by allowing authorities to fully use resolution as a key component of the crisis management toolbox; and (iii) better protecting depositors. The CMDI Proposal harmonises the standards of depositor protection across the EU and further extends the new framework of depositor protection to public entities. Furthermore, the proposal harmonises the protection of temporary high balances on bank accounts in excess of €100,000 linked to specific life events. In particular, the CMDI Proposal, includes, among other things, the amendment of the ranking of claims in insolvency to provide for a general depositor preference, pursuant to which the insolvency laws of Members States would be required by the BRRD to extend the legal preference of claims in respect of deposits relative to ordinary unsecured claims to all deposits (covered deposits and deposit guarantee scheme claims, non-covered deposits of households and small and medium enterprises and other non-covered deposits). On 20 March 2024 the Economic and Monetary Affairs Committee of the European Parliament (the "**ECON**") voted on the CMDI Proposal. The ECON has introduced a modification in the ranking of creditors, which should make the deposit guarantee schemes funded by banks to compensate depositors as well as the single resolution fund more accessible for the funding of resolution. The ECON also proposed a two-tiered approach where deposits of retail clients as well as micro, small and medium-sized enterprises benefit from a higher priority ranking over eligible deposits of large enterprises and central and regional governments. On 24 April 2024, the European Parliament in plenary approved its position with respect to the CMDI Proposal (consisting of a Directive amending BRRD), a Regulation amending the SRM Regulation and a Directive amending the DGSD. On 19 June 2024, the EU Council agreed on a negotiating mandate on the review of the CMDI Proposal and once an agreement is reached, it would have to be formally adopted before becoming law.

EU fiscal and banking union

The project of achieving a European banking union was launched in the summer of 2012. Its main goal is to resume progress towards the European single market for financial services by restoring confidence in the European banking sector and ensuring the proper functioning of monetary policy in the eurozone.

The banking union is expected to be achieved through new harmonized banking rules (the single rulebook) and a new institutional framework with stronger systems for both banking supervision and resolution that will be managed at the European level. Its two main pillars are the SSM and the Single Resolution Mechanism (SRM).

The SSM (comprised by both the ECB and the national competent authorities) is designed to assist in making the banking sector more transparent, unified and safer. In accordance with the SSM Regulation, the ECB fully assumed its new supervisory responsibilities within the SSM, in particular direct supervision of the largest European banks (including us), on 4 November 2014.

The SSM represented a significant change in the approach to bank supervision at a European and global level, and resulted in the direct supervision by the ECB of the largest financial institutions, including us, and indirect supervision of around 3,500 financial institutions and is now one of the largest in the world in terms of assets

under supervision. In the coming years, the SSM is expected to continue working on the establishment of a new supervisory culture importing best practices from the 19 national competent authorities that are part of the SSM and promoting a level playing field across participating Member States. Several steps have already been taken in this regard such as the publication of the Supervisory Guidelines; the approval of the Regulation (EU) No 468/2014 of the ECB of 16 April 2014, establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the SSM Framework Regulation); the approval of a Regulation (Regulation (EU) 2016/445 of the European Central Bank of 14 March 2016 on the exercise of options and discretions available in Union law) and a set of guidelines on the application of CRR's national options and discretions, etc. In addition, the SSM represents an extra cost for the financial institutions that funds it through payment of supervisory fees.

The other main pillar of the EU banking union is the SRM, the main purpose of which is to ensure a prompt and coherent resolution of failing banks in Europe at minimum cost for the taxpayers and the real economy. The SRM Regulation establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the SRM and a Single Resolution Fund ("**SRF**"). Under the intergovernmental agreement (IGA) signed by 26 EU member states on 21 May 2014, contributions by banks raised at national level were transferred to the SRF. The new Single Resolution Board ("**SRB**"), which is the central decision-making body of the SRM, started operating on 1 January 2015 and has fully assumed its resolution powers on 1 January 2016. The SRB is responsible for managing the SRF and its mission is to ensure that credit institutions and other entities under its oversight, which face serious difficulties, are resolved effectively with minimal costs to taxpayers and the real economy. From that date onwards, the SRF is also in place, funded by contributions from European banks in accordance with the methodology approved by the Council of the EU. The SRF's target level, of at least 1% of covered deposits held in member states of the banking union, is verified annually. As of 31 December 2024, the Fund amounted to EUR 80 billion, which is above the 1% of covered deposits. Therefore, unless needed, no collection of annual contributions is foreseen until the next verification exercise, due to take place towards the beginning of 2026.

In order to complete such banking union, a single deposit guarantee scheme is still needed, which may require a change to the existing European treaties. This is the subject of continued negotiation by European leaders to ensure further progress is made in European fiscal, economic and political integration.

Tax on Interest Margin and Commissions of certain financial entities

On 21 December 2024, Spain enacted Law 7/2024 creating a new Tax on Interest Margin and Commissions of certain financial entities, applicable for three fiscal years beginning 1 January 2024 and which targets the positive margin of interest and commissions obtained in Spain by credit institutions, financial credit establishments, and Spanish branches of foreign credit institutions. The tax features a progressive rate structure ranging from 1% to 7% (the latter applying to taxable bases exceeding €5 billion), with a notable reduction of €100m in the tax base for calculating the taxable amount. The tax liability can be reduced by 25% of the Corporate Income Tax liability for the same fiscal year, with specific proportional rules applying for CIT consolidated groups. Furthermore, a deduction applies when return on assets (ROA) falls below 0.7%, demonstrating the legislator's intention to avoid excessive taxation.

Global Minimum Tax

The Global Anti-Base Erosion Model Rules ("**Pillar Two**"), an initiative by the OECD/G20 Inclusive Framework, introduces a minimum level of taxation for multinationals with an annual consolidated revenue of EUR 750 million or more in at least two out of the four fiscal years immediately preceding the tested fiscal year. The aim of Pillar Two is to ensure that large multinational enterprise groups are subject to a minimum effective tax rate of 15% in each jurisdiction where they operate.

The Council of the European Union (the **EU**) formally adopted Council Directive (EU) 2022/2523 (the "**Pillar Two Directive**"). The Pillar Two Directive was published in the Official Journal of the European Union on 22 December 2022. EU member states had to implement the Pillar Two Directive in their national laws by 31 December 2023. The Netherlands implemented the Pillar Two Directive in the Dutch Minimum Tax Act 2024 (Wet minimumbelasting 2024), which entered into force on 31 December 2023. The Dutch Minimum Tax Act applies the IIR and the QDMTT (as further discussed below) for accounting periods starting on of after 31 December 2023 and the UTPR (as further discussed below) for accounting periods starting on or after 31 December 2024. On 21 December 2024, Law 7/2024 was published in the Spanish Official Gazette transposing the Pillar Two Directive and approving a domestic top-up tax ("Impuesto Complementario") from 2024.

Nonetheless, the Spanish domestic legislation has introduced permanent and transitional safe harbours (aligned with the Directive) to ease the initial compliance burden.

The primary mechanism for implementation of Pillar Two will be an income inclusion rule (the "**IIR**") pursuant to which a top-up tax is payable by a parent entity of a group if and to the extent that one or more constituent members of the group have been taxed below an effective rate of 15%. In the situation that no IIR applies at the ultimate parent entity level, a lower level intermediary entity may be required to apply the IIR. A secondary fall back is provided by an undertaxed payment rule (the "**UTPR**") in case the IIR has not been applied. The UTPR can be applied by (i) limiting or denying a deduction or (ii) making an adjustment in the form of an additional tax. The Netherlands opted for option (ii) i.e. to make an adjustment in the form of an additional tax. In addition, and as provided for as an option under the Pillar Two Directive, the Dutch Minimum Tax Act 2024 also includes a qualified domestic minimum top-up tax (the "**QDMTT**"). A jurisdiction that incorporates the QDMTT becomes the first in line to levy any top-up tax from entities located in its jurisdiction. It must compute profits and calculate any top-up tax due in the same way as the Pillar Two rules. Without a QDMTT, another jurisdiction as determined by the Pillar Two rules would be entitled to levy the top-up tax.

The implementation of the Pillar Two Directive could result in a higher tax burden for the Group which could have a negative effect on the Group's solvency and financial condition.

ISSUE OF NOTES

Notes will be issued on a continuous basis in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on different issue dates. The specific terms of each Tranche (which will be, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, identical to the terms of other Tranches of the same Series) will be set forth in the relevant Pricing Supplements to this Offering Memorandum (the form of which is set out in *"Pro Forma Pricing Supplement*" below).

INFORMATION INCORPORATED BY REFERENCE

The Issuer is a wholly-owned subsidiary of the Bank. The Bank files reports and other information with the SEC. The SEC's website, at http://www.sec.gov, contains reports and other information in electronic form that we have filed electronically with the SEC. The Bank maintains a website at https://www.santander.com. The information contained on the Bank's website or that can be accessed through its website neither constitutes part of this Offering Memorandum nor is incorporated by reference herein.

The Issuer is "incorporating by reference" the information that the Bank files with the SEC. This means that the Issuer is disclosing important information to you by referring to these filed documents. Any information referred to in this way is considered part of this Offering Memorandum, and any information that the Bank files with the SEC after the date of this Offering Memorandum will automatically be deemed to update and supersede this information.

The following document shall be deemed to be incorporated by reference by the Issuer into and to form part of, this Offering Memorandum:

1. the Bank's Annual Report on Form 20-F for the year ended December 31, 2024, filed with the SEC on February 28, 2025 (Accession No. 0000891478-25-000054) (the "**2024 Form 20-F**").

The Issuer also incorporates by reference all subsequent annual reports of the Bank filed on Form 20-F and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act and certain reports on Form 6-K, if such Form 6-K is expressly incorporated by reference in an offering circular supplement or such Form 6-K specifies that it is incorporated by reference in a registration statement of the Bank on file with the SEC, that we furnish to the SEC after the date of this Offering Memorandum and until we or any Dealers sell all of the Notes.

Upon written or oral request, the Issuer will provide free of charge a copy of any or all of the documents that the Issuer incorporates by reference into this Offering Memorandum, other than exhibits which are not specifically incorporated by reference into this Offering Memorandum. To obtain copies you should contact us at Investor Relations, Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain (telephone: (011) 34-91-259-6520).

No financial statements of the Issuer have been prepared as of the date of this Offering Memorandum.

The New York Branch does not separately produce financial statements.

The Bank's 2024 Form 20-F

The tables below set out the relevant page references in the Bank's Annual Report on 2024 Form 20-F where the following information incorporated by reference in this Offering Memorandum can be found:

a) 2024 Form 20-F:

	Information incorporated by reference in this Offering Memorandum	**2024 Form 20-F page reference[(1)]**
1.	Independent Auditor's report on consolidated financial statements for the year ended 31 December 2024	562-571
2.	Audited consolidated balance sheets at 31 December 2024 and the comparative consolidated financial information of the Bank at 31 December 2023 and 31 December 2022	572-576
3.	Audited consolidated income statements for the year ended 31 December 2024 and the comparative consolidated financial information of the Bank for the years ended 31 December 2023 and 31 December 2022	577-578
4.	Audited consolidated statements of recognised income and expense for the year ended 31 December 2024 and the comparative consolidated financial information of the Bank for the years ended 31 December 2023 and 31 December 2022	579
5.	Audited consolidated statements of changes in total equity for the year ended 31 December 2024 and the comparative for the years ended 31 December 2023 and 31 December 2022	580-585

	Information incorporated by reference in this Offering Memorandum	2024 Form 20-F page reference[1]
6.	Audited consolidated statements of cash flow for the year ended 31 December 2024 and the comparative consolidated cash flow statement of the Bank for the years ended 31 December 2023 and 31 December 2022	586-587
7.	Notes to the consolidated financial statements for the year ended 31 December 2024	588-828
8.	2. Ownership structure	CG 241-246[2]
9.	4. Board of directors	CG 255-304[2]
10.	7. Group structure and internal governance	CG 336-338[2]
11.	4. Financial information by segments	EFR 437-477[3]
12.	8. Alternative Performance Measures (APMs)	EFR 492-501[3]
13.	Glossary	GL 554-559[4]
14.	General Information	GI 870-872[5]

Notes:

(1) Not all the pages of the 2024 Form 20-F are paginated continuously. See Notes below for detailed indications on where the relevant sections incorporated by reference in this Offering Memorandum are located.

(2) "CG" corresponds to the section entitled "Corporate Governance" of the 2024 Form 20-F located immediately after the section entitled "Sustainability Statement" and page references are to the page numbers appearing in the bottom left or right corner, as applicable, of each page in such section.

(3) "EFR" corresponds to the sub-section entitled "Economic Financial Review" of the 2024 Form 20-F located immediately after the section entitled "Corporate governance" (see note (2) above) and page references are to the page numbers appearing in the bottom left or right corner, as applicable, of each page in such section.

(4) "GL" corresponds to the sub-section entitled "Glossary" of the 2024 Form 20-F located immediately after the section entitled "Strategic Risk" and page references are to the page numbers appearing in the bottom left or right corner, as applicable, of each page in such section.

(5) "GI" corresponds to the section entitled "General Information" of the 2024 Form 20-F located immediately after the Appendix and the page reference is to the page number appearing in the bottom left of such section.

PRICING SUPPLEMENT

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Program, the Issuer and the Guarantor have endeavoured to include in this Offering Memorandum all of the necessary information except for information relating to the Notes which is not known at the date of this Offering Memorandum and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information which is not included in this Offering Memorandum and which is required in order to complete the necessary information in relation to such Tranche of Notes will be contained in the applicable Pricing Supplement. Such Pricing Supplement will, for the purposes of that Tranche only, complete this Offering Memorandum and must be read in conjunction with this Offering Memorandum. The terms and conditions applicable to any particular Tranche of Notes which are subject to a Pricing Supplement are the Conditions, as supplemented, amended or replaced by the applicable Pricing Supplement.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which will include the additional terms and conditions contained in Annex 1 in the case of Equity Linked Notes, Annex 2 in the case of Inflation Linked Notes, Annex 3 in the case of ETF Linked Notes, Annex 4 in the case of Fund Linked Notes, Annex 5 in the case of Credit Linked Notes, Annex 6 in the case of Foreign Exchange (FX) Rate Linked Notes, Annex 7 in relation to Payouts and Annex 8, in the case of EUA Contract Linked Notes, and which, subject to completion by the applicable Pricing Supplement, will be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or Global Note Certificate(s) or in definitive registered form on issue representing each Series and, subject further to simplification by deletion of non-applicable provisions, will be endorsed on the Certificates relating to such definitive Registered Notes, details of the relevant Series being shown on the relevant definitive Notes or Certificates and in the applicable Pricing Supplement as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes which may be issued under the Program.

The Notes are issued pursuant to an agency agreement dated March 21, 2025 (the "**Agency Agreement**") between Santander Global Issuances B.V. as issuer (the "**Issuer**"), Banco Santander, S.A. (the "**Bank**" or "**Banco Santander**") as guarantor of the Non-3(a)(2) Notes, Banco Santander, S.A., acting through its New York Branch (the "**New York Branch**"), as guarantor of the 3(a)(2) Notes, The Bank of New York Mellon, London Branch as principal paying agent (the "**Principal Paying Agent**"), paying agent (together with the Principal Paying Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "**Paying Agents**"), transfer agent (together with any additional or other transfer agents in respect of the Notes from time to time appointed, the "**Transfer Agents**"), The Bank of New York Mellon as the US paying and transfer agent and The Bank of New York Mellon SA/NV Dublin Branch as registrar (the "**Registrar**"). As used herein, "**Guarantor**" refers to the Bank or the New York Branch, or the Bank and the New York Branch collectively, as the context requires.

Banco Santander has, for the benefit of the Noteholders from time to time, executed and delivered an instrument of guarantee dated March 21, 2025 (the "**Spanish Law Instrument of Guarantee**") under which it has fully and unconditionally guaranteed the due and punctual payment of all amounts due by the Issuer under the Non 3(a)(2) Notes as and when the same shall become due and payable. The New York Branch has, for the benefit of the Noteholders from time to time, executed and delivered a guarantee dated March 21, 2025 (the "**New York Law Guarantee**") under which it has fully and unconditionally guaranteed the due and punctual payment of all amounts due by the Issuer under the 3(a)(2) Notes as and when the same shall become due and payable. As used herein, "**Guarantee**" refers to the Spanish Law Instrument of Guarantee or the New York Law Guarantee, or the Spanish Law Instrument of Guarantee and the New York Law Guarantee collectively, as the context requires.

The initial Calculation Agent(s) (if any) is specified on the Notes. The holders of the Notes (the "**Noteholders**" or "**Holders**") are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement, the Spanish Law Instrument of Guarantee and the New York Law Guarantee are available for inspection at the specified offices of each of the Paying Agents during normal business hours, following the Noteholder's prior written request and provision of proof of holding and identity in a form satisfactory to the relevant Paying Agent.

Notes issued under the Program are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. With respect to each Tranche of Notes, a Pricing Supplement (the "**Pricing Supplement**") and any product supplement and/or other supplement specified in such Pricing Supplement will complete, modify or supplement these terms and conditions (the "**Conditions**"). As used herein, any reference to an applicable Pricing Supplement may also refer to any product supplement and/or other supplement specified in such Pricing Supplement, unless the context otherwise requires. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail. The Pricing Supplement will comprise the final terms for this Note (or the relevant provisions thereof) as set out in Part A of the Pricing Supplement attached to or endorsed on this Note and may specify other terms and conditions which shall, to the extent inconsistent with the Conditions, supplement amend or replace the Conditions for the purposes of this Note.

1. **Definitions**

See also Condition 19 (*Additional Definitions*) below.

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Additional Business Centre(s)**" means the city, cities or T2 specified as such in the relevant Pricing Supplement;

"**Adjustment Spread**" means, in respect of any Replacement Reference Rate, the adjustment, if any, to such Replacement Reference Rate that the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, where relevant having regard to any Industry Standard Adjustment, which is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from the Issuer to the Noteholders (or vice versa) that would otherwise arise as a result of the replacement of the relevant Reference Rate with the relevant Replacement Reference Rate. Any such adjustment may take account of, without limitation, any transfer of economic value (which may be a value anticipated or estimated by the Calculation Agent) as a result of any difference in the term structure or tenor of the Replacement Reference Rate by comparison to the relevant Reference Rate. The Adjustment Spread may be positive, negative or zero, or determined pursuant to a formula or methodology. If a spread or methodology for calculating a spread has been formally designated, nominated or recommended by any Relevant Nominating Body in relation to the replacement of the relevant Reference Rate with a relevant Alternative Post-nominated Reference Rate, then, where the Replacement Reference Rate is the Alternative Post-nominated Reference Rate, the Adjustment Spread shall be determined on the basis of such recommendation (adjusted as necessary to reflect the fact that the spread or methodology is used in the context of the Notes);

"**Administrator/Benchmark Event**" means, in respect of a Reference Rate, the occurrence of a Benchmark Modification or Cessation Event, a Non-Approval Event, a Rejection Event or a Suspension/Withdrawal Event, all as determined by the Calculation Agent;

"**Administrator/Benchmark Event Date**" means, in respect of a Reference Rate, the date determined by the Calculation Agent to be the later of the Issue Date and:

(a) in respect of a Benchmark Modification or Cessation Event, (A) in the event of a Benchmark Modification or Prohibition of Use, the effective date of the material change or prohibition of use of such Reference Rate or (B) in the event of a Benchmark Cessation, the first day on which such Reference Rate is no longer available;

(b) in respect of a Non-Approval Event, the date on which the relevant authorisation, registration, recognition, endorsement, equivalence decision, approval, inclusion in any official register or regulatory or legal requirement is required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent and any other entity to perform its obligations in respect of the Notes;

(c) in respect of a Rejection Event, the date on which, following the rejection or refusal of the relevant application for authorisation, registration, recognition, endorsement, an equivalence decision, approval or inclusion in any official register, the Issuer, the Calculation Agent or any other entity is not permitted under any applicable law or regulation to perform its obligations in respect of the Notes; and

(d) in respect of a Suspension/Withdrawal Event, the date on which following (A) the suspension or withdrawal by the relevant competent authority or other relevant official body of the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval, or (B) the date on which such Reference Rate or the administrator or sponsor of such Reference Rate is removed from the official register, as applicable, the Issuer, the Calculation Agent or any other entity is not permitted under any applicable law or regulation to perform its obligations in respect of the Notes;

"**Affiliate**" means, in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means

ownership of a majority of the voting power of an entity or person or, if the Calculation Agent determines appropriate, the power to direct or cause the direction of the management and policies of the First Entity, whether by contract, or otherwise;

"**Alternative Industry Standard Rate**" means, in respect of a Reference Rate, a rate that is, in the determination of the Calculation Agent, recognised or acknowledged as being an industry standard (or otherwise customarily widely adopted) replacement rate for over-the-counter derivative transactions which reference such Reference Rate (which may include (i) an interpolation of other tenors of such Reference Rate, (ii) a rate or fall-back rate, or methodology for calculating a rate or fall-back rate, (iii) a rate selected or recommended by a relevant trade association, working group, task-force or committee or (iv) a rate that has been selected or recommended by the Relevant Nominating Body for the currency of such Reference Rate), which recognition or acknowledgment may, but does not have to, be in the form of a press release, a member announcement, a member advice, letter, protocol, publication of standard terms or otherwise by ISDA or any other industry body, or relevant trade association, working group, task-force or committee;

"**Alternative Post-nominated Reference Rate**" means, in respect of a Reference Rate, any interest rate, index, benchmark or other price source which is formally designated, nominated or recommended by:

(a) any Relevant Nominating Body; or

(b) the administrator or sponsor of such Reference Rate,

in each case, to replace such Reference Rate. If a replacement interest rate, index, benchmark or other price source is designated, nominated or recommended under both paragraphs (a) and (b) above, then the replacement interest rate, index, benchmark or other price source designated, nominated or recommended under paragraph (a) shall be the Alternative Post-nominated Reference Rate;

"**Alternative Pre-nominated Reference Rate**" means, in respect of a Reference Rate, the first of the indices, benchmarks or other price sources specified as such in the Pricing Supplement which is not subject to a Reference Rate Event;

"**Amortised Face Amount**" means, in respect of Zero Coupon Notes, an amount calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)^y$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or Early Redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or Early Redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or Early Redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365);

"**Associated Costs**" means an amount per principal amount of the Notes equal to the Calculation Amount equal to such Notes' pro rata share of the total amount of any and all costs associated or incurred by the Issuer, any Affiliate and/or Hedging Party in connection with an early redemption, including, without limitation, any costs associated with unwinding, substituting, re-establishing and/or incurring any

funding relating to the Notes and/or any costs associated with unwinding, substituting, re-establishing and/or incurring any Hedging Arrangements, all as determined by the Calculation Agent.

"**Benchmark**" means any figure by reference to which any amount payable under the Notes, or the value of the Notes, is determined in whole or in part, all as determined by the Calculation Agent;

"**Benchmark Modification or Cessation Event**" means, in respect of a Reference Rate any of the following has occurred or will occur:

(a) any material change in such Reference Rate (including, but not limited to, any material change to the definition of, or the methodology or formula for the determination of, such Reference Rate or other means of calculating such Reference Rate) (a "**Benchmark Modification**");

(b) permanent or indefinite cancellation or cessation in the provision of such Reference Rate (a "**Benchmark Cessation**"); or

(c) a regulator or other official sector entity prohibits the use of such Reference Rate such that any of the Issuer, the Calculation Agent and any other entity is unable to perform its obligations in respect of the Notes (a "**Prohibition of Use**");

"**BMR**" means the EU Benchmarks Regulation (Regulation (EU) 2016/1011), as amended from time to time;

"**Broken Amount**" has the meaning given in the relevant Pricing Supplement;

"**Business Day**" means:

(a) either (i) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and the Principal Financial Centre of the Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Renminbi shall be the relevant Renminbi Settlement Centre(s)) or (ii) in relation to any sum payable in euro, a T2 Settlement Day; and

(b) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each (if any) Additional Business Centre specified in the Pricing Supplement (other than T2);

(c) and if T2 is specified in the Pricing Supplement as an Additional Business Centre, a T2 Settlement Day;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

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

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

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

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Amount**" means, in relation to any Notes, (i) where the Notes have only one Specified Denomination, such Specified Denomination, and (ii) where the Notes have more than one Specified Denomination, the lowest common factor of those Specified Denominations;

"**CMS Linked Notes**" means Notes the payment of interest on which is linked to a constant maturity swap rate;

"**Credit Linked Conditions**" means the conditions in respect of Credit Linked Notes set out at "*Annex 5 Additional Terms and Conditions for Credit Linked Notes*" of the Terms and Conditions of the Notes;

"**Credit Linked Notes**" means Notes to which the Credit Linked Conditions are specified to apply in the relevant Pricing Supplement;

"**Cut-off Date**" means, in respect of a Reference Rate and:

(a) an Administrator/Benchmark Event, the later of (a) 60 Business Days following the day on which the Calculation Agent determines that an Administrator/Benchmark Event has occurred and (b) the Administrator/Benchmark Event Date; or

(b) a Reference Rate Cessation Event, the later of (i) 60 Business Days following the day on which a relevant public statement is made or relevant information is published in respect of a Reference Rate Cessation Event and (ii) the Reference Rate Cessation Event Date;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time not comprising a complete year (whether or not constituting an Interest Period, the "**Calculation Period**") such day count fraction as may be specified in these conditions or the relevant Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

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

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

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

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

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

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

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

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

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

where:

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

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

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

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

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

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

provided, **however**, **that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period; and

(h) if "**1/1**" is so specified, one;

Notwithstanding anything to the contrary in these Conditions, if "Not Applicable" is specified in respect of the Day Count Fraction in the Pricing Supplement, no Day Count Fraction will be taken into account in the calculation of any interest in respect of the Notes;

"**DTC**" means the Depository Trust Company.

"**Early Redemption Amount**" (i) means, in respect of any Note (except where "EUA Contract Early Redemption Amount" is specified as applicable in the Pricing Supplement), its principal amount or such other amount (which may be expressed as a percentage of the Calculation Amount or an amount per Calculation Amount) as may be specified in, or determined in accordance with, the relevant Pricing Supplement, which, in the case of Partly Paid Notes shall be the Partly Paid Early Redemption Amount. If "Market Value less Associated Costs" is specified in the Pricing Supplement, this amount will be the fair market value of such Notes less Associated Costs. The Early Redemption Amount will be subject where applicable to the provisions of the definition "Fair Market Value Interest Element" or (ii) where "EUA Contract Early Redemption Amount" is specified as applicable in the Pricing Supplement, has the meaning given in EUA Contract Linked Note Condition 7 (*EUA Contract Early Redemption Amount*);

"**Early Redemption Amount (Tax)**" (i) means, in respect of any Note (except where "EUA Contract Early Redemption Amount" is specified as applicable in the Pricing Supplement), its principal amount or such other amount (which may be expressed as a percentage of the Calculation Amount or an amount per Calculation Amount) as may be specified in, or determined in accordance with, the relevant Pricing Supplement and subject where applicable to the provisions of the definitions of "Market Value less Associated Costs" and/or "Fair Market Value Interest Element" or (ii) where "EUA Contract Early

Redemption Amount" is specified as applicable in the Pricing Supplement, has the meaning given in EUA Contract Linked Note Condition 7 (*EUA Contract Early Redemption Amount*);

"**ETF Linked Notes**" means Notes linked to one or more exchange traded funds (as specified in the relevant Pricing Supplement);

"**Equity Linked Notes**" means Single Share Linked Notes, Share Basket Linked Notes, Single Share Index Linked Notes, Share Index Basket Linked Notes, each as defined in *Annex 1* (*Provisions relating to Equity Linked Notes*) of these Conditions;

"**EUA Contract Linked Notes**" means Notes linked to an EUA Contract (as specified in the relevant Pricing Supplement);

"**Euro-zone**" means the member states of the European Union that are participating in the third stage of European Monetary Union;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Fair Market Value Interest Element**" means, if "Fair Market Value Interest Element" is specified as applicable in the Pricing Supplement, then notwithstanding any other provision in the Conditions, no amount of accrued interest will be payable on early redemption of the Notes, but the Early Redemption Amount (Tax) or other Early Redemption Amount (as applicable) will take into account or (as applicable and without double counting) be increased by the fair market value (if any) of the interest element of the relevant Notes;

"**Final Redemption Amount**" shall be an amount in respect of each Calculation Amount equal to, the Calculation Amount multiplied by: (i) the percentage or (ii) the Final Payout, in each case as specified in the relevant Pricing Supplement. For the avoidance of doubt, if the Final Payout is zero or negative, no amount shall be payable on the final redemption of the Note;

"**First Interest Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Fund Linked Notes**" means Notes linked to a specified fund share or unit or basket of fund shares or units (as specified in the relevant Pricing Supplement);

"**General Administrator/Benchmark Event**" means the Calculation Agent determines that (1) a General Benchmark Modification or Cessation Event has occurred or will occur or (2) any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of a relevant Benchmark or the administrator or sponsor of a relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case, with the effect that the Issuer or the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the relevant Benchmark to perform its or their respective obligations under the Notes or (3) it is not commercially reasonable to continue the use of Benchmark in connection with the Notes from the perspective of the Issuer or the Calculation Agent or the Issuer or the Calculation Agent suffers or will suffer an increased cost, in each case, as a result of any applicable licensing restrictions or changes in the cost of obtaining or maintaining any relevant licence (including, without limitation, where the Issuer, the Calculation Agent or any other entity is required to hold a valid licence in order to issue or perform its obligations in respect of the Notes and for any reason such licence is either not obtained, not renewed or is revoked or there is a material change in the cost of obtaining or renewing such licence) or (4) there has been a public statement or publication of information by the regulatory supervisor for the administrator of the relevant Benchmark announcing that the relevant Benchmark is no longer, or as of a specified future date will no longer be, representative of any relevant underlying market(s);

"**General Benchmark Modification or Cessation Event**" means, in respect of the Benchmark any of the following:

(a) any material change in such Benchmark;

(b) the permanent or indefinite cancellation or cessation in the provision of such Benchmark; or

(c) a regulator or other official sector entity prohibits the use of such Benchmark;

"**Hedging Arrangements**" means any underlying or related transaction(s), asset(s) or trading position(s) or arrangements the Issuer and/or any of its Affiliates or agents may enter into or hold from time to time (including, if applicable, on a portfolio basis) to hedge directly or indirectly and whether in whole or in part the credit or other price risk or funding of the Issuer issuing and performing its obligations with respect to the Notes;

"**Hedging Party(ies)**" means the Issuer and, if any, the entity with which the Issuer agrees the Hedging Transaction(s);

"**Hedging Transaction**" means any transaction that the Issuer enters into in order to hedge its obligations in respect of the Notes;

"**IBOR Fallback Rate Adjustments Rule Book**" means the IBOR Fallback Rate Adjustments Rule Book published by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time) as updated from time to time in accordance with its terms;

"**Industry Standard Adjustment**" means, in respect of a Reference Rate and an Adjustment Spread, the fixed spread adjustment published by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time) for the purpose of calculating fallback rates under the IBOR Fallback Rate Adjustments Rule Book (or any successor publication), or any other spread or formula or methodology for calculating a spread or payment (as applicable), that is, in the determination of the Calculation Agent, recognised or acknowledged as being the industry standard (or being otherwise customarily widely adopted) for over-the-counter derivative transactions which reference such Reference Rate (which may include (i) a spread or payment (as applicable) selected or recommended by a relevant trade association, working group or committee or (ii) a spread or payment (as applicable) that has been selected or recommended by the Relevant Nominating Body for the currency of such Reference Rate), which recognition or acknowledgment may be in the form of a press release, a member announcement, a member advice, letter, protocol, publication of standard terms or otherwise by ISDA or any other industry body;

"**Index Linked Notes**" means Equity Linked Notes other than Single Share Linked Notes and Share Basket Linked Notes;

"**Inflation Linked Notes**" means Notes linked to a specified inflation index or basket of inflation indices (as specified in the relevant Pricing Supplement);

"**Installment Amount**" has the meaning given in the relevant Pricing Supplement;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the date of issue of the Notes (the "**Issue Date**") or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" means, with respect to an Interest Rate and Interest Period, the date specified in the relevant Pricing Supplement or, if none is so specified, the date as of which the relevant amount of interest may be calculated and on which the Issuer or Calculation Agent carries out such determination;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified

Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date;

"**Interest Rate**" means the rate or rates (expressed as a percentage) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"**ISDA Definitions**" means (i) if "2006 ISDA Definitions" is specified in the Pricing Supplement, the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto ("**ISDA**"), as amended or supplemented from time to time (the "**2006 Definitions**"), (ii) if "2021 ISDA Definitions" is specified in the Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions published by ISDA as at the Trade Date of the relevant series of Notes (the "**2021 Definitions**"), provided, in each case, that if the Calculation Agent determines this is appropriate by reference to the hedging arrangements for the relevant series of Notes, ISDA Definitions will mean any successor definitional booklet to a version of the 2006 Definitions or 2021 Definitions (as applicable), each as supplemented from time to time for interest rate derivatives, all as determined as of the date of the relevant determination under this Condition;

"**Issue Date**" has the meaning given in the relevant Pricing Supplement;

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

"**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Market Value less Associated Costs**" has the meaning given in the definition of Early Redemption Amount;

"**Maturity Date**" has the meaning given in the relevant Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Minimum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Non-Approval Event**" means, in respect of a Reference Rate, the determination by the Calculation Agent that one or more of the following events has occurred:

(a) any authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of such Reference Rate or the administrator or sponsor of such Reference Rate has not been or will not be obtained;

(b) such Reference Rate or the administrator or sponsor of such Reference Rate has not been or will not be included in an official register; or

(c) such Reference Rate or the administrator or sponsor of such Reference Rate does not or will not fulfil any legal or regulatory requirement applicable to the Notes, the Issuer or the Calculation Agent or such Reference Rate,

in each case, as is or will be required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent and any other entity to perform its obligations in respect of the Notes. For the avoidance of doubt, a Non-Approval Event shall not be deemed to occur if at the time of occurrence or continuation of any event described above, each of the Issuer, the Calculation Agent and any other entity is permitted to perform its obligations in respect of the Notes;

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount (which may be expressed as a percentage of the Calculation Amount or an amount per

Calculation Amount) as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount (which may be expressed as a percentage of the Calculation Amount or an amount per Calculation Amount) as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Pricing Supplement;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Pricing Supplement;

"**Other Reference Item**" means a reference item other than a share index, a share, an inflation index, a reference item rate, an exchange traded fund, a fund share, a fund unit, the credit of a specified entity or a foreign exchange rate, as specified in the applicable Pricing Supplement for the purpose of determining any interest payable or the redemption amount in respect of the relevant Note;

"**Other Reference Item Linked Interest Note**" means any Reference Item Linked Note in relation to which one or more interest amounts payable in respect of such Note are determined by reference to an Other Reference Item;

"**Other Reference Item Linked Note**" means an Other Reference Item Linked Interest Note or an Other Reference Item Linked Redemption Note;

"**Other Reference Item Linked Redemption Note**" means any Reference Item Linked Note in relation to which the redemption amounts payable in respect of such Note are determined by reference to an Other Reference Item;

"**Outstanding Principal Amount**" means the paid-up amount of each Calculation Amount from time to time, subject as provided in Condition 6(i);

"**Partly Paid Early Redemption Amount**" means an amount in respect of each Calculation Amount equal to the Outstanding Principal Amount of such Calculation Amount as of the Part Payment Date immediately preceding the date of early redemption, without taking into account any amounts paid on or after the relevant Part Payment Date, as further described in Condition 6(i);

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided**, **however**, **that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case, as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Priority Fallback**" means, in respect of a Reference Rate, if the definition of such Reference Rate includes a reference to a concept defined or otherwise described as an "index cessation event" (regardless of the contents of that definition or description), any fallback specified in that definition or description to apply following such an event (which may include, amongst others, the replacement of such Reference Rate with a replacement reference rate and/or the application of an adjustment spread to such replacement reference rate);

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Amortised Face Amount (in respect of Zero Coupon Notes) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

"**Reference Item**" means one or more underlying reference assets, entities or bases, as may be specified in the relevant Pricing Supplement;

"**Reference Item Linked Note**" means a Note whose return (whether in respect of any interest payable on such Note and/or its redemption amount in respect of such Note) is linked to one or more Reference Items, including share indices, shares, inflation indices, reference item rate(s), fund shares or units, the credit of a specified entity or entities, foreign exchange rates or EU emissions allowance contracts or any Other Reference Item as specified in the relevant Pricing Supplement;

"**Reference Rate**" means one of EURIBOR, Compounded Daily SONIA, Compounded Daily SOFR, Compounded Daily €STR, HIBOR or CNH HIBOR, any rate (including any swap rate) to be determined pursuant to Condition 5(b)(iii) or 5(b)(iv) or any other rate as specified in the relevant Pricing Supplement. To the extent that a Replacement Reference Rate is determined to be used in respect of the Notes, such Replacement Reference Rate shall be a "Reference Rate" for the Notes during the period in which it is used;

"**Reference Rate Cessation Event**" means, in respect of a Reference Rate, the determination by the Calculation Agent that one or more of the following events has occurred:

(a) a public statement or publication of information by or on behalf of the administrator of such Reference Rate announcing that it has ceased or will cease to provide such Reference Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Reference Rate;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate, the central bank for the currency of such Reference Rate, an insolvency official with jurisdiction over the administrator for such Reference Rate, a resolution authority with jurisdiction over the administrator for such Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for such Reference Rate which states that the administrator of such Reference Rate has ceased or will cease to provide such Reference Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Reference Rate;

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored; or

(d) any event which otherwise constitutes an "index cessation event" (regardless of how it is actually defined or described in the definition of such Reference Rate) in relation to which (if ISDA Determination and 2006 Definitions are specified in the Pricing Supplement) a Priority Fallback or (if ISDA Determination and 2021 Definitions are specified in the Pricing Supplement) Permanent Cessation Fallback is specified;

"**Reference Rate Cessation Event Date**" means, in respect of a Reference Rate and the occurrence of a Reference Rate Cessation Event, the date determined by the Calculation Agent to be the first day on which such Reference Rate is no longer provided or, if earlier, the first day on which such Reference Rate is no longer representative of the underlying market and economic reality that such Reference Rate is intended to measure (where applicable);

"**Reference Rate Event**" means, in respect of a Reference Rate, the determination by the Calculation Agent that one or more of the following events has occurred:

(a) a Reference Rate Cessation Event; or

(b) an Administrator/Benchmark Event,

provided that if, in respect of such Reference Rate, (i) an event or circumstance which would otherwise constitute or give rise to an Administrator/Benchmark Event also constitutes a Reference Rate Cessation Event, or (ii) both a Reference Rate Cessation Event and an Administrator/Benchmark Event would

otherwise be continuing at the same time, it will in either case constitute a Reference Rate Cessation and will not constitute or give rise to an Administrator/Benchmark Event, unless the date that would otherwise have been the Administrator/Benchmark Event Date would have occurred prior to the relevant Reference Rate Cessation Event Date, in which case, such event will constitute an Administrator/Benchmark Event;

"**Regular Period**" means:

(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

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

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

"**Rejection Event**" means, in respect of a Reference Rate, the determination by the Calculation Agent that the relevant competent authority or other relevant official body rejects or refuses or will reject or refuse any application for authorisation, registration, recognition, endorsement, an equivalence decision, approval or inclusion in any official register which, in each case, is or will be required in relation to the Notes, such Reference Rate or the administrator or sponsor of such Reference Rate under any applicable law or regulation for any of the Issuer, the Calculation Agent and any other entity to perform its obligations in respect of the Notes;

"**Relevant Business Day**" means:

(a) if the currency of payment is not euro and not Renminbi, any day which is:

  (i) in the case of Notes in definitive form only, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation; and

  (ii) in the case of payment by transfer to an account, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre (as may be specified in the relevant Pricing Supplement) (other than T2); or

(b) and if T2 is specified in the Pricing Supplement as an Additional Financial Centre, a T2 Settlement Day;

(c) if the currency of payment is euro, any day which is:

  (i) in the case of Notes in definitive form only, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation; and

  (ii) in the case of payment by transfer to an account, a T2 Settlement Day and a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency

deposits) in each (if any) Additional Financial Centre (as may be specified in the relevant Pricing Supplement) (other than T2); or

(d) if the currency of payment is Renminbi, any day which is:

(i) in the case of Notes in definitive form only, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation; and

(ii) in the case of payment by transfer to an account, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant Renminbi Settlement Centre(s);

"**Relevant Currency**" means the currency specified as such in the relevant Pricing Supplement or, if none is specified, the currency in which the Notes are denominated;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Market Data**" means, in relation to any determination by the Issuer or the Calculation Agent, any relevant information including, without limitation, one or more of the following types of information:

(a) information consisting of relevant market data in the relevant market supplied by one or more third parties including, without limitation, alternative benchmarks, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market, unless such information is not readily available or, if used to make a determination, would produce a result that is not commercially reasonable; or

(b) information of the type described in paragraph (a) above from the Issuer's or the Calculation Agent's internal sources if that information is of the same type used by the Issuer or the Calculation Agent, as applicable, for adjustments to, or valuations of, similar transactions.

Third parties supplying market data pursuant to paragraph (a) above may include, without limitation, central counterparties, exchanges, dealers in the relevant markets, end-users of the relevant product, information vendors, brokers and other recognised sources of market information;

"**Relevant Nominating Body**" means, in respect of a Reference Rate:

(a) the central bank for the currency in which such Reference Rate is denominated or any central bank or other supervisory authority which is responsible for supervising either such Reference Rate or the administrator of such Reference Rate; or

(b) any working group or committee officially endorsed or convened by (A) the central bank for the currency in which such Reference Rate is denominated, (B) any central bank or other supervisor which is responsible for supervising either such Reference Rate or the administrator of such Reference Rate, (C) a group of those central banks or other supervisors, or (D) the Financial Stability Board or any part thereof;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Pricing Supplement;

"**Renminbi"** and **"CNH**" means the currency of the People's Republic of China (excluding, for the purpose of these Conditions, the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan) ("**PRC**").

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

"**Replacement Reference Rate**" means, in respect of a Reference Rate:

(a) the Alternative Pre-nominated Reference Rate (if any); or

(b) (A) if paragraph (a) above does not apply, an Alternative Post-nominated Reference Rate or Alternative Industry Standard Rate for such Reference Rate, or (B) if the Calculation Agent determines that there is no Alternative Post-nominated Reference Rate or Alternative Industry Standard Rate that is appropriate in relation to the Notes, any other interest rate, index, benchmark or other price source that the Calculation Agent determines to be a commercially reasonable alternative for such Reference Rate;

"**Share Linked Notes**" means Equity Linked Notes other than Single Share Index Linked Notes and Share Index Basket Linked Notes.

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" means, in relation to any Notes, the denomination or denominations of such Notes specified as such in the relevant Pricing Supplement and may be expressed as (i) a currency amount or (ii) a currency amount and integral multiples of a second currency amount in excess of such currency amount;

"**Specified Duration**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative interest accrual period, ignoring any adjustment pursuant to a Business Day Convention;

"**specified office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Suspension/Withdrawal Event**" means, in respect of a Reference Rate, the determination by the Calculation Agent that one or more of the following events has occurred:

(a) the relevant competent authority or other relevant official body suspends or withdraws or will suspend or withdraw any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to such Reference Rate or the administrator or sponsor of such Reference Rate which is or will be required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent and any other entity to perform its obligations under the Notes; or

(b) such Reference Rate or the administrator or sponsor of such Reference Rate is or will be removed from any official register where inclusion in such register is or will be required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent and any other entity to perform its obligations in respect of the Notes.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if, at the time of occurrence or continuation of any event described above, each of the Issuer, the Calculation Agent and any other entity is permitted to perform its obligations in respect of the Notes;

"**T2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor or replacement for that system;

"**T2 Settlement Day**" means any day on which T2 is open; and

"**Variable Coupon Amount Note**" means each Note specified as such in the relevant Pricing Supplement.

2. **Form, Denomination and Title**

(a) ***Registered Notes***

The Notes will be issued in registered form ("**Registered Notes**") in the Specified Denomination(s) shown thereon.

All Registered Notes shall have the same denomination.

Registered Notes may be issued either in global or definitive form, as specified in the Pricing Supplement. Registered Notes (i) in global form ("**Registered Global Notes**") will be represented by one or more global Notes in registered form (each a "**Global Note Certificate**") and (ii) in definitive form will be represented by one or more definitive Notes in registered form (each a "**Definitive Note Certificate**" and, together with a Global Note Certificate, each a "**Certificate**"), each Certificate representing a holding of one or more Registered Notes by the same holder.

In the case of Registered Global Notes, the Issuer will deliver (i) an Unrestricted Global Note Certificate (as defined below), (ii) a Restricted Global Note Certificate (as defined below) and/or (iii) a 3(a)(2) Global Note Certificate (as defined below), as specified in the relevant Pricing Supplement.

Notes initially sold to qualified institutional buyers ("**QIBs**") in reliance on Rule 144A will, unless otherwise specified in the Pricing Supplement, be available only in book-entry form, and will be represented by a restricted global note certificate (a "**Restricted Global Note Certificate**") registered in the name of a nominee for, and deposited with or on behalf of, DTC.

Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S will, unless otherwise specified in the Pricing Supplement, be available only in book-entry form and will be represented by an unrestricted global note certificate (an "**Unrestricted Global Note Certificate**"). Notes represented by an Unrestricted Global Note Certificate may be either (a) registered in the name of a nominee for DTC and deposited on or about the relevant issue date with the custodian for DTC (an "**Unrestricted U.S. Global Note Certificate**"), or (b) (in the case of an Unrestricted Global Note Certificate that is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**")) registered in the name of a common depositary (or its nominee) for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A., ("**Clearstream, Luxembourg**") (and together with Euroclear, the "**ICSDs**") and deposited on or about the relevant issue date with such common depositary, or (c) (in the case of an Unrestricted Global Note Certificate that is to be held under the New Safekeeping Structure) registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and deposited on or about the relevant issue date with such common safekeeper, in each case for credit to the respective accounts of beneficial owners of the Notes represented thereby (any such Unrestricted Global Note Certificate set out in (b) and (c) above, an "**Unrestricted International Global Note Certificate**").

Notes sold pursuant an exemption from registration provided by Section 3(a)(2) of the Securities Act will, unless otherwise specified in the Pricing Supplement, be available only in book-entry form, and will be represented by a 3(a)(2) global note certificate (a "**3(a)(2) Global Note Certificate**") registered in the name of a nominee for, and deposited with or on behalf of, DTC.

Title to the Registered Notes shall pass by registration in the register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement.

In these Conditions, "holder" means the person in whose name a Registered Note is registered.

(b) ***Definitions***

Capitalised terms have the meanings given to them herein, the absence of any such meaning indicating that such term is not applicable to the Notes. All capitalised terms which are not

defined in these conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the Certificates.

3. **Transfers of Registered Notes**

(a) ***Transfer of Registered Notes***

Subject as provided below, title to the Registered Notes will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement. For so long as the Notes are represented by a Registered Global Certificate held on behalf of Euroclear, Clearstream, Luxembourg, DTC and/or any other relevant clearing system, as the case may be, each person (other than Euroclear, Clearstream, Luxembourg, DTC and/or any other relevant clearing system, as the case may be) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, DTC and/or any other relevant clearing system, as the case may be, as the holder of a particular amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, DTC and/or any other relevant clearing system, as the case may be, as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such amount of such Notes for all purposes other than with respect to the payment of principal and/or interest with respect to such Notes for which purpose the registered holder of the relevant Registered Global Certificate shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such amount of such Notes in accordance with and subject to the terms of the relevant Registered Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly).

Transfers of beneficial interests in Registered Global Certificates will be effected by Euroclear, Clearstream, Luxembourg, DTC and/or any other relevant clearing system, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. Title will pass upon registration of the transfer in the books of Euroclear, Clearstream, Luxembourg, DTC and/or any other relevant clearing system, as the case may be.

(b) Upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part. In order to effect any such transfer (i) the holder or holders must (a) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar and (ii) the Registrar must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in the Agency Agreement).

(c) ***Exercise of Options or Partial Redemption in Respect of Registered Notes***

In the case of an exercise of an option by an Issuer or a holder of Notes in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) ***Delivery of new Certificates***

Each new Certificate to be issued pursuant to Conditions 3(a) (*Transfer of Registered Notes*) or (c) (*Exercise of Options or Partial Redemption in Respect of Registered Notes*) will, within three business days (being a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar to whom such request for exchange or form of transfer shall have been delivered) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom such delivery shall have been made or, at the option of the holder making such delivery as aforesaid and as specified in the relevant request for exchange or form of transfer, be mailed at the risk of the holder entitled to the new Certificate to such address as may be specified in such request for exchange or form of transfer.

(e) ***Exchange free of charge***

Exchange and transfer of Notes on registration, transfer, partial redemption or exercise of an option will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(f) ***Restricted Securities***

For so long as any Registered Note is outstanding and is a "**restricted security**" (as defined in Rule 144 (a)(3) under the United States Securities Act of 1933, as amended (the "**Securities Act**")) and during any period in relation thereto during which it is neither subject to Sections 13 or 15(d) of the United States Exchange Act of 1934, as amended (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) of the Exchange Act, the Issuer and the Guarantor will make available on request to each holder of such Note in connection with any resale thereof and to any prospective purchaser of such Note from such holder, in each case upon request, the information specified in and meeting the requirements of Rule 144A(d)(4) under the Securities Act.

(g) ***Implicit Yield Notes***

The sale, transfer, or acquisition of Implicit Yield Notes, including, but not limited to, Zero Coupon Notes, to or by individuals (*personas fisicas*) who are tax resident in Spain (each a "**Spanish Individual**") is forbidden in all cases. Any transfer of Implicit Yield Notes to or by Spanish Individuals is not permitted and such transfer will be considered null and void by the Issuer and the Guarantor. Accordingly, neither the Issuer nor the Guarantor (i) will recognise any Spanish Individual as an owner of Implicit Yield Notes or (ii) list any Implicit Yield Notes.

For the purposes of these Terms & Conditions:

"**Implicit Yield Notes**" means Notes in respect of which the income derives from (i) the difference between the redemption amount and the issue price of the Notes, or (ii), subject to the paragraph below, a combination of (A) an explicit coupon and (B) the difference between the redemption amount and the issue price of the Notes.

For the purposes of these Conditions and in accordance with Spanish tax regulations, Notes with the characteristics set out in (ii) above will only be deemed Implicit Yield Notes if the interest payable in each year (explicit coupon) is lower than the Interest Rate of Reference applicable as of the Issue Date.

The "**Interest Rate of Reference**" shall be the interest rate applicable to each calendar quarter determined by reference to 80% of the weighted average rate fixed in the preceding calendar quarter for (i) three-year Spanish Government Bond issues, if the Notes have a term of four years or less, (ii) five year Spanish Government Bond issues, if the Notes have a term of more than four years but equal or less than seven years, or (iii) ten, 15 or 30-year Spanish Government Bond issues, if the Notes have a term of more than seven years, all as determined by the Calculation Agent in a commercially reasonable manner.

4. **Guarantees and Status**

(a) ***Status of the Notes***

The Notes relating thereto constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among the obligations of the Issuer in respect of other Notes of the same Series of the Issuer and (subject to any applicable statutory exceptions and without prejudice as aforesaid) at least *pari passu* with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(b) ***Guarantees***

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes. The obligations of the Guarantor in respect of principal of the Notes constitute direct, unconditional, unsubordinated and unsecured senior preferred obligations (*créditos ordinarios preferentes*) of the Guarantor and rank *pari passu* without any preference in respect of other Notes of the same Series and in the event of the insolvency *(concurso)* of the Guarantor will rank *pari passu* with all other present and future unsecured and unsubordinated senior preferred obligations (*créditos ordinarios preferentes*) of the Guarantor, except for such payment obligations that are preferred by law under Articles 242, 270 and 280 of the reinstated text of the Spanish Insolvency Law approved by Royal Legislative Decree 1/2020, of May 5, as amended ("**RDL 1/2020**" or "**Spanish Insolvency Law**") and any deposits described in Additional Provision 14.1 of Law 11/2015, which will rank ahead, or, as the case may be, those payment obligations of the Guarantor that are qualified as senior non-preferred debt under Additional Provision 14.2 of Law 11/2015 and subordinated debt by law under Article 281 of RDL 1/2020 or equivalent legal provisions which replace them in the future, which will rank after. With respect to (i) the Non-3(a)(2) Notes, the Bank's obligations in that respect are contained in the Spanish Law Instrument of Guarantee and (ii) the 3(a)(2) Notes, the New York Branch's obligations in that respect are contained in the New York Law Guarantee.

The claims of all creditors against the Guarantor considered as "ordinary preferred credits" (*créditos ordinarios preferentes*) will be satisfied pro rata in insolvency. Ordinary preferred credits rank above senior non-preferred ordinary credits, subordinated credits and the rights of shareholders.

Pursuant to Article 152 of RDL 1/2020, the further accrual of interest shall be suspended from the date of declaration of the insolvency of the Guarantor. Claims of Noteholders in respect of interest accrued but unpaid as of the commencement of any insolvency procedure in respect of the Guarantor shall constitute subordinated claims (*créditos subordinados*) against the Guarantor ranking in accordance with the provisions of Article 281.1.3º of RDL 1/2020 (including, without limitation, after claims on account of principal in respect of contractually subordinated obligations of the Guarantor in respect of instruments not qualifying as Additional Tier 1 Instruments or Tier 2 Instruments of the Guarantor).

The New York Law Guarantee is provided by the New York Branch, which is federally licensed by the OCC. Under U.S. federal banking laws and regulations, the New York Branch must maintain a capital equivalency deposit with banks located in New York consisting of specified types of investment securities, U.S. dollar deposits, investment-grade certificates of deposit or other specified assets in an amount not less than the greater of (1) the amount of capital (but not surplus) that would be required of a national bank organized at the New York Branch's location or (2) 5% of the New York Branch's total liabilities (excluding accrued expenses and liabilities to other offices, branches, agencies and subsidiaries of Banco Santander, S.A. and any amounts due to Banco Santander, S.A.) with further consideration given for any applicable exclusion permitted by OCC pursuant to 12 CFR 28.15(a)(3). Under U.S. federal banking laws and regulations, the OCC is also empowered to require Banco Santander to maintain in New York certain assets for prudential, supervisory or enforcement reasons. At present, the OCC has not required any such asset maintenance by Banco Santander, although specific asset maintenance requirements may be imposed on a case-by-case basis.

The OCC has the authority to appoint a receiver to take possession of all of Banco Santander, S.A.'s property and assets in the United States, including the property and assets of the New York Branch, if: (i) the OCC revokes Banco Santander, S.A.'s authority to operate a federal branch or agency in the United States, including the New York Branch; (ii) any of Banco Santander, S.A.'s creditors obtains a judgment against Banco Santander, S.A. or the New York Branch arising out of a transaction with any of Banco Santander, S.A.'s federal branches or agencies, in any court of the United States or any state of the United States and such judgment has remained unpaid for thirty days; or (iii) the OCC determines that Banco Santander, S.A. is insolvent. In any such receivership, only the claims of Banco Santander, S.A.'s depositors and creditors who are not affiliated with Banco Santander, S.A. and whose claim(s) (x) arise out of transaction(s) with any of Banco Santander, S.A.'s branches or agencies located in the United States and (y) would represent legal obligation(s) against such branch or agency if such branch or agency were a separate legal entity (which would include claims with respect to the New York Law Guarantee of noteholders of the 3(a)(2) Notes that are not affiliated with Banco Santander, S.A.) may be satisfied out of the property in such receivership. In the event of a liquidation, winding-up or any other condition in which the New York Branch is unable to satisfy its obligations in respect of the New York Law Guarantee, such obligations shall remain obligations of Banco Santander, S.A.

The obligations of the Guarantor under the Guarantee and the obligations of the Guarantor under any hedging agreements entered into between the Guarantor and the Issuer in respect of any Notes are also subject to the application of the general bail-in tool by the Relevant Resolution Authority pursuant to Law 11/2015.

By its acquisition of any Notes, each holder acknowledges and accepts that it may be adversely affected by the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority and the effects thereof, as further described in the Risk Factors, which may be imposed with or without any prior notice with respect to the Guarantee and/or any such hedging agreements, in relation to Notes of any series.

For the purpose of the Conditions:

"**Additional Tier 1 Capital**" means additional tier 1 capital (*capital de nivel 1 adicional*) in accordance with Chapter 3 (Additional Tier 1 capital) of Title I (Elements of own funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or Applicable Banking Regulations at any time, including any applicable transitional, phasing in or similar provisions;

"**Additional Tier 1 Instrument**" means any instrument of the Bank qualifying as Additional Tier 1 Capital in whole or in part from time to time;

"**Applicable Banking Regulations**" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency including, among others, those giving effect to the MREL and the TLAC or any equivalent or successor principles, then applicable to the Group including, without limitation to the generality of the foregoing, CRD IV, the BRRD, the SRM Regulation and those regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency of the Regulator and/or the Relevant Resolution Authority then applicable to the Group, in each case to the extent then in effect in the Kingdom of Spain (whether or not such regulations, requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group);

"**Group**" means the Issuer, the Bank and its consolidated subsidiaries;

"**Tier 2 Capital**" means tier 2 capital (*capital de nivel 2*) in accordance with Chapter 4 (Tier 2 capital) of Title I (Elements of own funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or Applicable Banking Regulations at any time, including any applicable transitional, phasing in or similar provisions; and

"**Tier 2 Instrument**" means any instrument of the Bank qualifying as Tier 2 Capital in whole or in part from time to time.

5. **Interest Provisions**

(a) Fixed Rate Note Provisions

(i) *Application:* This Condition 5(a) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(ii) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 7 (*Payments*) and Condition 5(b)(viii) (*Reference Item Linked Interest Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount or the payment due is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5(a) (as well after as before judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day which is seven days after the Principal Paying Agent or the Registrar (as the case may be) has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(iii) *Fixed Coupon Amount or Broken Amount:* If a Fixed Coupon Amount is specified in the Pricing Supplement, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination. If a Broken Amount is specified in the Pricing Supplement, the amount of interest payable in respect of the specified Interest Payment Date shall be the relevant Broken Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Broken Amount in respect of the relevant Specified Denomination.

(iv) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount or Broken Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount (or, in the case of Partly Paid Notes, to the Outstanding Principal Amount in respect of the Calculation Amount as of the first day of the relevant Interest Period), multiplying the product by the relevant Day Count Fraction. The resultant figure shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(b) ***Floating Rate Notes, ETF Linked Notes, CMS Linked Notes, Reference Item Linked Notes and Other Reference Item Linked Interest Notes***

(i) *Application:* This Condition 5(b) is applicable to the Notes only if the Floating Rate Note Provisions, CMS Linked Note provisions, Equity Linked Note Provisions, Inflation Linked Note Provisions, ETF Linked Note Provisions, Fund Linked Note Provisions or Foreign Exchange (FX) Rate Linked Note Provisions or EUA Contract Linked Note Provisions are specified in the relevant Pricing Supplement as being applicable in relation to the determination of interest or if the Other Reference Item Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(ii) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 7 (*Payments*) and Condition 5(b)(viii) (*Reference Item Linked Interest Notes*). Each Note will cease to bear interest from the due date for final

redemption unless, upon due presentation, payment of the Redemption Amount or the payment due is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day which is seven days after the Principal Paying Agent or the Registrar (as the case may be) has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(iii) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest or Rate is/are to be determined, then, subject to the provisions of Condition 5(h), such Rate of Interest or the relevant Rate in respect of an Interest Period will be determined by the Calculation Agent on the following basis and the Rate of Interest or Rate shall be determined in accordance with Condition 5(b)(vi) (in the case of Floating Rate Notes) or Condition 5(b)(viii) (in the case of Reference Item Linked Interest Notes):

(A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(B) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(C) if a Reference Rate Event has not occurred and, in the case of (A) above, such rate does not appear on that page or, in the case of (B) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Rate of Interest or Rate will be such rate as is determined by the Calculation Agent in good faith and in a commercially reasonable manner having regard to the nearest comparable benchmarks or other reference source(s) then available.

(iv) *ISDA Determination:* If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest or Rate is/are to be determined, the Rate applicable to the Notes for each Interest Period will be the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;

(B) the Designated Maturity (as defined in the ISDA Definitions), if applicable, is a period specified in the relevant Pricing Supplement;

(C) the relevant Reset Date (as defined in the ISDA Definitions) is either (X) if the relevant Floating Rate Option is based on the Hong Kong interbank offered rate (HIBOR) or on the CNH Hong Kong interbank offered rate (CNH HIBOR), the first day of that Interest Period or (Y) in any other case, as specified in the relevant Pricing Supplement; and

(D) the relevant Payment Date (as defined in the ISDA Definitions) is the relevant Interest Payment Date.

References in the ISDA Definitions to:

(i) numbers, financial centres, elections or other items specified in the relevant Confirmation shall be deemed to be references to the numbers, financial centres, elections or other items specified for such purpose in the Pricing Supplement; and

(ii) in the case of the 2021 Definitions:

- the Trade Date shall be deemed to be to the Trade Date of the Notes;
- the Effective Date shall be deemed to be to the date specified as such in the Pricing Supplement;
- the Termination Date shall be deemed to be to the date specified as such in the Pricing Supplement; and
- the Day Count Fraction and Floating Rate Day Count Fraction shall be deemed to be to that specified as the ISDA Day Count Fraction in the Pricing Supplement.

For this purpose, the relevant Interest Determination Date will be deemed to be the day on which the relevant Rate of Interest is determined on the above basis.

Notwithstanding anything to the contrary in the ISDA Definitions:

(i) the provisions of Condition 5(b) shall apply in relation to determinations made by the Calculation Agent pursuant to this sub-paragraph and any such provision in the relevant ISDA Definitions shall be disregarded. In addition, all calculations and determinations made in respect of the Notes by the Calculation Agent under the Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor and the Noteholders;

(ii) for the avoidance of doubt, but notwithstanding anything to the contrary in the Conditions, any requirement under the ISDA Definitions for the Calculation Agent (as defined therein): (a) to give notice of a determination made by it to any other party will be deemed to be a requirement for the Calculation Agent (as defined in these Conditions) to provide an equivalent notice to the Issuer; and (b) to consult with the other party or the parties will be deemed to be a requirement to consult with the Issuer. Any such notice or consultation may be given or carried out orally or in writing (including by electronic mail or communications). In addition the right of any party under the ISDA Definitions to require the Calculation Agent thereunder to take any action or fulfil any responsibility will be deemed to be solely the right of the Issuer to require this of the Calculation Agent in its discretion and no Noteholder will have any right to require the Issuer to do this;

(iii) any terms under the ISDA Definitions allowing for agreement between the parties to the relevant transaction will be deemed not to apply and where any terms of the ISDA Definitions provide for the parties to seek agreement between themselves, the parties will be deemed to have been unable to reach agreement and in each case the ISDA Definitions will be construed accordingly;

(iv) in the event that the Calculation Agent determines that any Fixing Day or other day (each a "**Fixing Date**") on which an ISDA Rate is determined under the ISDA Definitions is less than two Business Days prior to the relevant date originally scheduled for payment, the Calculation Agent may determine that such date for payment be delayed to a date falling not more than two Business Days after the relevant Fixing Date and Noteholders shall not be entitled to further interest or any other payment in respect of such delay; and

(v) in respect of the 2021 Definitions only, in the event that the Correction Time Period applicable to an ISDA Rate ends later than two Business Days prior to the relevant date for payment, any corrections published after the second Business Day prior to the relevant date for payment shall be disregarded for the purposes of determining the relevant ISDA Rate.

If the Calculation Agent determines that a Reference Rate Event has not occurred but such ISDA Rate cannot be determined in accordance with the ISDA Definitions read with the above provisions and prior to the application of (i) where the 2006 Definitions are specified in the Pricing Supplement, fallbacks in the 2006 Definitions (including, where applicable, any Reference Dealer (as defined in the 2006 Definitions) quotations or fallbacks set out in Supplement number 70 to the 2006 Definitions (Amendments to the 2006 Definitions to include new IBOR fallbacks)), or (ii) where the 2021 Definitions are specified in the Pricing Supplement, any provision relating to permanent cessation or an Administrator/Benchmark Event in the 2021 Definitions (including, for the avoidance of doubt, any Discontinued Maturities provisions) then the ISDA Rate for the Relevant Determination Date shall be such rate as is determined by the Calculation Agent in good faith and in a commercially reasonable manner having regard to the nearest comparable benchmarks or other reference source(s) then available.

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, unless otherwise stated in the Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(vi) *Rate of Interest*: the Rate of Interest in relation to the Notes (other than Reference Item Linked Interest Notes) shall be determined as follows:

(A) If "Margin Plus Rate" is specified as applicable in the relevant Pricing Supplement, the Rate of Interest will be equal to the Margin plus the Rate;

(B) If "Specified Percentage Multiplied by Rate" is specified in the relevant Pricing Supplement, the Rate of Interest will be equal to the Specified Percentage multiplied by the Rate; or

(C) If "Difference in Rates" is specified in the relevant Pricing Supplement, the Rate of Interest will be equal to the Specified Percentage multiplied by (Rate – Rate 2), each of Rate and Rate 2 to be determined in accordance with Condition 5(b)(iii) or (iv), as applicable.

(D) **SONIA**

Compounded Daily SONIA – non Index Determination

If the Reference Rate is specified in the relevant Pricing Supplement as being Compounded Daily SONIA, the Rate of Interest for each Interest Period will, subject as provided below and save where Index Determination applies, be Compounded Daily SONIA plus the Margin (if any), as calculated by the Calculation Agent:

"**Compounded Daily SONIA**" means the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the reference rate for the calculation of interest) calculated by the Calculation Agent on the relevant Interest Determination Date (as further specified in the relevant Pricing Supplement) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i-pLBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" means the number of calendar days in (where in the relevant Pricing Supplement "Lag" is specified as the Observation Method) the relevant Interest Period or (where in the relevant Pricing Supplement "Shift" is specified as the Observation Method) the relevant SONIA Observation Period;

"**d_0**" means (where in the relevant Pricing Supplement "Lag" is specified as the Observation Method) for any Interest Period, the number of London Banking Days in the relevant Interest Period or (where in the relevant Pricing Supplement "Shift" is specified as the Observation Method) for any SONIA Observation Period, the number of London Banking Days in the relevant SONIA Observation Period;

"**i**" means a series of whole numbers from 1 to "d_0", each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day (where in the relevant Pricing Supplement "Lag" is specified as the Observation Method) in the relevant Interest Period or (where in the relevant Pricing Supplement "Shift" is specified as the Observation Method) the SONIA Observation Period;

"**London Banking Day**" or "**LBD**" means any calendar day (other than a Saturday and Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n_i**", for any day "**i**", means the number of calendar days from and including such day "i" up to but excluding the following London Banking Day;

"**Observation Look-Back Period**" means the number of London Banking Days specified in the relevant Pricing Supplement;

"**p**" means (save as specified in the relevant Pricing Supplement) the number of London Banking Days included in the Observation Look-Back Period specified in the relevant Pricing Supplement;

"**SONIA Observation Period**" means the period from and including the date falling "p" London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling "p" London Banking Days prior to the relevant Interest Payment Date;

"**SONIA Reference Rate**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day); and

"**$SONIA_{i\text{-}pLBD}$**" means:

(a) where in the relevant Pricing Supplement "Lag" is specified as the Observation Method, (save as specified in the relevant Pricing Supplement) in respect of any London Banking Day "i" falling in

the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling "p" London Banking Days prior to such day; or

(b) where in the relevant Pricing Supplement "Shift" is specified as the Observation Method, (save as specified in the relevant Pricing Supplement) $SONIA_i$, where $SONIA_i$ is, in respect of any London Banking Day "i" falling in the relevant SONIA Observation Period, the SONIA Reference Rate for such London Banking Day.

Compounded Daily SONIA – Index Determination

If the Reference Rate is specified in the relevant Pricing Supplement as being Compounded Daily SONIA, and Index Determination is specified as being applicable in the relevant Pricing Supplement, the Rate of Interest for each Interest Period will be calculated by reference to the screen rate or index administered by the administrator of the Sterling Overnight Index Average reference rate that is published or displayed on the Relevant Screen Page specified in the applicable Pricing Supplement, or, if no such page is so specified or if such page is unavailable at the relevant time, as otherwise published or displayed by such administrator or other information service from time to time at the relevant time on the relevant determination dates specified below (the "**SONIA Compounded Index**") and the following formula and the following formula and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards. Such Rate of Interest will be plus the Margin (if any), as calculated by the Calculation Agent.

Compounded Daily SONIA rate =

$$\left(\frac{SONIA\ Compounded\ Index_{y}}{SONIA\ Compounded\ Index_{x}} - 1\right) x \frac{365}{d}$$

where:

"**x**" denotes the value of the relevant SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of the relevant Interest Period;

"**y"** denotes the value of the relevant SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the relevant Interest Payment Date;

"**d**" is the number of calendar days from (and including) the day in relation to which "x" is determined to (but excluding) the day in relation to which "y" is determined;

"**London Banking Day**" or "**LBD**" means any calendar day (other than a Saturday and Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London; and

"**Relevant Number**" is as specified in the relevant Pricing Supplement.

(E) **SOFR**

Compounded Daily SOFR – non Index Determination

If the Reference Rate is specified in the relevant Pricing Supplement as being Compounded Daily SOFR, the Rate of Interest for each Interest Period will,

subject as provided below and save where Index Determination applies, be Compounded Daily SOFR plus the Margin (if any), as calculated by the Calculation Agent:

"**Compounded Daily SOFR**" means the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the reference rate for the calculation of interest) calculated by the Calculation Agent on the Interest Determination Date (as further specified in the relevant Pricing Supplement) as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-pUSBD}\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" means the number of calendar days in (where in the relevant Pricing Supplement "Lag" is specified as the Observation Method) the relevant Interest Period or (where in the relevant Pricing Supplement "Shift" is specified as the Observation Method) the relevant SOFR Observation Period;

"**d_0**", means (where in the relevant Pricing Supplement "Lag" is specified as the Observation Method) for any Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period or (where in the relevant Pricing Supplement "Shift" is specified as the Observation Method) for any SOFR Observation Period, the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers from 1 to "d_0", each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day (where in the relevant Pricing Supplement "Lag" is specified as the Observation Method) in the relevant Interest Period or (where in the relevant Pricing Supplement "Shift" is specified as the Observation Method) the SOFR Observation Period;

"**n_i**", for any U.S. Government Securities Business Day, means the number of calendar days from and including, such U.S. Government Securities Business Day up to but excluding the following U.S. Government Securities Business Day;

"**Observation Look-Back Period**" means the number of U.S. Government Securities Business Days specified in the relevant Pricing Supplement;

"**p**" means (save as specified in the relevant Pricing Supplement) the number of U.S. Government Securities Business Days included in the Observation Look-Back Period specified in the relevant Pricing Supplement;

"**SOFR Reference Rate**", in respect of any U.S. Government Securities Business Day ("**$USBD_x$**"), is a reference rate equal to the daily secured overnight financing ("**SOFR**") rate for such $USBD_x$ as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor website or the website of any successor administrator for the publication of such rate (the "**New York Federal Reserve's Website**") (in each case, on or about 5:00 p.m., New York City time, on the U.S. Government Securities Business Day immediately following such $USBD_x$) or if the New York Federal

Reserve's Website is unavailable as otherwise published by or on behalf of the relevant administrator;

"**$SOFR_{i-pUSBD}$**" means:

(a) where in the relevant Pricing Supplement "Lag" is specified as the Observation Method, (save as specified in the relevant Pricing Supplement) in respect of any U.S. Government Securities Business Day "i" falling in the relevant Interest Period, the SOFR Reference Rate for the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to such day; or

(b) where in the relevant Pricing Supplement "Shift" is specified as the Observation Method, (save as specified in the relevant Pricing Supplement) $SOFR_i$, where $SOFR_i$ is, in respect of any U.S. Government Securities Business Day "i" falling in the relevant SOFR Observation Period, the SOFR Reference Rate for such day;

"**SOFR Observation Period**" means in respect of each Interest Period, the period from and including the date falling "p" U.S. Government Securities Business Days preceding the first date in such Interest Period to but excluding the date p U.S. Government Securities Business Days preceding the relevant Interest Payment Date; and

"**U.S. Government Securities Business Day**" or "USBD" means any day, except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Compounded Daily SOFR – Index Determination

If the Reference Rate is Compounded Daily SOFR, and Index Determination is specified as being applicable in the relevant Pricing Supplement, the Rate of Interest for each Interest Period will be calculated by reference to the following formula and based on the SOFR Index (as defined below), as further specified in the relevant Pricing Supplement and the resulting percentage will be rounded if necessary to the nearest one hundred-thousandth of a percentage point e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655). Such Rate of Interest will be plus the Margin (if any), all as calculated by the Calculation Agent.

Compounded Daily SOFR =

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

where:

"**Relevant Number**" is as specified in the relevant Pricing Supplement;

"**$SOFR\ Index_{Start}$**" is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first date of the relevant Interest Period;

"**$SOFR\ Index_{End}$**" is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the Interest Payment Date relating to such Interest Period;

"**SOFR Index**" means, in respect of any U.S. Government Securities Business Day, the SOFR Index value as published by the Federal Reserve Bank of New York, as the administrator of such index (or any successor administrator of index) as such index appears on the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor website or the website of any successor administrator for the publication of such index at 3:00 pm New York City time;

"**U.S. Government Securities Business Day**" or "**USBD**" means any day, except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

"$\mathbf{d_c}$" is the number of calendar days from (and including) the day in relation to which SOFR $\text{Index}_{\text{Start}}$ is determined to (but excluding) the day in relation to which SOFR $\text{Index}_{\text{End}}$ is determined.

(F) **€STR**

If the Reference Rate is specified in the relevant Pricing Supplement as being Compounded Daily €STR, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus the Margin (if any), as calculated by the Calculation Agent, as applicable (as specified in the relevant Pricing Supplement) calculated as immediately set out below.

"**Compounded Daily €STR**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily euro short term rate as the reference rate for the calculation of interest) calculated by the Calculation Agent on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the nearest fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{Relevant\ €STR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" is the number of calendar days in (where in the relevant Pricing Supplement "Lag" is specified as the Observation Method) the relevant Interest Period or (where in the relevant Pricing Supplement "Shift" is specified as the Observation Method) the relevant €STR Observation Period;

"$\mathbf{d_0}$" is the number of T2 Business Days in (where in the relevant Pricing Supplement "Lag" is specified as the Observation Method) the relevant Interest Period or (where in the relevant Pricing Supplement "Shift" is specified as the Observation Method) the relevant €STR Observation Period;

"**€STR Observation Period**" means the period from (and including) the day falling "p" T2 Business Days prior to the first day of the relevant Interest Period to (but excluding) the day falling "p" T2 Business Days prior to the relevant Interest Payment Date;

"**€STR Reference Rate**", in respect of any T2 Business Day, is a reference rate equal to the daily euro short term ("**€STR**") rate for such T2 Business Day as provided by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) on the website of the European Central Bank at https://www.ecb.europa.eu/home/html/index.en.html, or any successor website or the website of any successor administrator for the publication of such rate (the "**ECB's Website**") (in each case, on or about 9.00am., Central

European Time, on the T2 Business Day immediately following such T2 Business Day) or if the ECB's Website is unavailable as otherwise published by or on behalf of the relevant administrator;

"**€STR$_{i-pTBD}$**" means, in respect of any T2 Business Day "i", the €STR reference rate for the T2 Business Day falling "p" T2 Business Days prior to the relevant T2 Business Day "i";

"**i**" is a series of whole numbers from one to "d_0", each representing the relevant T2 Business Day in chronological order from, and including, the first T2 Business Day in (where in the relevant Pricing Supplement "Lag" is specified as the Observation Method) the relevant Interest Period or (where in the relevant Pricing Supplement "Shift" is specified as the Observation Method) the relevant €STR Observation Period;

"**n_i**", for any T2 Business Day "i", means the number of calendar days from and including such T2 Business Day "i" up to but excluding the following T2 Business Day;

"**Observation Look-Back Period**" means the number of T2 Business Day specified in the relevant Pricing Supplement;

"**p**" means (save as specified in the relevant Pricing Supplement) the number of T2 Business Days included in the Observation Look-Back Period specified in the relevant Pricing Supplement;

"**Relevant €STR$_i$**" means, in respect of any T2 Business Day "**i**":

(a) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, €STR$_{i-pTBD}$; or

(b) where "Shift" is specified as the Observation Method in the relevant Pricing Supplement, €STR$_i$-, where €STR$_i$- is, in respect of any T2 Business Day "i" falling in the relevant €STR Observation Period, the €STR Reference Rate for such day; and

"**T2 Business Day**" or "**TBD**" means a day on which T2 is open.

(vii) Subject as provided in Condition 5(h), if in respect of any relevant determination date a relevant component value required for the determination of a Compounded Daily SONIA, Compounded Daily SOFR or Compounded Daily €STR, as applicable, has not been provided or published by or on behalf of the relevant administrator (or any successor administrator) or authorised distributors or the relevant website is not available, the relevant value in respect of such determination date will be the last such value provided prior to the relevant unavailability.

(viii) *Reference Item Linked Interest Notes:* In the case of Reference Item Linked Interest Notes or Other Reference Item Linked Interest Notes, where the Rate of Interest and/or the Interest Amount (whether on any Interest Payment Date, early redemption, maturity or otherwise) is to be determined by reference to one or more Reference Items, the Rate of Interest and/or the Interest Amount shall be determined where applicable as provided below, in the relevant Pricing Supplement and, where applicable, the Payout Conditions.

(ix) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero and in no event shall the Rate of Interest be less than zero.

(x) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount (or, in the case of Partly Paid Notes, to the Outstanding Principal Amount in respect of the Calculation Amount as of the first day of the relevant Interest Period), multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(xi) *Calculation of other amounts:* If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

(xii) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(xiii) *Notifications, etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents and the Noteholders and no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(c) ***Dual Currency Note Provisions***

(i) *Application:* This Condition 5(c) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(ii) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

(d) ***Renminbi Currency Event***

If "Renminbi Currency Event" is specified as applicable in the Pricing Supplement, upon the occurrence of a Renminbi Currency Event, other than where the Foreign Exchange (FX) Rate Linked Note Conditions also apply (in which case the provisions of the Foreign Exchange (FX) Rate Linked Note Conditions will apply instead), the Calculation Agent may determine that (i) the relevant payment obligations of the Issuer or, as the case may be, the Guarantor, be postponed to the tenth Business Day after the date on which the Renminbi Currency Event, as determined by the Issuer, ceases to exist or, if that would not be commercially reasonable, as soon as commercially reasonable thereafter; (ii) any of the obligations to pay Renminbi under the Notes,

including any relevant Renminbi amount(s) determined pursuant to the Conditions be replaced by an obligation to pay such amount in the Relevant Event Currency converted using the Spot Rate for the relevant Renminbi Determination Date; and/or (iii) the Issuer may redeem the Notes early by giving notice to Noteholders in accordance with Condition 14 (*Notices)* and the Issuer will pay to each Noteholder in respect of each principal amount of Notes equal to the Calculation Amount held by such holder, an amount equal to the Early Redemption Amount.

The Issuer shall, as soon as practicable after the occurrence of a Renminbi Currency Event, give notice to the Noteholders in accordance with Condition 14 (*Notices*) stating the occurrence of the Renminbi Currency Event and giving details thereof.

Where an event occurs that could be a Disruption Event, an Additional Disruption Event, a Potential Adjustment Event or any other form of disruption event specified in the Conditions or, alternatively, also be a Renminbi Currency Event, the above Renminbi Currency Event provisions will prevail, other than where the Foreign Exchange (FX) Rate Linked Note Conditions also apply (in which case the provisions of the Foreign Exchange (FX) Rate Linked Note Conditions will apply instead).

For the purpose of this Condition and unless stated otherwise in the Pricing Supplement:

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the relevant Renminbi Settlement Centre(s), London, Madrid and the principal financial centre of the country of the Relevant Event Currency;

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

"**Hedge Position**" means any one or more of (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) purchased, sold, entered into or maintained by the Issuer, the Guarantor and/or any of their Affiliates in order to hedge, individually or on a portfolio basis, the Notes.

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

"**Relevant Currency Valuation Time**" means the time specified as such in the Pricing Supplement;

"**Relevant Spot Rate Screen Page**" means the screen page specified as such in the Pricing Supplement (or any successor screen page or information provider thereto as determined by the Calculation Agent);

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

"**Renminbi Determination Date**" means the day which is two Determination Business Days before the date of the relevant payment under the Notes;

"**Renminbi Illiquidity**" means the occurrence of any event or circumstance whereby (i) the general Renminbi exchange market outside the PRC becomes illiquid (including, without limitation, the existence of any significant price distortion) as a result of which the Issuer cannot obtain sufficient Renminbi in order to perform its obligations under the Notes or (if applicable) any party to a Hedge Position would not be able to obtain sufficient Renminbi in order to perform its obligations under such

Hedge Position; or (ii) it becomes impossible or impractical for the Issuer (or, if applicable, would be impossible or impractical for any party to a Hedge Position) to obtain a firm quote of the exchange rate, in each case, as determined by the Issuer in good faith and in a commercially reasonable manner;

"**Renminbi Inconvertibility**" means the occurrence of any event or existence of any condition that has the effect of it being impossible, illegal or impracticable for, or has the effect prohibiting, restricting or materially delaying the ability of, the Issuer or (if applicable) any party to a Hedge Position to convert any amount as may be required to be paid by any party on any payment date in respect of the Notes or (if applicable) any Hedge Position into Renminbi or any other currency, other than where such impossibility, impracticability or illegality is due solely to the failure of the relevant party and/or any of its affiliates to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible, impracticable or illegal for the relevant party and/or any of its Affiliates, due to an event beyond the control of that party and/or its Affiliates, to comply with such law, rule or regulation);

"**Renminbi Non Transferability**" means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer or (if applicable) any party to a Hedge Position and/or any of its affiliates to deliver Renminbi between accounts inside the relevant Renminbi Settlement Centre(s) or from an account inside the relevant Renminbi Settlement Centre(s) to an account outside such Renminbi Settlement Centre(s) (including where the Renminbi clearing and settlement system for participating banks in the relevant Renminbi Settlement Centre(s) is disrupted or suspended) or from an account outside the relevant Renminbi Settlement Centre(s) to an account inside such Renminbi Settlement Centre(s), other than where such impossibility, impracticability or illegality is due solely to the failure of the relevant party and/or any of its Affiliates to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible, impracticable or illegal for the relevant party and/or any of its Affiliates, due to an event beyond the control of the relevant party and/or any of its Affiliates (as applicable), to comply with such law, rule or regulation); and

"**Spot Rate**" means the spot CNH/Relevant Event Currency exchange rate for the purchase of the Relevant Event Currency with Renminbi in the over the counter Renminbi exchange market in the relevant Renminbi Settlement Centre(s) for settlement in two Determination Business Days, as determined by the Calculation Agent at or around the Relevant Currency Valuation Time on the Renminbi Determination Date by reference to the Relevant Spot Rate Screen Page. If such rate is not available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non deliverable exchange market in the relevant Renminbi Settlement Centre(s) or elsewhere and the CNH/Relevant Event Currency exchange rate in the PRC domestic foreign exchange market. Where there is more than one Renminbi Settlement Centre and the rate determined as provided in this definition differs for any such Renminbi Settlement Centre, the Calculation Agent shall select the applicable rate to be the Spot Rate (and may, for the avoidance of doubt, select the lowest such rate). All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this definition of Spot Rate by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Paying Agents and all holders of the Notes.

(e) ***Call Option Interest Rate and Put Option Interest Rate***

(i) The provisions of this Condition 5(e) apply to any Notes in respect of which the Rate of Interest specified in the Pricing Supplement is Call Option Interest Rate or Put Option Interest Rate (such Notes being "**Call Option Rate Notes**" and "**Put Option Rate Notes**" respectively).

(ii) Notwithstanding anything to the contrary in the Conditions (including with respect to accrual), there are no Interest Periods in respect of the Notes and each principal amount of Notes equal to the Calculation Amount pays the Interest Amount (if any) on each Interest Payment Date and the Conditions (including, without limitation, Condition 5) will be construed accordingly.

(iii) The Interest Amount (if any) in respect of each principal amount of Notes equal to the Calculation Amount and an Interest Payment Date will be an amount in the Specified Currency (rounded to the nearest sub-unit of the Specified Currency with half a sub-unit being rounded upwards) calculated by the Calculation Agent in its sole and absolute discretion equal to the Calculation Amount multiplied by the Rate of Interest.

(iv) In the event that the Notes are redeemed pursuant to Condition 6(b), Condition 6(f)(v) or Condition 6(g), no Interest Amount or any other amount of accrued interest will be payable in respect of the Notes in respect of any relevant Interest Payment Date which has not occurred on or prior to the date fixed for such redemption, and if the date fixed for such redemption falls prior to the first Interest Payment Date, no Interest Amount will be payable in respect of the Notes.

(v) In the event that on the due date for final redemption of any Note upon due presentation thereof, payment of the Redemption Amount is improperly withheld or refused, such Note will accrue interest (as well after as before judgment) in respect of each Note of a principal amount equal to the Calculation Amount on each day during the period from (and including) the due date for redemption of such Note and ending on whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Registrar (as the case may be) has notified the Noteholders that it has received all sums due in respect of such Note up to such seventh day (except to the extent that there is any subsequent default in payment), such interest to be calculated by applying to the Calculation Amount an overnight deposit rate in respect of the Specified Currency and adjusting the resulting amount by a day count fraction, all as determined by the Calculation Agent in its sole and absolute discretion, as appropriate, from such source(s) as it may select for such day.

(f) ***Zero Coupon Notes***

Application: This Condition 5(f) is applicable only if the Zero Coupon Notes provisions are specified in the Pricing Supplement as being applicable. Zero Coupon Notes are Notes issued on a non-interest bearing basis and are offered and sold at a discount (other than a de minimis discount) to its principal amount or at par and to which Zero Coupon Notes provisions are expressed to be applicable.

(g) ***Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as set out above on the Outstanding Principal Amount of such Notes from time to time and otherwise as specified in the Pricing Supplement.

(h) ***Reference Rate Event***

(i) Occurrence of a Reference Rate Event

(A) Notwithstanding any other provisions of the Conditions, if the Calculation Agent determines that a Reference Rate Event has occurred in respect of a Reference Rate, then:

(1) If ISDA Determination applies pursuant to Condition 5(b)(iv) and:

(i) 2006 Definitions is specified in the Pricing Supplement, the Calculation Agent determines that such Reference Rate Event constitutes a Reference Rate Cessation Event in respect of the

Floating Rate Option for a Reference Rate and if one or more Priority Fallback(s) are specified in the definition of such Floating Rate Option in the 2006 Definitions, then subject as provided below such Priority Fallback(s) shall apply and the Calculation Agent shall, without the consent of the Noteholders, make such other adjustments to the Conditions (including, but not limited to, any Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Interest Amount, Interest Payment Date, Interest Period and Rate of Interest) as it determines necessary or appropriate in order to account for the effect of applying such Priority Fallback(s) and/or to preserve as nearly as practicable the economic equivalence of the Notes before and after the application of such Priority Fallback(s). Fallbacks in the 2006 Definitions (including where applicable any reference bank quotations or fallbacks set out in Supplement number 70 to the 2006 Definitions (Amendments to the 2006 Definitions to include new IBOR fallbacks)) will only be followed as provided for in this paragraph, if applicable, and subject as provided below; or

(ii) 2021 Definitions is specified in the Pricing Supplement,

I. subject to II below, the Calculation Agent determines that such Reference Rate Event constitutes a Reference Rate Cessation Event in respect of the Floating Rate Option for a Reference Rate, then such Permanent Cessation Fallback as specified for the relevant Floating Rate Option in the Floating Rate Matrix (all as defined in the 2021 Definitions) shall apply;

II. 'Generic Fallback Provisions' is specified in the Floating Rate Matrix as the relevant Permanent Cessation Fallback in respect of the relevant Floating Rate Option, following the occurrence of the relevant Permanent Cessation Trigger in respect of such Floating Rate Option, a Reference Rate Event shall be deemed to have occurred on the same date as such Permanent Cessation Trigger and the provisions of this Condition 5(h) shall apply in place of such Generic Fallback Provisions;

III. 'Administrator/Benchmark Event' is specified in the Floating Rate Matrix as applicable in respect of the relevant Floating Rate Option, the provisions of this Condition 5(h) shall apply in place of the provisions relating to Administrator/Benchmark Event and the Administrator/Benchmark Event Fallback in the 2021 Definitions; and

IV. an ISDA Rate would otherwise be determined by reference to Linear Interpolation pursuant to the Discontinued Rates Maturities provisions, a Reference Rate Event shall be deemed to have occurred and the provisions of this Condition 5(h) shall apply in place of such Discontinued Rates Maturities provisions,

and the Calculation Agent shall, without the consent of the Noteholders, make such other adjustments to the Conditions (including, but not limited to, any Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Interest Amount, Interest Payment Date, Interest Period and Rate of Interest) as it determines necessary or appropriate in order to account for the effect of applying such Permanent Cessation Fallback and/or

to preserve as nearly as practicable the economic equivalence of the Notes before and after the application of such Permanent Cessation Fallback.

The Permanent Cessation Fallback in respect of the Floating Rate Option for a Reference Rate in the Floating Rate Matrix will only be followed as provided for in this paragraph, if applicable, and subject as provided below.

(2) If:

(i) ISDA Determination does not apply pursuant to Condition 5(b)(iv);

(ii) ISDA Determination and 2006 Definitions are specified in the Pricing Supplement and (x) the specified Priority Fallback(s) fail to provide any appropriate means of determining the rate of interest, or (y) the Calculation Agent determines that the application of the Priority Fallback(s) and/or any such adjustments would not achieve a commercially reasonable result for either the Issuer or the Noteholders or that it would be impracticable to apply the Priority Fallback(s) and/or to make any adjustments to the Conditions, or (z) no Priority Fallback(s) are specified in the definition of such Floating Rate Option in the 2006 Definitions; or

(iii) ISDA Determination and 2021 Definitions are specified in the Pricing Supplement and (x) the specified Permanent Cessation Fallback fails to provide any appropriate means of determining the rate of interest, or (y) the Calculation Agent determines that the application of the Permanent Cessation Fallback and/or any such adjustments would not achieve a commercially reasonable result for either the Issuer or the Noteholders or that it would be impracticable to apply the Permanent Cessation Fallback and/or to make any adjustments to the Conditions, or (z) any of sub-paragraphs II-IV above apply in respect of such Floating Rate Option,

then the Calculation Agent shall, subject as provided below, seek to identify a Replacement Reference Rate in respect of such Reference Rate. If the Calculation Agent identifies a Replacement Reference Rate in respect of such Reference Rate prior to the Cut-off Date it shall:

(x) seek to determine the related Adjustment Spread; and

(y) determine the amendments (if any) to the Conditions of the Notes which it considers are necessary and/or appropriate in order to replace such Reference Rate with the relevant Replacement Reference Rate (as adjusted by the Adjustment Spread) (the "**Replacement Reference Rate Amendments**").

Following the determination by the Calculation Agent of the Replacement Reference Rate and the related adjustments, the Calculation Agent shall notify the Issuer of such determination and the Conditions of the Notes shall be amended as of the Cut-off Date. Prior to the Cut-off Date, the Issuer shall notify the Noteholders in accordance with Condition 14 (*Notices)* of the occurrence of the relevant Reference Rate Event and the action to be taken in relation thereto.

(B) If the relevant Reference Rate Event is a Benchmark Modification, as an alternative to Condition 5(h)(i)(A) above, the Calculation Agent may instead prior to the Cut-off Date:

(1) determine that no Replacement Reference Rate or other amendments to the Conditions of the Notes are required as a result of such Benchmark Modification; or

(2) determine the adjustment(s) to the Conditions of the Notes as are necessary or appropriate to account for the effect of such material change and the effective date of any such adjustment(s).

Following any such determination, the Calculation Agent shall notify the Issuer of the action, if any, to be taken in relation thereto and, where adjustment(s) are required to be made to the Conditions of the Notes pursuant to Condition 5(h)(i)(B)(2) above, the Conditions shall be amended as of the relevant effective date and the Issuer shall notify the Noteholders in accordance with Condition 14 (*Notices)* of the occurrence of the relevant Benchmark Modification and the action to be taken in relation thereto. No notice to Noteholders is required where Condition 5(h)(i)(B)(1) above applies.

(ii) Early Redemption

If:

with respect to any Reference Rate Event, the Calculation Agent determines that it is not possible or commercially reasonable to identify a Replacement Reference Rate and/or determine any Adjustment Spread or the related Replacement Reference Rate Amendments prior to the Cut-off Date in accordance with Condition 5(h)(i)(A); or

(A) with respect to a Benchmark Modification, the Calculation Agent determines that Condition 5(h)(i)(B) above applies, but that it is not possible or commercially reasonable to make any amendments to the Conditions of the Notes which it determines are required following the occurrence of the Benchmark Modification prior to the Cut-off Date in accordance with such Condition 5(h)(i)(B) above;

(B) it (i) is or would be unlawful at any time under any applicable law or regulation or (ii) would contravene any applicable licensing requirements, for the Issuer or the Calculation Agent to perform the actions prescribed in these Conditions (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time);

(C) the Calculation Agent determines that an Adjustment Spread is or would be a benchmark, index or other price source whose production, publication, methodology or governance would subject the Issuer or the Calculation Agent to material additional regulatory obligations (such as the obligations for administrators under BMR); or

(D) the Calculation Agent determines that having identified a Replacement Reference Rate and determined an Adjustment Spread on or before the Cut-off Date in accordance with these Conditions, the adjustments provided for would not achieve a commercially reasonable result for either the Issuer or the Noteholders,

the Issuer shall give notice to the Noteholders in accordance with Condition 14 (*Notices)* as soon as reasonably practicable after the relevant determination and the Issuer shall redeem all, but not some only, of the Notes on a day selected by the Issuer, each Note being redeemed at the Early Redemption Amount, together with, if so specified in the Pricing Supplement, accrued interest.

(iii) Interim Adjustments

If, following a Reference Rate Event but prior to the Cut-off Date, the relevant Reference Rate is required for any determination in respect of the Notes:

(A) if (1) in relation to a Reference Rate Cessation Event, the Reference Rate Cessation Event Date has not yet occurred, or (2) in relation to an Administrator/Benchmark Event, the Administrator/Benchmark Event Date has not yet occurred, the level of such Reference Rate shall be determined pursuant to the terms that would apply to the determination of such Reference Rate as if no Reference Rate Event had occurred; or

(B) otherwise, the level of such Reference Rate shall be determined by the Calculation Agent in its discretion by reference to either (i) the rate published in respect of such Reference Rate at the time such Reference Rate is ordinarily determined on the day immediately prior to (1) the Reference Rate Cessation Event Date or (2) the Administrator/Benchmark Event Date, as applicable or, if no rate is published at the time or that rate cannot be used in accordance with applicable law or regulation, by reference to the rate published at that time on the last day on which the rate was published or can be used in accordance with applicable law or regulation, as applicable or (ii) such other rate that is, in the determination of the Calculation Agent, recognised or acknowledged as being an industry standard (or otherwise customarily widely adopted) replacement rate or, if the Calculation Agent determines there is no such replacement rate, such other interest rate, index, benchmark or other price source that the Calculation Agent determines to be a commercially reasonable alternative for such Reference Rate and the Issuer shall give notice to the Noteholders in accordance with Condition 14 (*Notices)* as soon as reasonably practicable of the action to be taken in relation thereto.

(iv) Determinations

Any adjustment to the Conditions of the Notes (including the determination of any adjustment spread or factor, however defined) which the Calculation Agent determines is necessary or appropriate pursuant to the above provisions of this Condition 5(h) (*Reference Rate Event*):

(A) shall be made to the extent reasonably practicable, taking into account prevailing industry standards in any related market (including, without limitation, the derivatives market) and Relevant Market Data;

(B) may include, where applicable and without limitation, (1) technical, administrative or operational changes (including without limitation, changes to determination dates, timing and frequency of determining rates and making payments, rounding of amounts or tenors, the introduction of any time delay or lag between the calculation or observation period of a rate and the related payment dates and other administrative matters) that the Calculation Agent determines are appropriate, (2) the application of any adjustment factor or adjustment spread (whether or not expressly referenced in the relevant provision and which may be positive or negative) and (3) adjustments to reflect any increased costs to the Issuer of providing exposure to the replacement or successor rate(s) and/or benchmark(s); and

(C) may be applied on more than one occasion, may be made as of one or more effective dates and may (but does not have to) involve the selection of a successor or replacement rate which is determined on a backwards-looking compounding basis by reference to a "risk-free rate".

For the avoidance of doubt, (I) the Calculation Agent is not obliged to make any determination in relation to any Reference Rate Event if the relevant Cut-off Date would fall after the earlier of (x) the date the relevant Reference Rate is no longer used to determine any amount payable under the Notes and (y) the Maturity Date of the Notes and (II) the Issuer and/or the Calculation Agent may make all determinations

and/or adjustments and take all actions in respect of the Notes as are provided for in connection with a Reference Rate Event, notwithstanding that such Reference Rate Event may have occurred before the Issue Date of the Notes.

6. **Redemption, Purchase and Options**

(a) ***Final Redemption***

Unless previously redeemed, purchased and cancelled as provided below, each Note will be redeemed (i) at its Final Redemption Amount on the Maturity Date.

(b) ***Redemption for taxation reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), (subject as provided below, together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Spain or the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligations cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts if a payment in respect of the Notes (or either Guarantee, as the case may be) were then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent, a certificate signed by a director of the Issuer (or the Guarantor, as the case may be) stating that the Issuer (or the Guarantor, as the case may be) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer (or the Guarantor, as the case may be) so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case maybe) has or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) ***Redemption or adjustment for a General Administrator/Benchmark Event***

In the event that a General Administrator/Benchmark Event occurs, the Issuer may (at its option):

(i) instruct the Calculation Agent to make such adjustments to the Conditions of the Notes as it may determine appropriate to account for the relevant event or circumstance and, without limitation, such adjustments may (a) consist of one or more amendments and/or be made on one or more dates (b) be determined by reference to any adjustment(s) in respect of the relevant event or circumstance made in relation to any hedging arrangements in respect of the Notes and (c) include selecting a successor benchmark(s) and making related adjustments to the Conditions of the Notes including, where applicable, adding an adjustment spread (which may be positive or negative) or any adjustment to reflect any increased costs of the Issuer providing exposure to the replacement or successor benchmark(s) and, in the case of more than one successor benchmark, making provision for allocation of exposure as between the successor benchmarks; or

(ii) redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount.

Prior to the effective date of any adjustment or any date of early redemption, the Issuer shall give notice to the Noteholders in accordance with Condition 14 (*Notices)* of the occurrence of the relevant General Administrator/Benchmark Event and the action to be taken in relation thereto.

For the avoidance of doubt, other than as provided in Condition 5(h), the above is additional, and without prejudice, to any other terms of the Notes. In the event that under any such terms any other consequences could apply in relation to an event or occurrence the subject of a General Administrator/Benchmark Event, the Issuer shall determine which terms shall apply in its sole and absolute discretion.

(d) ***Purchases***

The Issuer, the Guarantor and any of the Guarantor's Subsidiaries may at any time purchase Notes in the open market or otherwise at any price.

(e) ***Early redemption at the option of the Issuer (Clean-Up Redemption)***

(i) If the Clean-Up Redemption Option is specified in the relevant Pricing Supplement as being applicable, and if 75% or any higher percentage specified in the relevant Pricing Supplement (the "**Clean-Up Percentage**") of the initial aggregate nominal amount of the Notes of the same Series (which for the avoidance of doubt includes, any additional Instruments issued subsequently and forming a single series with the first Tranche of a particular Series of Notes) have been redeemed or purchased by, or on behalf of, the Issuer and cancelled, the Issuer may, at any time, as its option, and having given not less than 30 nor more than 60 calendar days' notice (or such lesser period as may be specified in the relevant Pricing Supplement) (the "**Clean-Up Redemption Notice**") to the Registrar, the Principal Paying Agent and the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions, all but not some only, of the relevant Notes.

(ii) Notes redeemed pursuant to this Condition 6(e) will be redeemed at their early redemption amount (the "**Early Redemption Amount (Clean-Up Call)**") (which shall be their principal amount or such other Early Redemption Amount (Clean-Up Call) as may be specified in or determined in accordance with the relevant Pricing Supplement) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(f) ***Redemption at the Option of the Issuer and Exercise of Issuer's Options***

(i) Subject to paragraph (iv) below, if so provided hereon, the Issuer may (other than with respect to Call Option Rate Notes) on giving irrevocable notice to the Noteholders of, unless otherwise specified in the Pricing Supplement, not less than 30 days nor more than 60 days, redeem, or exercise any Issuer's option in relation to, all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Optional Redemption Amount (Call) together with interest accrued to the date fixed for redemption.

(ii) All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

(iii) In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Notes, the notice to Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Principal Paying Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and competent authority, stock exchange and/or quotation system requirements.

(iv) Notes to be redeemed shall have been drawn in such place as the Principal Paying Agent may approve in such manner as it deems appropriate, subject to compliance with any applicable laws and competent authority, stock exchange and/or quotation system requirements.

(v) Subject to paragraph (iv) above, the Issuer may in respect of any Call Option Rate Notes on giving irrevocable notice to the Noteholders of not less than the Minimum

Early Redemption Notice Period, upon the expiry of such notice, redeem all, but not some only, of the Notes then outstanding on any Optional Redemption Date (Call) (an "**Issuer Call**"). Any such redemption of Notes will be at the Optional Redemption Amount (Call) together with interest accrued and payable on such Optional Redemption Date (Call).

(vi) In connection with an exercise of the option set out in this Condition 6(f) in respect of some but not all of the Notes or the Notes represented by the relevant Global Note Certificate may be redeemed in part in the principal amount specified by the Issuer in accordance with this Condition 6(f), and the Notes to be redeemed will be selected in accordance with the standard rules and procedures of Euroclear, Clearstream, Luxembourg (this shall be recorded in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion) or DTC or any other clearing system (as the case may be).

(g) ***Redemption at the Option of Noteholders and holders' Exercise of Noteholder's Options***

(i) Subject to paragraph (ii) below, the Issuer shall, other than in the case of Put Option Rate Notes, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Optional Redemption Amount (Put) together with interest accrued to the date fixed for redemption.

(ii) To exercise such option or any other option of a holder of Registered Notes which may be set out hereon, the holder must deposit the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) not less than 30 and not more than 60 days (or, in the case of Put Option Notes, not less than the Minimum Early Redemption Notice Period) prior to the relevant date fixed for redemption. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(iii) In the case of Put Option Rate Notes, subject to paragraph (ii), the Issuer shall, at the option of the holder of any such Note (a "**Noteholder Put**"), redeem such Note on the relevant Optional Redemption Date (Put) specified in the Exercise Notice at its Optional Redemption Amount (Put) together with interest accrued to the date fixed for redemption.

(h) ***Redemption by Installments***

Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note which provides for Installment Dates and Installment Amounts will be partially redeemed on each Installment Date at the Installment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Installment Amount for all purposes.

(i) ***Partly Paid Notes***

Where the Pricing Supplement specify that the Notes are Partly Paid Notes, the issue price in respect thereof will be payable in installments (each a "**Part Payment Amount**") on the dates specified in the Pricing Supplement (each a "**Part Payment Date**").

The Issuer will notify the Noteholders in accordance with Condition 14 not less than the number of days specified in the Pricing Supplement prior to the relevant Part Payment Date of their obligation to pay the relevant Part Payment Amount in respect of each Note equal to the Calculation Amount and shall specify the account of the Issuer to which the relevant Part Payment Amount shall be made. The relevant Part Payment Amount shall be paid by the Noteholders in immediately available funds to the account specified by the Issuer in the notice, for value on the Part Payment Date. Upon payment of the relevant Part Payment Amount in respect of all the Notes, the Outstanding Principal Amount in respect of each Calculation Amount shall increase as of the relevant Part Payment Date, as specified in the Pricing Supplement.

In the event that a Part Payment Amount is not paid by any Noteholder on the relevant Part Payment Date (the "**Part Payment Default Date**"), the Issuer shall as soon as practicable thereafter notify the Principal Paying Agent or the Registrar, as applicable, of such non-payment and the Issuer shall, having given not less than 5 Business Days' (or such other notice period as specified in the Pricing Supplement) notice to the Noteholders in accordance with Condition 14, redeem all the Notes by payment of the Early Redemption Amount on the Part Payment Early Redemption Date specified in the Pricing Supplement. For the avoidance of doubt, if the Notes become redeemable on the Part Payment Early Redemption Date, no interest will be payable by the Issuer in respect of the period from (and including) the Part Payment Default Date to (and including) the Part Payment Early Redemption Date and the Issuer's obligations in respect of the Notes shall be discharged upon payment of the relevant Early Redemption Amount.

Repayment by the Issuer of Part Payment Amounts:

(i) If the Part Payment Amount in respect of any Note is not paid on the relevant Part Payment Date; and/or

(ii) if any Part Payment Amount is paid after the relevant Part Payment Date in respect of any Notes,

the Part Payment Amounts for the relevant Part Payment Date in respect of all the Notes shall be deemed not to have been paid and, for the avoidance of doubt, the Outstanding Principal Amount shall not include such amounts, the Issuer shall not accept the Part Payment Amount(s) paid in respect of any of the other Notes outstanding and shall repay any such amounts paid or paid late to the relevant Noteholders as soon as practicable to the account used by the relevant Noteholder to pay the relevant Part Payment Amount. In such case, no interest will be payable by the Issuer in respect of the period from (and including) the relevant Part Payment Date to (and including) the date on which such amount is repaid by the Issuer and, for the avoidance of doubt, any such repaid amounts shall not constitute part of the Early Redemption Amount in respect of the relevant Notes.

(j) ***Cancellation***

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's subsidiaries may be surrendered for cancellation, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. Any Notes so surrendered for cancellation or so debited may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

(k) ***Late Payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(a), 6(b), 6(e) or 6(f) above or upon it becoming due and repayable as provided in Condition 10, is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the Amortised Face Amount calculated as provided in Condition 1 above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

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

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

(l) ***Specific Buy-Back Provisions***

(i) Buy-Back

If the Specific Buy-Back Provisions are specified as applicable in the Pricing Supplement, upon the Holder of any Note giving to the Issuer the requisite period of notice, as specified in the Pricing Supplement in accordance with and subject to the provisions set out below (which notice shall be irrevocable) to buy-back such Note before its scheduled Maturity Date, the Issuer may, at its sole option, upon the expiry of such notice, buy-back such Note by paying the Buy-Back Price (which may be less than par) that is linked to the Market Value of the Underlying Transactions as described below, together, if appropriate, with any accrued but unpaid interest to (but excluding) the date of such buy-back. The Issuer has the right, at its sole option, to reject the buy-back request and, in particular, if the Issuer does not reply to the notice, the Issuer shall be deemed to have rejected the buy-back request. The Issuer also has the sole option as to whether to maintain any Underlying Transactions from time to time and no assurance is given that it will maintain any Underlying Transactions during the life of the Notes. If no Underlying Transactions are maintained by the Issuer at any time the Issuer will not in any event elect to buy back Notes pursuant to this Condition 6(l). The Issuer may, however, at its sole option purchase Notes at any time pursuant to Condition 6(d) (*Redemption, Purchase and Options - Purchases*) above and in this case the purchase price may be significantly different from what the Buy-Back Price would have been.

The value of such Notes prior to the Maturity Date shall reflect and shall be calculated on the basis of but will not necessarily be the same as the Market Value of the Underlying Transactions if any at the relevant time and, in the event that a Holder requests that the Issuer buy-back any such Notes held by it prior to the Maturity Date, and the Issuer accepts such request, the Buy-Back Price will be determined taking into consideration the Market Value of such Underlying Transactions.

Notwithstanding any other provision of this Condition 6(l), where the Issuer maintains Underlying Transactions at any relevant time such Underlying Transactions will be notional reference transactions and the Issuer will be under no obligation to maintain actual transactions corresponding to the Underlying Transactions. All references to the Issuer maintaining Underlying Transactions will be interpreted accordingly.

(ii) Extra-Yield

The Issuer shall pay higher amounts of interest than otherwise (the "**Extra-Yield**") in respect of such Notes. More information on the calculation of the interest basis in respect of the Notes (unbundling) shall be published by the Issuer from time to time together with information relating to the Underlying Transactions as described below.

(iii) Notice from the Holders

In order to notify the Issuer, the relevant Holder must give such notice in writing by hand, mail or e-mail in accordance with the relevant contact details specified in the relevant Pricing Supplement, or in such other manner as is specified in the applicable Pricing Supplement. Each Holder must also provide evidence satisfactory to the Issuer of its holding of the relevant Notes which may be in the form of certification from a relevant clearing system or such requirement may be satisfied by delivery of the Note(s) held by such Holder together with the relevant notice, or such other appropriate manner determined by the Issuer.

Any such notice shall be effective when received by the Issuer and, if received after close of business in the place of receipt or on a day that is not a Business Day, such notice shall be deemed to be effective on the next following Business Day.

(iv) Definitions

For the purpose of this Condition 6(l):

"**Buy-Back Price**" means the buy-back price of the Notes as determined by the Calculation Agent in a commercially reasonable manner taking into consideration the Market Value of the Underlying Transactions. On this basis the Buy-Back Price will

not necessarily be the same as the Market Value or a Note's pro rata share of the Market Value.

"**Market Value**" means the close-out amount of the Underlying Transactions, including the relevant bid/ask prices and for any type of hedging and/or funding arrangement and/or interest rate swap, as determined by the Calculation Agent in a commercially reasonable manner.

"**Underlying Transaction**" means any type of hedging and/or funding arrangement and/or interest rate swap and/or any of the following funded or unfunded arbitrage-like financial transactions:

(i) Cash-CDS Arbitrage;

(ii) Index-Components Arbitrage;

(iii) General Funded Arbitrage;

(iv) Zero Cost Credit Protection; and/or

(v) Zero Cost Option.

The Underlying Transactions will be selected from time to time by the Calculation Agent in its reasonable discretion and may be subject to change during the term of the Notes. In particular there is no requirement for the Issuer to maintain any Underlying Transactions at any time during the life of the Notes and Underlying Transactions, if any, will be notional and not actual transactions as described in Condition 6(l)(i) above. Information relating to the Underlying Transactions, if any, shall be published from time to time by the Issuer in the manner specified in the Pricing Supplement and where the Notes are listed on any stock exchange or market, in accordance with the rules of the applicable stock exchange or market from time to time. Where no Underlying Transactions are maintained at any relevant time then the Issuer will specify this in the information it publishes as described above.

For the purposes hereof:

"**Cash-CDS Arbitrage**" means:

Long (Short): Cash Instrument + Short (Long): Replicating CDS

Where:

"**Long (Short): Cash Instrument**" means a long or short position in any debt obligation or basket of debt obligations, in security or loan form, with maturity(ies)/term(s) which may end after the Maturity Date of the Notes and/or notional amount(s) that may be higher than the aggregate principal amount of the Notes;

"**Short (Long): Replicating CDS**" means a short position (where a long position in the Cash Instrument is taken) or a long position (where a short position in the Cash Instrument is taken) in a credit default swap transaction (or insurance contract, financial guarantee or similar) having similar terms and notional amounts as the Cash Instrument and having as a "reference entity" (i) the issuer or guarantor of the Cash Instrument, or (ii) in the case of Cash Instruments that are asset-backed obligations any issuer of any relevant assets referenced by such Cash Instruments, or (iii) in the case of Cash Instruments that are credit linked obligations, the reference entity referenced by the relevant Cash Instrument, or (iv) any other entity, the credit risk in respect of which is embedded in or referenced by such Cash Instrument.

"**Index-Components Arbitrage**" means:

Long (Short): Credit Index CDS + Short (Long): CDS Components

where:

"**Long (Short): Credit Index CDS**" means a long or short position in any credit default swap transaction referencing any series of any credit default swap index published by IHS Markit Ltd. (or any successor entity or affiliate thereof), and any successor and/or replacement index (each a "**Credit Index**"), including, for the avoidance of doubt, the Markit iTraxx and Markit CDX indices, as selected by the Calculation Agent in its sole and absolute discretion, and with term(s) which may end after the Maturity Date of the Notes and/or notional amount(s) that may be higher than the aggregate principal amount of the Notes.

"**Short (Long): CDS Components**" means a short position (where a long position in the Credit Index CDS is taken) or a long position (where a short position in the Credit Index CDS is taken) in a basket of single-name credit default swap transactions each referencing one of the "reference entities" contained in the relevant Credit Index referenced by the corresponding Credit Index CDS and which, in the aggregate, have similar terms, notional amounts and interest payments as the Credit Index CDS.

"**General Funded Arbitrage**" means:

Long (Short): General Assets/Instruments + Short (Long): Replicating Derivatives

where:

"**Long (Short): General Assets/Instruments**" means a long or short position in any asset or instrument (including funds or obligations, including those which are asset-backed) linked to, inter alia, credit, rates, equities, commodities or currencies, with a term (or equivalent) which may end after the Maturity Date of the Notes and/or a notional amount (or equivalent) that may be higher than the aggregate principal amount of the Notes.

"**Short (Long): Replicating Derivatives**" means a short position (where a long position in the General Assets/Instruments is taken) or a long position (where a short position in the General Assets/Instruments is taken) in any transaction having similar terms and notional amounts as the General Assets/Instruments, and referencing the relevant General Assets/Instruments, or any of the assets underlying or linked to the relevant General Assets/Instruments.

Examples of General Funded Arbitrage would include, but not be limited to:

(i) a commodity certificate and a future (a "cash and carry arbitrage"); or

(ii) a convertible bond and a credit default swap transaction plus an equity option (a "convertible arbitrage").

"**Zero Cost Credit Protection**" means a credit default swap or a forward bond transaction (or any other substantially equivalent transaction) where the Issuer is deemed to have received credit protection in respect of a reference entity (or obligor) at zero cost (such that, no premium, no upfront amount and no any other payment is deemed to be payable by the Issuer under the terms of the credit protection contract).

"**Zero Cost Option**" means a credit, interest rate, FX or equity option (or any other substantially equivalent transaction) where the Issuer is deemed to have bought the option at zero cost (such that, no premium, no upfront amount and no any other payment is deemed to be payable by the Issuer under the terms of the option contract).

(m) ***Additional Redemption Right***

The Issuer and any Noteholder may from time to time enter into separate redemption arrangements with respect to the Notes. In this case, the Issuer and any such Noteholder may from time to time agree that the Issuer will redeem some or all of the Notes held by such

Noteholder on any date (each an "**Additional Redemption Date**") at such price per Note, adjusted for any sales commission or other costs as may be agreed (such amount an "**Additional Redemption Amount**"). In each such case, the Issuer will on the relevant Additional Redemption Date redeem each relevant Note as agreed with the Noteholder at the relevant Additional Redemption Amount. All such redeemed Notes will forthwith be cancelled pursuant to Condition 6(j) (*Cancellation*). For the avoidance of doubt, Condition 6(d) (*Purchases*) does not apply.

7. **Payments**

(a) ***General***

(i) Payments of principal (which for the purposes of this Condition 7(a) shall include final Installment Amounts but no other Installment Amounts) in respect of Registered Notes will be made against presentation and surrender of the relevant Certificates or Definitive Notes (as applicable) at the specified office of any of the Principal Paying Agent, the Transfer Agents or the Registrar and in the manner provided in paragraph (ii) below.

(ii) Payments of principal will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the Register maintained by the Registrar (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or DTC is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**").

(iii) Payments of interest and payments of installments of principal (other than the final Installment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (A) other than in the case of payments denominated in Renminbi (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") or (B) in the case of payments denominated in Renminbi, at the close of business on the fifth day (whether or not such fifth day is a business day). Payment of the interest due in respect of each Registered Note on redemption and the final Installment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

(iv) Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned or, if the currency is euro, in such financial centre or centres in the eurozone as designated by the Registrar, or if the currency is Renminbi, in the relevant Renminbi Settlement Centre(s) in accordance with applicable laws, rules and regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to settlement in Renminbi in the relevant Renminbi Settlement Centre(s)), and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided above, such payment of interest may be made by transfer to an account in the Relevant Currency designated by the holder (the "**Designated Account**") with a bank in the principal financial centre of the country of that currency or, if the currency is euro, in such financial centre in the eurozone notified to the Registrar by such holder or, if the currency is Renminbi, into an account denominated in Renminbi and maintained by the payee with a bank in the relevant Renminbi Settlement Centre(s) in accordance

with applicable laws, rules and regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to settlement in Renminbi in the relevant Renminbi Settlement Centre(s)).

(b) ***Payments Subject to Laws, Regulations and Directives***

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives (including all applicable laws and regulations with respect to settlement of Renminbi in the relevant Renminbi Settlement Centre(s)), but without prejudice to the provisions of Condition 8 (*Taxation*), (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations, official guidance or agreements thereunder, or any law, regulations or official guidance implementing an intergovernmental approach thereto (any such withholding or deduction "**FATCA Withholdings**"), and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code (any such withholding or deduction, "**871(m) Withholding**"). In addition, in determining the amount of 871(m) Withholding imposed with respect to any amounts to be paid on the Notes, the Issuer shall be entitled to withhold on any "dividend equivalent" (as defined for purposes of Section 871(m) of the Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law. Payments on the Notes that reference U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70%. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer will be deemed to withhold, 30% of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(c) ***Appointment of Agents***

The Principal Paying Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Calculation Agent, the Registrar or any Transfer Agent and to appoint additional or other agents **provided that** the Issuer will at all times maintain (i) a Principal Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Calculation Agent where the Conditions so require one, (v) Paying Agents in relation to Notes having a specified office in at least one major European city, other than the jurisdiction in which the Issuer or the Guarantor is incorporated, and (vi) if, and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, such other agents as are required by such competent authority, stock exchange and/or quotation system. In addition, the Issuer shall forthwith appoint a Paying Agent in New York in respect of any Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 14 (*Notices)*.

(d) ***Non-Business Days***

If any date for payment in respect of any Note is not a Relevant Business Day, the holder shall not be entitled to payment until the next following Relevant Business Day nor to any interest or other sum in respect of such postponed payment.

(e) ***Payment Disruption Event***

If "Payment Disruption Event" is specified as applicable in the Pricing Supplement, where the Calculation Agent determines that a Payment Disruption Event has occurred or is likely to occur:

(i) the next date for payment of any amount due in respect of the Notes will be postponed to the earliest to occur of (i) the date falling 2 Business Days after the date on which the Calculation Agent determines that the Payment Disruption Event is no longer occurring or in existence or (ii) the date falling 60 calendar days following the scheduled due date for payment of the relevant amount (the "**Postponed Payment Date**"), which, for the avoidance of doubt, may be later than the scheduled Maturity Date. No interest shall accrue and no Event of Default will result on account of such postponement; and

(ii) (i) in the case of (i) above, the Issuer will pay the relevant amount due in respect of the Notes in the Specified Currency on the Postponed Payment Date, or (ii) in the case of (ii) above, the Issuer shall give notice to the Noteholders as soon as practicable in accordance with Condition 14 (*Notices)*, and (x) convert the relevant amount due in respect of the Notes into U.S. Dollars using the rate of exchange between the Specified Currency and the U.S. Dollar that the Calculation Agent determines 5 Business Days prior to the Postponed Payment Date and taking into consideration all information that it deems relevant. The Issuer will pay such amount in U.S. Dollars less the cost to the Issuer and/or any of its Affiliates (if any) of unwinding any underlying related hedging arrangements in connection with such Payment Disruption Event and/or the related payment, and the Issuer shall have no further obligations whatsoever for the relevant payment under the Notes or (y) if the Calculation Agent determines that it is not possible to determine the rate of exchange, the Issuer may early redeem all the Notes at an amount in U.S. Dollars determined to be the fair market value of such Notes less Associated Costs.

For the purposes of the above, "**Payment Disruption Event**" means an event or circumstance which (a) prevents, restricts or delays the Issuer from converting or delivering relevant currencies, (b) imposes capital or exchange controls, (c) implements changes to laws relating to foreign investments or, (d) otherwise prohibits or prevents the Issuer from making a payment or performing an obligation required of it as a result of war, catastrophe, governmental action or other event beyond its control, including the relevant currency's exclusion as a full settlement currency in the clearing systems.

8. **Taxation**

All payments of principal and interest in respect of the Notes by the Issuer or (as the case may be) the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Spain, or the Netherlands or any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Note or under the Guarantee:

(a) to, or to a third party on behalf of, a holder or to the beneficial owner of the Notes who is liable for such taxes in respect of such Note by reason of his having some connection with Spain or the Netherlands other than the mere holding of such Notes, including by virtue of being tax

resident in, engaged in business in, or established under the laws of, Spain or the Netherlands; or

(b) presented for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on such 30th day; or

(c) to, or to a third party on behalf of, a holder or to the beneficial owner in respect of whose Notes the Issuer does not receive in a timely manner a duly executed and completed certificate from the Principal Paying Agent pursuant to Law 10/2014 and Royal Decree 1065/2007, and any implementing legislation or regulation; or

(d) to, or to a third party on behalf of, Spanish resident corporate entities subject to Spanish Corporate Income Tax, if the Spanish Tax Authorities determine that the Notes do not comply with applicable exemption requirements, including those specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or

(e) where such withholding or deduction is required to be made pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*); or

(f) to, or to a third party on behalf of, a holder or beneficial owner in respect of whom the Issuer does not receive such information establishing such holder's identity, tax residence or connection (or lack thereof) with the taxing jurisdiction as may be required in order to comply with the procedures to avoid any withholding tax upon the payment of interest; or

(g) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information concerning such holder's identity and tax residence as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities.

In addition, additional amounts will not be payable with respect to any taxes that are imposed in respect of any combination of the items set forth above.

Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding or 871(m) Withholding.

9. **Prescription**

Claims against the Issuer and the Guarantor for payment in respect of the Notes shall be prescribed and become void unless made within six years from the appropriate Relevant Date in respect thereof.

10. **Events of Default**

If any of the following events (each an "**Event of Default**") occurs and is continuing, the holder of a Note of any Series may give written notice to the Principal Paying Agent at its specified office that such Note is immediately repayable, whereupon the Redemption Amount of such Note, subject as provided below, together with, other than in the case of Call Option Rate Notes and Put Option Rate Notes, accrued interest to the date of payment shall become immediately due and payable;

(a) if default is made in the payment of any interest or principal due in respect of the Notes or any of them and such default continues for a period of seven days; or

(b) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under or in respect of the Notes, the Guarantee or the Agency Agreement and (except in the case where such failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a holder of a Note on the Issuer of notice requiring the same to be remedied; or

(c) if any Indebtedness for Borrowed Money (as defined below) of the Issuer or the Guarantor becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer or the Guarantor fails to make any payment in respect of any Indebtedness for

Borrowed Money on the due date for such payment or within any originally applicable grace period or any security given by the Issuer or the Guarantor for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce the same or if default is made by the Issuer or the Guarantor in making any payment when due (or within any applicable grace period in respect thereof) under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, **provided that** no such event as aforesaid shall constitute an Event of Default unless the Indebtedness for Borrowed Money or other liability relative thereto either alone or when aggregated with other Indebtedness for Borrowed Money and/or other liabilities relative to all (if any) other such events which shall have occurred shall amount to at least U.S.$50 million (or its equivalent in any other currency); or

(d) if any order is made by any competent court or resolution passed for the winding-up, examination or dissolution of the Issuer or the Guarantor unless it is done in connection with a merger, amalgamation or reconstruction or other form of business combination with another company (in the case of the Guarantor, such company to be part of a financial group) and that company assumes all the obligations of the Issuer or the Guarantor, as the case may be, in connection with the Notes, whether by express assumption or by application of law; or

(e) if the Issuer or the Guarantor ceases or threatens to cease to carry on the whole or a substantial part of its business, except for the purposes of a reconstruction, merger or amalgamation or other form of business combination with another company (in the case of the Guarantor, such company to be part of a financial group) and that company assumes all the obligations of the Issuer or the Guarantor, as the case may be, in connection with the Notes, whether by express assumption or by application of law, or the Issuer or the Guarantor stops, suspends or threatens to stop or suspend payment of, or is unable to, or admits inability to, pay all or a material part of its debts (or any class thereof) as they fall due, or proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or any class of) the debts of the Issuer or the Guarantor, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is (or could be deemed by law or a court to be) adjudicated or found bankrupt or insolvent; or

(f) if (i) proceedings are initiated against the Issuer or the Guarantor under any applicable liquidation, insolvency, examination, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, examiner, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or the Guarantor or in relation to the whole or a part of the undertaking or assets of either of them, or an encumbrancer takes possession of the whole or a part of the undertaking or assets of either of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a part of the undertaking or assets of any of them and (ii) in any case is not discharged within 14 days; or

(g) if the Issuer or the Guarantor initiates or consents to judicial proceedings relating to itself under any applicable liquidation, examination, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or

(h) the Issuer ceases to be wholly owned and controlled by the Guarantor; or

(i) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes and the Guarantee, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes and the Guarantee admissible in evidence in the courts of Spain and/or New York, as applicable is not taken, fulfilled or done; or

(j) if the Guarantee ceases to be a valid and binding obligation of the Guarantor or it becomes unlawful for the Guarantor to perform its obligations under the Guarantee or the Guarantee is claimed by the Issuer or the Guarantor not to be in full force and effect; or

(k) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs including, but not limited to, *concurso de acreedores*.

As used herein "Indebtedness for Borrowed Money" means (a) money borrowed and premiums and accrued interest in respect thereof, (b) liabilities under or in respect of any acceptance or acceptance credit or (c) the principal and premium (if any) and accrued interest in respect of any bonds, notes, debentures, debenture stock, loan stock, certificates of deposit or other securities whether issued for cash or in whole or in part of a consideration other than cash.

11. **Meetings of Noteholders and Modifications**

(a) ***Meetings of Noteholders***

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider any matter affecting their interest, including modification by Extraordinary Resolution (or, as the case may be, written resolution which shall take effect as if it were an Extraordinary Resolution) of the Notes (including these Conditions insofar as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not, except that any Extraordinary Resolution proposed, inter alia, (i) to amend the dates of maturity or redemption of the Notes, any Installment Date or any date for payment of interest thereon, (ii) to reduce or cancel the principal amount of any Installment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, Installment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to change any method of calculating the Redemption Amount, (vi) to change the currency or currencies of payment or denomination of the Notes, (vii) to take any steps which as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at which a special quorum (provided for in the Agency Agreement) is present. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than 95% in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

These Conditions may be supplemented, amended, modified, or replaced in relation to any Series of Notes by the terms of the applicable Pricing Supplement in relation to such Series.

(b) ***Modification***

The Issuer and Guarantor may agree, without the consent of the Noteholders to:

(i) any modification of the Notes, the Guarantee or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes, the Guarantee or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices)* as soon as practicable thereafter.

12. **Replacement of Certificates**

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and competent authority, stock exchange and/or quotation system requirements, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 14 (*Notices)*, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates) and otherwise as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders create and issue further notes having the same terms and conditions as the Notes and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly; provided that any additional Notes that are treated as indebtedness for U.S. federal income tax purposes and have the same CUSIP or other identifying number of outstanding Notes must be fungible with the outstanding Notes for U.S. federal income tax purposes.

14. **Notices**

Notices to the Holders of Registered Notes will be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

So long as the Notes are held on behalf of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system, notices to Noteholders of Notes represented by a Global Note Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg, DTC or (as the case may be) such other clearing system and, in any case, such notices shall be deemed to have been given in accordance with this Condition 14 (Notices) on the date of delivery to Euroclear, Clearstream, Luxembourg or DTC and/or such other clearing system. In addition, for so long as such Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required.

15. **Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any holder of Notes in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the holder of Notes to demonstrate that it would have suffered a loss had an actual purchase been made. These

indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder of Notes and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note of any other judgment or order.

16. **Governing Law and Jurisdiction**

(a) ***Governing law***

The Notes, the New York Law Guarantee and all non-contractual obligations arising out of or in connection with are governed by, and construed in accordance with, the laws of the State of New York, save for the provisions of Condition 4(b) relating to the status of the Guarantees. The Spanish Law Instrument of Guarantee and all non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Spanish law.

(b) ***Jurisdiction***

The courts of the State of New York and the U.S. federal courts located in The City of New York, Borough of Manhattan (collectively, the "**New York Courts**") have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes (including a dispute relating to the existence, validity, interpretation, performance, breach or termination of the Notes or the consequences of their nullity and any dispute relating to any non-contractual obligation arising out of or in connection with the Notes) (a "**Dispute**") and accordingly, each of the Issuer, the Guarantor and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the New York Courts.

(c) ***Appropriate forum***

Each of the Issuer and the Guarantor waives any objection to the New York Courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(d) ***Process agent***

Each of the Issuer and the Guarantor agrees that the documents which start any proceedings and any other documents required to be served in relation to those proceedings may be served on it by being delivered to New York. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer or the Guarantor, as the case may be, the Issuer and the Guarantor (acting together) shall, on the written demand of any holder of Notes addressed and delivered to the Issuer and the Guarantor or to the specified office of the Principal Paying Agent, appoint a further person in New York to accept service of process on its behalf and, failing such appointment within 15 days, any holder of Notes shall be entitled to appoint such a person by written notice addressed to the Issuer and Guarantor and delivered to the Issuer and Guarantor or to the specified office of the Principal Paying Agent. Nothing in this paragraph shall affect the right of any holder of Notes to serve process in any other manner permitted by law. This Condition applies to proceedings in New York and to proceedings elsewhere.

(e) ***Waiver of trial by jury***

WITHOUT PREJUDICE TO CONDITION 17(b) (*Jurisdiction)*, EACH OF THE ISSUER AND THE GUARANTOR WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH THE NOTES. THESE CONDITIONS MAY BE FILED AS A WRITTEN CONSENT TO A BENCH TRIAL.

17. **Knock-in Event and Knock-out Event**

This Condition 17 only applies to Index Linked Notes, Share Linked Notes, ETF Linked Notes and Fund Linked Notes Linked to an ETF.

(a) This Condition 17 is applicable only if:

(i) Knock-in Event is specified as applicable in the Pricing Supplement, in which case any payment under the Notes which is expressed to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event; or

(ii) Knock-out Event is specified as applicable in the Pricing Supplement, in which case any payment under the relevant Notes which is expressed to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

(b) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Pricing Supplement is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one-hour period that begins or ends at the Valuation Time a Knock-in Event or a Knock-out Event would otherwise have occurred and a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the level or price, as applicable, of each affected Share Index, Share or Fund Share, as applicable, as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date in order to determine whether a Knock-in Event or a Knock-out Event has occurred.

(c) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Pricing Supplement is any time or period of time other than the Valuation Time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the Knock-in Valuation Time or Knock-out Valuation Time, a Knock-in Event or a Knock-out Event would otherwise have occurred and a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the level or price, as applicable, of each affected Share Index, Share or Fund Share, as applicable, as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date.

"**Knock-in Determination Day**" means the date(s) specified as such in the Pricing Supplement, or otherwise each Scheduled Trading Day during the Knock-in Determination Period.

"**Knock-in Determination Period**" means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

"**Knock-in Event**" means the Knock-in Value is (A):

(a) greater than;

(b) greater than or equal to;

(c) less than; or

(d) less than or equal to,

the Knock-in Level (in the case of Index Linked Notes) or Knock-in Price (in the case of Share Linked Notes or Fund Linked Notes linked to one or more ETFs) or (B) within the Knock-in Range (x) on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period, as specified in the Pricing Supplement.

"**Knock-in Level**" means the level, amount, number or percentage specified as such in the Pricing Supplement, subject to adjustment from time to time in accordance with the provisions of these Conditions and/or the Equity Linked Conditions.

"**Knock-in Period Beginning Date**" means the date specified as such in the Pricing Supplement or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-in Period Ending Date**" means the date specified as such in the Pricing Supplement or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-in Price**" means the price, amount, percentage or number specified as such in the Pricing Supplement, subject to adjustment from time to time in accordance with the provisions of these Conditions, the Equity Linked Conditions and/or the Fund Linked Conditions, as applicable.

"**Knock-in Range**" means the range of levels, prices, amounts, numbers or percentages specified as such or otherwise determined in the relevant Pricing Supplement, subject to adjustment from time to time in accordance with the provisions of these Conditions, the Equity Linked Conditions and/or the Fund Linked Conditions, as applicable;

"**Knock-in Valuation Time**" means the time or period of time on any Knock-in Determination Day specified as such in the Pricing Supplement or in the event that the Pricing Supplement does not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

"**Knock-in Value**" has the meaning given to it in the Pricing Supplement, being a term defined in Payout Condition 4.2.

"**Knock-out Determination Day**" means the date(s) as specified in the Pricing Supplement, or otherwise each Scheduled Trading Day during the Knock-out Determination Period.

"**Knock-out Determination Period**" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

"**Knock-out Event**" means the Knock-out Value is (A):

(a) greater than;

(b) greater than or equal to;

(c) less than; or

(d) less than or equal to,

the Knock-out Level (in the case of Index Linked Notes) or Knock-out Price (in the case of Share Linked Notes or Fund Linked Notes linked to one or more ETFs) or (B) within the Knock-out Range (x) on a Knock-out Determination Day or (y) in respect of any Knock-out Determination Period, as specified in the Pricing Supplement.

"**Knock-out Level**" means the level, amount, number or percentage specified as such in the Pricing Supplement, subject to adjustment from time to time in accordance with the provisions of these Conditions and/or the Equity Linked Conditions.

"**Knock-out Period Beginning Date**" means the date specified as such in the Pricing Supplement or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-out Period Ending Date**" means the date specified as such in the Pricing Supplement or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-out Price**" means the price, amount, percentage or number specified as such in the Pricing Supplement, subject to adjustment from time to time in accordance with the provisions of these Conditions, the Equity Linked Conditions and/or the Fund Linked Conditions, as applicable.

"**Knock-out Range**" means the range of levels, prices, amounts, numbers or percentages specified as such or otherwise determined in the Pricing Supplement, subject to adjustment from time to time in accordance with the provisions of these Conditions, the Equity Linked Conditions and/or the Fund Linked Conditions, as applicable.

"**Knock-out Valuation Time**" means the time or period of time on any Knock-out Determination Day specified as such in the Pricing Supplement or in the event that the Pricing Supplement does not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

"**Knock-out Value**" has the meaning given to it in the Pricing Supplement, being a term defined in Payout Condition 4.2.

18. **Automatic Early Redemption Event**

This Condition 18 only applies to Notes other than Inflation Linked Notes, Credit Linked Notes, Foreign Exchange (FX) Rate Linked Notes and Fund Linked Notes which are not linked to an ETF.

If "Automatic Early Redemption Event" is specified as applicable in the Pricing Supplement, then unless previously redeemed or purchased and cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) in respect of an Automatic Early Redemption Valuation Period, as specified in the Pricing Supplement, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or the last day of the relevant Automatic Early Redemption Valuation Period, as applicable, and the Issuer shall pay an amount in respect of each Calculation Amount equal to the relevant Automatic Early Redemption Amount.

"**AER Value**" has the meaning given to it in the Pricing Supplement, being a term defined in Payout Condition 4.2 (*Value Definitions*).

"**AER Value Automatic Early Redemption Event**" means, in respect of Index Linked Notes, Share Linked Notes and Fund Linked Notes only, the AER Value is:

(a) greater than;

(b) greater than or equal to;

(c) less than; or

(d) less than or equal to,

the Automatic Early Redemption Level (in the case of Index Linked Notes) or Automatic Early Redemption Price (in the case of Share Linked Notes or Fund Linked Notes), (a), (b), (c) or (d) applying as specified in the Pricing Supplement.

"**Automatic Early Redemption Amount**" means an amount, in respect of each principal amount of Notes equal to the Calculation Amount, being the Automatic Early Redemption Payout set out in the Pricing Supplement.

"**Automatic Early Redemption Date**" means each date specified as such in the Pricing Supplement or if such date is not a Business Day, the next following Business Day, and no Noteholder shall be entitled to any interest or further payment in respect of such delay.

"**Automatic Early Redemption Event**" means the occurrence of an AER Value Automatic Early Redemption Event or a Target Coupon Automatic Early Redemption Event, as specified in the Pricing Supplement.

"**Automatic Early Redemption Level**" means the level, amount, number or percentage specified as such in the Pricing Supplement, subject to adjustment from time to time in accordance with the provisions of these Conditions and/or the Equity Linked Conditions.

"**Automatic Early Redemption Payout**" is as specified in the relevant Pricing Supplement.

"**Automatic Early Redemption Price**" means the price, amount, percentage or number specified as such in the Pricing Supplement, subject to adjustment from time to time in accordance with the provisions of these Conditions and/or the Equity Linked Conditions and/or the Fund Linked Notes Conditions, as applicable.

"**Automatic Early Redemption Valuation Date**" means each date specified as such in the Pricing Supplement or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the Automatic Early Redemption Valuation Date shall be delayed in accordance with the corresponding provisions of the definition of Valuation Date which shall apply *mutatis mutandis* as if references in such provisions to Valuation Date were to Automatic Early Redemption Valuation Date.

"**Automatic Early Redemption Valuation Period**" means each period specified as such in the Pricing Supplement;

"**Automatic Early Redemption Valuation Time**" has the meaning given it in the Pricing Supplement.

"**Target Coupon Automatic Early Redemption Event**" means the Accumulated Coupon (as defined in Payout Condition 4.1) is greater than or equal to the Target Coupon Percentage.

19. **Additional Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Averaging Date**" means, in the case of Index Linked Notes relating to one or more Share Index, Share Linked Notes relating to one or more Share, Fund Linked Notes relating to one or more ETF or EUA Contract Linked Notes relating to one or more EUA Contracts or Notes relating to a Cross Asset Basket, each date specified as an Averaging Date in the Pricing Supplement or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(a) where "Scheduled Trading Day (Per Share Basis)" or "Scheduled Trading Day (Per Share Index Basis)" is specified in the Pricing Supplement:

(i) if "**Omission**" is specified as applying in the Pricing Supplement, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level, price or amount provided that, if through the operation of this provision no Averaging Dates would occur, then the Averaging Date will not be omitted and the provisions of the definition of "**Valuation Date**" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

(ii) if "**Postponement**" is specified as applying in the Pricing Supplement, then the provisions of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "**Modified Postponement**" is specified as applying in the Pricing Supplement then:

(1) where the Notes are Index Linked Notes or Equity Linked Notes relating to a Single Share Index or a Single Share, respectively, or Fund Linked Notes relating to a single Fund, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption

immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of Valuation Date below;

(2) where the Notes are Index Linked Notes or Equity Linked Notes relating to a Share Index Basket or a Share Basket, respectively, the Averaging Date for each Share or Share Index, as applicable, shall be the first succeeding Valid Date in relation to every Share and/or Share Index, as applicable, forming part of the Share Basket and/or the Share Index Basket, as applicable. If the first succeeding Valid Date in relation to every Share or Share Index forming part of the Share Basket or the Share Index Basket, as applicable, has not occurred for a number of consecutive Scheduled Trading days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date) in respect of every Share or Share Index, as applicable, forming part of the Share Basket or the Share Index Basket, as applicable, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of Valuation Date below;

(3) where the Notes are Fund Linked Notes relating to a Fund Basket, the Averaging Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Fund Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Fund Share. If the first succeeding Valid Date in relation to such Fund Share has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Fund Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of Valuation Date below; or

(b) where "Scheduled Trading Day (All Shares Basis)", "Scheduled Trading Day (All Share Indices Basis)" or "Scheduled Trading Day (Cross Asset Basis)" is specified in the Pricing Supplement:

(i) if "**Omission**" is specified as applying in the Pricing Supplement, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level, price or amount provided that, if through the operation of this provision no Averaging Dates would occur, then:

(1) the sole Averaging Date for each Share and/or Share Index, as applicable, which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the originally designated final Averaging Date (the "**Scheduled Final Averaging Date**"); and

(2) the sole Averaging Date for each Share and/or Share Index, as applicable, which the Calculation Agent determines is affected by the occurrence of a Disrupted Day (each an "**Affected Item**") shall be the first Scheduled Trading Day following the Scheduled Final Averaging Date that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Final Averaging Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the

Calculation Agent shall (x) where an Affected Item is a Share Index, determine the Settlement Level using the level of that Share Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Share Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Share Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day) or (y) where an Affected Item is a Share, determine the Settlement Price using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day, and otherwise in accordance with the Valuation Date provisions;

(ii) if "**Postponement**" is specified as applying in the Pricing Supplement, then the Averaging Date for each Share and/or Share Index, as applicable, shall be the first succeeding Scheduled Trading Day following the originally designated Averaging Date (the "**Scheduled Averaging Date**") that is not a Disrupted Day in relation to any Share and/or Share Index (irrespective of whether, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date) unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption is a Disrupted Day for any Share and/or Share Index (each an "**Affected Item**"). In that case: (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date for the Affected Item (irrespective of whether, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date), and (ii) the Calculation Agent shall (x) where an Affected Item is a Share Index, determine the Settlement Level using the level of that Share Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Share Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Share Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day) or (y) where an Affected Item is a Share, determine the Settlement Price using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day, and otherwise in accordance with the Valuation Date provisions; or

(iii) if "**Modified Postponement**" is specified as applying in the Pricing Supplement then (i) the Averaging Date for each Share and/or Share Index, as applicable, which the Calculation Agent determines is not affected by the occurrence of a Disrupted Date shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**"), and (ii) the Averaging Date for each Share and/or Share Index, as applicable, which the Calculation Agent determines is affected by the occurrence of a Disrupted Day (each an "**Affected Item**") shall be the first succeeding Valid Date (as defined below) in relation to each Affected Item. If the first succeeding Valid Date in respect of an Affected Item has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (x) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (y) the Calculation Agent shall (A) where an Affected Item is a Share Index, determine the Settlement Level using the level of that Share Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Share Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Share Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day) or (B) where an Affected Item is a Share, determine the Settlement Price using its good faith estimate of the value for the Affected Item as of the

Valuation Time on the last such consecutive Scheduled Trading Day, and otherwise in accordance with the Valuation Date provisions.

For the purposes of these Terms and Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**Coupon Valuation Date**" means the date specified as such in the Pricing Supplement.

"**Observation Date**" means, in the case of Index Linked Notes relating to one or more Share Index, Share Linked Notes relating to one or more Share, Fund Linked Notes relating to one or more ETF, EUA Contract Linked Notes relating to one or more EUA Contracts or Notes relating to a Cross Asset Basket, each date specified as an Observation Date in the Pricing Supplement, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to Omission, Postponement or Modified Postponement, as specified in the Pricing Supplement, contained in the definition of Averaging Date shall apply *mutatis mutandis* as if references in such provisions to Averaging Date were to Observation Date.

"**Observation Period**" means the period specified as the Observation Period in the Pricing Supplement.

"**Redemption Valuation Date**" means the date specified as the Redemption Valuation Date in the Pricing Supplement.

"**Relevant Asset(s)**" means the relevant asset(s) so specified in the Pricing Supplement.

"**Strike Date**" means the Strike Date specified in the Pricing Supplement.

"**Strike Day**" means each date specified as such in the relevant Pricing Supplement.

"**Strike Period**" means the period specified as the Strike Period in the Pricing Supplement.

"**Valuation Date**" means, in the case of Index Linked Notes relating to one or more Share Index, Share Linked Notes relating to one or more Share, Fund Linked Notes relating to one or more ETF, EUA Contract Linked Notes relating to one or more EUA Contracts or Notes relating to a Cross Asset Basket, the Coupon Valuation Date, Strike Date, the Redemption Valuation Date and/or any other date for valuation of the relevant asset(s) or reference basis(es), as the case may be, specified in the Pricing Supplement or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(a) in the case of Index Linked Notes relating to a single Share Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Level by determining the level of the Share Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Share Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Share Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day);

(b) in the case of Index Linked Notes relating to a Share Index Basket, the Valuation Date for each Share Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of any Share Index forming part of the Share Index Basket unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day in respect of any Share Index forming part of the Share Index Basket. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for each Share Index forming

part of the Share Index Basket, notwithstanding the fact that such day is a Disrupted Day with respect to any Share Index, and (ii) the Calculation Agent shall determine the Settlement Level using the level of that Share Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Share Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Share Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day) and otherwise in accordance with the above provisions;

(c) in the case of Fund Linked Notes, Share Linked Notes or EUA Contract Linked Notes relating to a single Fund Share of an ETF, a single Share or a single EUA Contract, respectively, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that last such consecutive Scheduled Trading Day;

(d) in the case of Share Linked Notes relating to a Share Basket, the Valuation Date for each Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of any Shares forming part of the Share Basket unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to any Share of the Share Basket. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for each Share of the Share Basket, notwithstanding the fact that such day is a Disrupted Day with respect to any Share, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the relevant affected Share, its good faith estimate of the value for the affected Share as of the Valuation Time on the last such consecutive Scheduled Trading Day and otherwise in accordance with the above provisions;

(e) in the case of Fund Linked Notes relating to a basket of Fund Shares of one or more ETFs, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Fund Share affected (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day and otherwise in accordance with the above provisions; or

(f) in the case of Notes relating to a Cross Asset Basket, the Valuation Date for each Share and/or Share Index in such Cross Asset Basket not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Share and/or Share Index, as applicable, affected (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall (x) where an Affected Item is a Share Index, determine the Settlement Level using the level of that Share Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Share Index last in effect prior

to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Share Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day) or (y) where an Affected Item is a Share, determine the Settlement Price using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day, and otherwise in accordance with the above provisions.

For the purpose of improving the reading and intelligibility in connection with the applicable meaning of Valuation Date used in the relevant Pricing Supplement, a numerical or letter suffix value may be attributed when included in the Pricing Supplement.

20. **Contractual Recognition and Acknowledgment of Bail-in Powers**

Notwithstanding and to the exclusion of any other term of the Notes or the Guarantee or any other agreements, arrangements, or understandings between the Issuer, the Guarantor and any Noteholder, by its acquisition of the Notes, each Noteholder (which, for the purposes of this Condition, includes each holder of a beneficial interest in the Notes at any moment) acknowledges and accepts that any liability arising under the Notes or the Guarantee may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledges, accepts, consents and agrees to be bound by:

(a) the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or some combination thereof:

(i) the reduction of all, or a portion, of the amounts due under the Notes or the Guarantee;

(ii) the conversion of all, or a portion, of the amounts due under the Notes or the Guarantee into shares, other securities or other obligations of the Issuer, the Guarantor or another person (and the issue to or conferral on the Noteholders of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes or the Guarantee;

(iii) the cancellation of the Notes or the Guarantee;

(iv) the amendment or alteration of the maturity of the Notes or the Guarantee or amendment of the amount of interest (if any) payable on the Notes or the Guarantee, or the dates on which the interest becomes payable, including by suspending payment for a temporary period;

(b) the variation of the terms of the Notes or the Guarantee, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

(c) For the purposes of this Condition 20:

"**Bail-In Legislation**" means the European Union (Bank Recovery and Resolution) Regulations 2015 (S.I. No. 289/2015) (as amended or re-enacted).

"**Bail-in Powers**" means any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with, any law or regulation in effect in Spain or the Netherlands, relating to the transposition of Directive 2014/59/EU (as amended or re-enacted) establishing a framework for the recovery and resolution of credit institutions and investment firms, including but not limited to the Bail-In Legislation and Regulation (EU) No 806/2014 (as amended or re-enacted) and the instruments, rules and standards created thereunder, pursuant to which: (a) any obligation of a bank or investment firm or affiliate of a bank or investment firm can be reduced, cancelled, modified or converted into shares, other securities or other obligations of such entity or any other person (or suspended for a temporary period); and (b) any right in a contract governing an obligation of a bank or investment firm or affiliate of a bank or investment firm may be deemed to have been exercised.

References in this Condition to a "regulation" include any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation.

"**Relevant Resolution Authority**" means the resolution authority with the ability to exercise any Bail-in Powers in relation to the Issuer or the Guarantor.

(d) No repayment or payment of amounts due under the Notes will become due and payable or be paid after the exercise of any Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

(e) Neither a reduction or cancellation, in part or in full, of the amounts due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes will be an Event of Default.

(f) Upon the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes, the Issuer will give notice to the Noteholders in accordance with Condition 14 (*Notices)* as soon as practicable regarding such exercise of the Bail-in Power.

ANNEX 1
PROVISIONS RELATING TO EQUITY LINKED NOTES

This Annex 1 (*Provisions relating to Equity Linked Notes*) is applicable only in relation to Notes specified in the Pricing Supplement as being one of the following Notes:

(i) Notes linked to the Shares of an entity not affiliated with the Issuer ("**Single Share Linked Notes**");

(ii) Notes linked to a basket of Shares of entities not affiliated with the Issuer ("**Share Basket Linked Notes**");

(iii) Notes linked to a single index of Shares not prepared by the Issuer or entities affiliated with the Issuer ("**Single Share Index Linked Notes**"); and

(iv) Notes linked to a basket of indices of Shares not prepared by the Issuer or entities affiliated with the Issuer ("**Share Index Basket Linked Notes**").

In this Annex 1, references to "**Share**" and "**Share Index**" shall have the meanings given to them in the relevant Pricing Supplement.

In the event of any inconsistency between the Conditions and the additional terms and conditions relating to Equity Linked Notes set out in this Annex 1 (the "**Equity Linked Conditions**"), the Equity Linked Conditions shall prevail. In the event of any inconsistency between the Equity Linked Conditions and the Payout Conditions, the Payout Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Equity Linked Conditions and (ii) the Pricing Supplement, the Pricing Supplement shall prevail.

PART 1 SINGLE SHARE LINKED NOTES

This Part 1 (*Single Share Linked Notes*) is applicable only in relation to Notes specified in the Pricing Supplement as being Single Share Linked Notes.

1. DEFINITIONS

"**Exchange**" means each exchange or quotation system specified in the relevant Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporary relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means (a) Exchange Business Day (Single Share Basis) or (b) Exchange Business Day (Cross Asset Basis), in each case as specified in the Pricing Supplement.

"**Exchange Business Day (Cross Asset Basis)**" means, in respect of a basket of assets, any Scheduled Trading Day on which the Exchange and the Related Exchange (if any) in respect of the Share is open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time, and which is also an Exchange Business Day under and as defined in the Equity Linked Conditions for Single Share Index Linked Notes and/or Share Index Basket Linked Notes and/or the ETF Linked Conditions.

"**Exchange Business Day (Single Share Basis)**" means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Business Day Convention**" means any of the following, as specified in the relevant Pricing Supplement:

- Following Business Day Convention: if a date specified as Valuation Date in the Pricing Supplement is not an Exchange Business Day, such Valuation Date will be the first succeeding Exchange Business Day.

- Modified Following Business Day Convention: if a date specified as Valuation Date in the Pricing Supplement is not an Exchange Business Day, such Valuation Date will be the first succeeding Exchange Business Day unless that day falls in the next calendar month, in which case such Valuation Date will be the first preceding day that is an Exchange Business Day.

"**Related Exchange**" means each exchange or quotation system specified as such for the Share in the Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the Pricing Supplement, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.

"**Relevant Price**" means, subject as referred to in relation to any Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, as the case may be, in the case of a Share, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or Averaging Date, as the case may be, if so specified in the Pricing Supplement) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the Pricing Supplement, the relevant Settlement Price Date, or (ii) if Averaging is specified in the Pricing Supplement, the relevant Averaging Date or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the Pricing Supplement) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or Averaging Date, as the case may be, if so specified in the Pricing Supplement) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide, such amount to be converted, if so specified in the Pricing Supplement, into the Specified Currency at the Exchange Rate specified in the Pricing Supplement on the relevant Settlement Price Date or Averaging Date and such converted amount to be the Relevant Price, all as determined by or on behalf of the Calculation Agent.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Trading Day**" means (a) Scheduled Trading Day (Single Share Basis) or (b) Scheduled Trading Day (Cross Asset Basis), in each case as specified in the Pricing Supplement.

"**Scheduled Trading Day (Cross Asset Basis)**" means, in respect of a basket of assets, any day on which the Exchange and Related Exchange in respect of the Share are scheduled to be open for trading for their respective regular trading session, and which is also a Scheduled Trading Day under and as defined in the Equity Linked Conditions for Single Share Index Linked Notes and/or Share Index Basket Linked Notes and/or the ETF Linked Conditions.

"**Scheduled Trading Day (Single Share Basis)**" means any day on which the Exchange and Related Exchange are scheduled to be open for trading for their respective regular trading session.

"**Settlement Price**" means, subject as referred to in relation to any Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, as the case may be, (A) if Averaging is not specified in the Pricing Supplement, the Relevant Price for the relevant Settlement Price Date, or (B) if Averaging is specified in the Pricing Supplement, the arithmetic mean of the Relevant Prices of the Single Share on each Averaging Date or (C) if Averaging (Per Share) is specified in the Pricing Supplement, the arithmetic

mean of the Relevant Prices for the relevant Share on each Averaging Date, all as determined by or on behalf of the Calculation Agent in a commercially reasonable manner.

"**Settlement Price Date**" means any Automatic Early Redemption Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, as the case may be.

"**Share Issuer**" means, in respect of a Share, the issuer of the Share as specified in the Pricing Supplement.

"**Specified Maximum Days of Disruption**" means the number of days specified in the Pricing Supplement, or if not so specified, five Scheduled Trading Days.

"**Valuation Time**" means Coupon Valuation Time or the Redemption Valuation Time, as the case may be, specified as such in the Pricing Supplement or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2. **MARKET DISRUPTION EVENTS**

2.1 "**Market Disruption Event**" means, in respect of a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in each case ((i) and (ii)) the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

2.2 "**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

2.3 "**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Share on any relevant Related Exchange.

2.4 "**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

2.5 "**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Issuer of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Automatic Early Redemption Valuation Date, an Averaging Date, a Knock-in Determination Day or a Knock-out Determination Day, an Observation Date or a Valuation Date, as the case may be. Without limiting the obligation of the Calculation Agent to notify the Issuer as set forth in the preceding sentence, failure by the Calculation Agent to notify the Issuer of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

Where Exchange Business Day (Cross Asset Basis) and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Pricing Supplement for (i) Index Linked Notes, (ii) Equity Linked Notes and/or (iii) ETF Linked Notes, a "**Disrupted Day**" shall also mean any Scheduled Trading Day on which a Disrupted Day occurs under and as defined in the Equity Linked Conditions and/or ETF Linked Conditions.

2.6 "**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

3. **ADJUSTMENTS**

Potential Adjustment Events:

3.1 Following the declaration by the Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (i) make the corresponding adjustment(s), if any, to the Relevant Asset, the Strike Price, Initial Price, Final Price and Barrier(s), as the case may be, and any other variable relevant to the redemption and the payment of the coupon amount or other terms of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Shares traded on such options exchange.

3.2 For the purposes hereof:

"**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of a relevant Share (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Shares of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another share issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an Extraordinary Dividend;

(iv) a call by the Share Issuer in respect of relevant Shares that are not fully paid;

(v) a repurchase by the Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of the Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vii) any other event that may have a diluting or concentrative effected on the theoretical value of the relevant Shares.

4. **EXTRAORDINARY EVENTS**

4.1 **Definitions:**

"**Additional Disruption Event**" means a Change in Law, Failure to Deliver, Insolvency Filing or Hedging Disruption.

"**Announcement Date**" means, (i) in the case of a Merger Event, the date of the first public announcement of a firm intention to engage in a transaction (whether or not subsequently amended) that leads to the Merger Event, (ii) in the case of a Tender Offer, the date of the first public announcement of a firm intention to purchase or otherwise obtain the requisite number of voting shares (whether or not subsequently amended) that leads to the Tender Offer, (iii) in the case of a Nationalisation, the date of the first public announcement to nationalise (whether or not subsequently amended) that leads to the Nationalisation, (iv) in the case of an Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency and (v) in the case of a Delisting, the date of the first public announcement by the Exchange that the Shares will cease to be listed, traded or publicly quoted in the manner described in the "Delisting" definition below. In respect of any Extraordinary Event, if the announcement of such Extraordinary Event is made after the actual closing time for the regular trading session on the relevant Exchange, without regard to any after hours or any other trading outside of such regular trading session hours, the Announcement Date shall be deemed to be the next following Scheduled Trading Day.

"**Change in Law**" means that, on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Hedging Party(ies) determine(s) in good faith that (X) it has become illegal to hold, acquire or dispose of Shares relating to the Hedging Transaction(s), or (Y) it will incur a materially increased cost in performing its obligations (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Clearance System Business Day**" means, in respect of a clearance system, any day on which such clearance system is (but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"**Combined Consideration**" means New Shares in combination with Other Consideration.

"**Delisting**" means that the Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

"**Extraordinary Event**" means a Merger Event, Tender Offer, Nationalisation, Insolvency, Delisting or any applicable Additional Disruption Event, as the case may be.

"**Hedging Disruption**" means that the Hedging Party(ies) is/are unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Hedging Party(ies)**" means the Issuer and, if any, the entity with which the Issuer agrees the Hedging Transaction(s).

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Share Issuer, (A) all the Shares of that Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of that Share Issuer become legally prohibited from transferring them.

"**Insolvency Filing**" means that the Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over

it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to proceedings seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing.

"**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"**Merger Event**" means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) the consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is on or before the latest of the last occurring Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day, Observation Date or Valuation Date or, where Averaging is specified in the Pricing Supplement, the final Averaging Date.

"**Nationalisation**" means that all the Shares or all or substantially all the assets of a Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"**New Shares**" means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or the making of the Tender Offer or a third party, that are, or that as of the Merger Date or Tender Offer Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

"**Other Consideration**" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or the making of the Tender Offer or a third party).

"**Settlement Cycle**" means, in respect of a Share, the period of Clearance System Business Days following a trade in such Shares on the Exchange in which settlement will customarily occur according to the rules of the Exchange.

"**Settlement Disruption Event**" means, in respect of a Share, an event beyond the control of the Hedging Party(ies) as a result of which the relevant clearance system cannot clear the transfer of such Share.

"**Share-for-Combined**" means, in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists of Combined Consideration.

"**Share-for-Other**" means, in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists solely of Other Consideration.

"**Share-for-Share**" means (i) in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists (or, at the option of the holder of such Shares, will consist) solely of New Shares, and (ii) a Reverse Merger.

"**Tender Offer**" means a takeover offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"**Tender Offer Date**" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

4.2 **Consequences:**

Consequences of Merger Events: in respect of any Merger Event, on or after the relevant Merger Date, the Calculation Agent shall either (i) (A) make such adjustment to any one or more of any Relevant Asset, the coupon amount or any other terms of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, the Calculation Agent will notify the Issuer that the relevant consequence shall be the early redemption of the Notes. If the early redemption of the Notes occurs, then the Issuer will pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes.

Consequences of Tender Offer: in respect of any Tender Offer, on or after the relevant Tender Offer Date, the Share Issuer and the Shares will not change, but the Calculation Agent shall either (i) (A) make such adjustment to the coupon amount or any other terms of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant shares traded on such options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonably result, the Calculation Agent will notify the Issuer that the relevant consequence shall be the early redemption of the Notes. If the early redemption of the Notes occurs, then the Issuer will pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes.

Consequences of Nationalisation, Insolvency Filing and Delisting: upon the Issuer's becoming aware of the occurrence of a Nationalisation, Insolvency Filing or Delisting, the early redemption of the Notes will take place (as determined by the Calculation Agent) and then the Issuer will pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes.

Consequences of Additional Disruption Event: upon becoming aware of the occurrence of an Additional Disruption Event, the Issuer may early redeem the Notes and therefore pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes.

Correction of the Share Price: in the event that the Share price on the Exchange which is utilised for any calculation or determination made under these Notes is subsequently corrected and the correction is published by the Exchange within one Settlement Cycle after the original publication, the Issuer may notify the Noteholder of that correction and the Calculation Agent will determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust the terms of these Notes to account for such correction.

PART 2 SINGLE SHARE INDEX LINKED NOTES

This Part 2 (*Single Share Index Linked Notes*) is applicable only in relation to Notes specified in the Pricing Supplement as being Single Share Index Linked Notes.

1. **DEFINITIONS.**

"**Exchange**" means, in respect of each component security or reference security of the Share Index (each, a "**Component Security**"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

"**Exchange Business Day**" means (a) Exchange Business Day (Single Index Basis) or (b) Exchange Business Day (Cross Asset Basis), in each case as specified in the Pricing Supplement.

"**Exchange Business Day (Cross Asset Basis)**" means, in respect of a basket of assets, any Scheduled Trading Day on which: (i) the Share Index Sponsor publishes the level of the Share Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time, and which is also an Exchange Business Day under and as defined in the Equity Linked Conditions for Single Share Linked Notes and/or Share Basket Linked Notes and/or the ETF Linked Conditions.

"**Exchange Business Day (Single Index Basis)**" means any Scheduled Trading Day on which: (i) the Share Index Sponsor publishes the level of the Share Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Business Day Convention**" means any of the following, as specified in the Pricing Supplement:

- Following Business Day Convention: if the date specified as Valuation Date in the Pricing Supplement is not an Exchange Business Day, the Valuation Date will be the first succeeding Exchange Business Day.

- Modified Following Business Day Convention: if the date specified as Valuation Date in the Pricing Supplement is not an Exchange Business Day, the Valuation Date will be the first succeeding Exchange Business Day unless that day falls in the next calendar month, in which case the Valuation Date will be the first preceding day that is an Exchange Business Day.

"**Related Exchange**" means in respect of a Share Index, each exchange or quotation system specified as such in the Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the Pricing Supplement, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share Index.

"**Relevant Level**" means, subject as referred to in relation to any Averaging Date, Observation Date, Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day as the case may be in the case of a Share Index, an amount equal to the official closing level of such Share Index, or in the case of a Share Dividend Index, the level for the Share Dividend Index for the relevant day, as published by the relevant Share Index Sponsor, as determined by the Calculation Agent or, if so specified in the Pricing Supplement, the level of the Share Index determined by the Calculation Agent as set out in the Pricing Supplement at the Valuation Time on (i) if Averaging is not specified in the Pricing Supplement, the relevant Settlement Level Date, or (ii) if Averaging is specified in the Pricing Supplement, each Averaging Date.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Trading Day**" means (a) Scheduled Trading Day (Single Index Basis) or (b) Scheduled Trading Day (Cross Asset Basis), in each case as specified in the Pricing Supplement.

"**Scheduled Trading Day (Cross Asset Basis)**" means any day on which: (i) the Share Index Sponsor is scheduled to publish the level of the Share Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session, and which is also a Scheduled Trading Day under and as defined in the Equity Linked Conditions for Single Share Linked Notes and/or Share Basket Linked Notes and/or the ETF Linked Conditions.

"**Scheduled Trading Day (Single Index Basis)**" means any day on which: (i) the Share Index Sponsor is scheduled to publish the level of the Share Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

"**Share Index Sponsor**" means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Share Index and (b) announces (directly or through an agent) the level of the relevant Share Index on a regulated basis during each Scheduled Trading Day (unless otherwise specified in the Pricing Supplement).

"**Settlement Level**" means, subject as referred to in relation to any Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, Observation Date or Valuation Date, as the case may be, (i) if Averaging is not specified in the Pricing Supplement, the Relevant Level for the relevant Settlement Level Date, or (ii) if Averaging is specified in the Pricing Supplement, the arithmetic mean of the Relevant Levels of the Share Index on each Averaging Date, all as determined by or on behalf of the Calculation Agent in a commercially reasonable manner.

"**Settlement Level Date**" means the Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day, an Observation Date or a Valuation Date, as the case may be.

"**Share Dividend Index**" means an index specified as such in the Pricing Supplement.

"**Specified Maximum Days of Disruption**" means the number of days specified in the Pricing Supplement, or if not so specified, five Scheduled Trading Days.

"**Valuation Time**" means (i) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (b) in respect of any options contracts or future contracts on the Share Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the Coupon Valuation Time or the Redemption Valuation Time, as the case may be, specified in the Pricing Supplement or, if no such time is specified, the time at which the official closing level of the Share Index is calculated and published by the Share Index Sponsor.

2. **MARKET DISRUPTION EVENTS**

2.1 "**Market Disruption Event**" means either:

(i) (a) the occurrence or existence, in respect of any Component Security, of:

(1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;

(2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(3) an Early Closure in respect of such Component Security; and

(b) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists and comprises 20% or more of the level of the Share Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Share Index, of: (a) a Trading Disruption Event; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Share Index shall be based on a comparison of (x) the portion of the level of the Share Index attributable to that Component Security to (y) the overall level of the Share Index, in each case using the official opening weightings as published by the Sponsor as part of the market "opening data".

2.2 "**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to the Share on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

2.3 "**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security or (ii) futures or options contracts relating to the Share Index on the Related Exchange.

2.4 "**Early Closure**" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

2.5 "**Disrupted Day**" means any Scheduled Trading Day on which: (i) the Share Index Sponsor fails to publish the level of the Share Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) other than in the case of a Share Dividend Index, a Market Disruption Event has occurred. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Issuer of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Automatic Early Redemption Valuation Date, an Averaging Date, a Knock-in Determination Day or a Knock-out Determination Day, an Observation Date or a Valuation Date, as the case may be. Without limiting the obligation of the Calculation Agent to notify the Issuer as set forth in the preceding sentence, failure by the Calculation Agent to notify the Issuer of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day on the Notes.

Where Exchange Business Day (Cross Asset Basis) and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Pricing Supplement for (i) Index Linked Notes, (ii) Equity Linked Notes and/or (iii) ETF Linked Notes, a "Disrupted Day" shall also mean any Scheduled Trading Day on which a Disrupted Day occurs under and as defined in the Equity Linked Conditions and/or ETF Linked Conditions.

2.6 "**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

3. **ADJUSTMENTS**

3.1 If the Share Index is (i) not calculated and announced by the Share Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor sponsor acceptable to the Calculation Agent, or (iii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of

calculation as used in the calculation of that Share Index, then in each case that index (the "**Successor Share Index**") will be deemed to be the Share Index.

3.2 If (i) on or prior to any Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, the Share Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Share Index or in any other way materially modifies that Share Index (other than a modification prescribed in that formula or method to maintain that Share Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Share Index Modification**") or permanently cancels the Share Index and no Successor Share Index exists (an "**Share Index Cancellation**") or (ii) on any Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date in respect of this Note, the Share Index Sponsor fails to calculate and announce a relevant Share Index (an "**Share Index Disruption**" and together with a Share Index Modification and a Share Index Cancellation, each an "**Share Index Adjustment Event**"), then the Calculation Agent shall determine if such Share Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant Strike Price(s), Initial Price(s), Valuation Price(s), Final Price(s) and Barrier(s) and any other variable relevant to the redemption and the payment of the coupon amount or other terms of the Notes as the Calculation Agent determines appropriate to account for that Share Index Adjustment Event, using, in lieu of a published level for that Share Index, the level for that Share Index as at that Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Share Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Share Index immediately prior to that Share Index Adjustment Event.

3.3 **Correction of Share Index**

In the event that any price or level published on the Exchange or by the Share Index Sponsor and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the Exchange or the Share Index Sponsor within one Settlement Cycle after the original publication, the Issuer may notify the Noteholder of that correction and the Calculation Agent will determine the amount that is payable as a result of that correction.

"**Clearance System Business Day**" means, in respect of a clearance system, any day on which such clearance system is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"**Settlement Cycle**" means, in respect of the Share Index, the number of Clearance System Business Days following a trade in such shares on the Exchange in which settlement will customarily occur according to the rules of the Exchange (if there are multiple Exchanges in respect of the Share Index, the longest such period).

"**Settlement Disruption Event**" means, in respect of a Component Security, an event beyond the control of the Hedging Party(ies) as a result of which the relevant clearance system cannot clear the transfer of such Component Security.

4. **ADDITIONAL DISRUPTION EVENTS**

4.1 **Definitions:**

"**Additional Disruption Event**" means a Change in Law, Insolvency Filing or Hedging Disruption.

"**Change in Law**" means that, on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Hedging Party(ies) determine(s) in good faith that (X) it has become illegal to hold, acquire or dispose of Shares relating to the Hedging Transaction(s), or (Y) it will incur a materially increased cost in performing its obligations (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Hedging Disruption**" means that the Hedging Party(ies) is/are unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), being both transaction(s) and asset(s) the Hedging Transaction(s).

"**Hedging Party(ies)**" means the Issuer and, if any, the entity with which the Issuer agrees the Hedging Transaction(s).

"**Insolvency Filing**" means that the issuer of a Component Security institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to proceedings seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the issuer of the Component Security shall not be deemed an Insolvency Filing.

4.2 **Consequences:** upon becoming aware of the occurrence of an Additional Disruption Event, the Issuer may early redeem the Notes and therefore pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent per each of the outstanding Notes.

PART 3 SHARE BASKET LINKED NOTES

This Part 3 (*Share Basket Linked Notes*) is applicable only in relation to Notes specified in the Pricing Supplement as being Share Basket Linked Notes.

1. **DEFINITIONS**

"**Exchange**" means, in respect of each Share, each exchange or quotation system specified as such for the Share in the Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporary relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means (a) Exchange Business Day (All Shares Basis) or (b) Exchange Business Day (Per Share Basis) or (c) Exchange Business Day (Cross Asset Basis), in each case as specified in the Pricing Supplement, provided that, if no such specification is made in the Pricing Supplement, Exchange Business Day (All Shares Basis) shall apply.

"**Exchange Business Day (All Shares Basis)**" means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time.

"**Exchange Business Day (Cross Asset Basis)**" means, in respect of a basket of assets, any Scheduled Trading Day on which each Exchange and each Related Exchange in respect of all Shares are open for trading during their respective regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time, and which is also an Exchange Business Day under and as defined in the Equity Linked Conditions for Single Share Index Linked Notes and/or Share Index Basket Linked Notes and/or the ETF Linked Conditions.

"**Exchange Business Day (Per Share Basis)**" means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its (their) Scheduled Closing Time.

"**Exchange Business Day Convention**" means any of the following, as specified in the Pricing Supplement:

- Following Business Day Convention: if the date specified as Valuation Date in the Pricing Supplement is not an Exchange Business Day for any of the Shares comprised in the Basket,

the Valuation Date will be deemed to be, only for that Share, the first succeeding Exchange Business Day.

- Modified Following Business Day Convention: if the date specified as Valuation Date in the Pricing Supplement is not an Exchange Business Day for any of the Shares comprised in the Basket, the Valuation Date will be deemed to be, only for that Share, the first succeeding Exchange Business Day unless that day falls in the next calendar month, in which case the Valuation Date for that Share will be the first preceding day that is an Exchange Business Day.

"**Related Exchange**" means each exchange or quotation system specified as such for each Share in the Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to each Share has temporally relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to each Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the Pricing Supplement, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.

"**Relevant Price**" means, subject as referred to in relation to any Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, as the case may be, in the case of a Share, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or Averaging Date, as the case may be, if so specified in the Pricing Supplement) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the Pricing Supplement, the relevant Settlement Price Date, or (ii) if Averaging is specified in the Pricing Supplement, the relevant Averaging Date or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the Pricing Supplement) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or Averaging Date, as the case may be, if so specified in the Pricing Supplement) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide, such amount to be converted, if so specified in the Pricing Supplement, into the Specified Currency at the Exchange Rate specified in the Pricing Supplement on the relevant Settlement Price Date or Averaging Date and such converted amount to be the Relevant Price, all as determined by or on behalf of the Calculation Agent.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Trading Day**" means (a) Scheduled Trading Day (All Shares Basis) or (b) Scheduled Trading Day (Per Share Basis) or (c) Scheduled Trading Day (Cross Asset Basis), in each case as specified in the Pricing Supplement, provided that, if no such specification is made in the Pricing Supplement, Exchange Business Day (All Shares Basis) shall apply.

"**Scheduled Trading Day (All Shares Basis)**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

"**Scheduled Trading Day (Cross Asset Basis)**" means, in respect of a basket of assets, any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading session(s), and which is also a Scheduled Trading Day under and as defined in the Equity Linked Conditions for Single Share Index Linked Notes and/or Share Index Basket Linked Notes and/or the ETF Linked Conditions.

"**Scheduled Trading Day (Per Share Basis)**" means, in respect of a Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Share are scheduled to be open for trading during their respective regular trading session(s).

"**Settlement Price**" means, subject as referred to in relation to any Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, as the case may be, (A) if Averaging is not specified in the Pricing Supplement, the Relevant Price for the relevant Settlement Price Date, or (ii) if Averaging is specified in the Pricing Supplement, the arithmetic mean of the Relevant Prices for each Share in the Share Basket on each Averaging Date, all as determined by or on behalf of the Calculation Agent in a commercially reasonable manner.

"**Settlement Price Date**" means any Automatic Early Redemption Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, as the case may be.

"**Share Basket**" means, where the Share Basket Linked Notes are linked to the performance of more than one Share, a basket comprising such Shares, as specified in the Pricing Supplement.

"**Share Issuer**" means, in respect of a Share, the issuer of the Share as specified in the Pricing Supplement.

"**Specified Maximum Days of Disruption**" means the number of days specified in the Pricing Supplement, or if not so specified, five Scheduled Trading Days.

"**Valuation Time**" means the Coupon Valuation Time or Redemption Valuation Time, as the case may be, specified as such in the Pricing Supplement or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2. **MARKET DISRUPTION EVENTS**

2.1 "**Market Disruption Event**" means, in respect of a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in each case ((i) and (ii)) the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

2.2 "**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

2.3 "**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Share on any relevant Related Exchange.

2.4 "**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

2.5 "**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Issuer, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been an Automatic Early Redemption Valuation Date, an

Averaging Date, a Knock-in Determination Day or a Knock-out Determination Day, an Observation Date or a Valuation Date, as the case may be. Without limiting the obligation of the Calculation Agent to notify the Issuer as set forth in the preceding sentence, failure by the Calculation Agent to notify the Issuer of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

Where Exchange Business Day (Cross Asset Basis) and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Pricing Supplement for (i) Index Linked Notes, (ii) Equity Linked Notes and/or (iii) ETF Linked Notes, a "**Disrupted Day**" shall also mean any Scheduled Trading Day on which a Disrupted Day occurs under and as defined in the Equity Linked Conditions and/or ETF Linked Conditions.

2.6 "**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

3. **ADJUSTMENTS**

Potential Adjustment Events:

3.1 Following the declaration by the Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (i) make the corresponding adjustment(s), if any, to the Relevant Asset, the Strike Price, Initial Price(s), Valuation Price(s), Final Price(s) and Barrier(s), as the case may be, and, in any case, any other variable relevant to the redemption and the payment of the coupon amount or other terms of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Shares traded on such options exchange.

3.2 For the purposes hereof:

"**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Shares of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another share issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an Extraordinary Dividend;

(iv) a call by the Share Issuer in respect of relevant Shares that are not fully paid;

(v) a repurchase by the Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of the Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as

determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

4. **EXTRAORDINARY EVENTS**

4.1 **Definitions:**

"**Additional Disruption Event**" means Change in Law, Failure to Deliver, Insolvency Filing or Hedging Disruption.

"**Announcement Date**" means, (i) in the case of a Merger Event, the date of the first public announcement of a firm intention to engage in a transaction (whether or not subsequently amended) that leads to the Merger Event, (ii) in the case of a Tender Offer, the date of the first public announcement of a firm intention to purchase or otherwise obtain the requisite number of voting shares (whether or not subsequently amended) that leads to the Tender Offer, (iii) in the case of a Nationalisation, the date of the first public announcement to nationalise (whether or not subsequently amended) that leads to the Nationalisation, (iv) in the case of an Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency and (v) in the case of a Delisting, the date of the first public announcement by the Exchange that the Shares will cease to be listed, traded or publicly quoted in the manner described in the "Delisting" definition below. In respect of any Extraordinary Event, if the announcement of such Extraordinary Event is made after the actual closing time for the regular trading session on the relevant Exchange, without regard to any after hours or any other trading outside of such regular trading session hours, the Announcement Date shall be deemed to be the next following Scheduled Trading Day.

"**Change in Law**" means that, on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Hedging Party(ies) determine(s) in good faith that (X) it has become illegal to hold, acquire or dispose of Shares relating to the Hedging Transaction(s), or (Y) it will incur a materially increased cost in performing its obligations (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Clearance System Business Day**" means, in respect of a clearance system, any day on which such clearance system is (but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"**Combined Consideration**" means New Shares in combination with Other Consideration.

"**Delisting**" means that the Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

"**Extraordinary Event**" means a Merger Event, Tender Offer, Nationalisation, Insolvency, Delisting or any applicable Additional Disruption Event, as the case may be.

"**Hedging Disruption**" means that the Hedging Party(ies) is/are unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), being both transaction(s) and asset(s) to the Hedging Transaction(s).

"**Hedging Party(ies)**" means the Issuer and, if any, the entity with which the Issuer agrees the Hedging Transaction(s).

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Share Issuer, (A) all the Shares of that Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of that Share Issuer become legally prohibited from transferring them.

"**Insolvency Filing**" means that the Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to proceedings seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing.

"**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"**Merger Event**" means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is on or before the latest of the last occurring Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day, Observation Date or Valuation Date or, where Averaging is specified in the Pricing Supplement, the final Averaging Date.

"**Nationalisation**" means that all the Shares or all or substantially all the assets of a Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"**New Shares**" means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or the making of the Tender Offer or a third party, that are, or that as of the Merger Date or Tender Offer Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

"**Other Consideration**" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or the making of the Tender Offer or a third party).

"**Settlement Cycle**" means, in respect of a Share, the period of Clearance System Business Days following a trade in such Shares on the Exchange in which settlement will customarily occur according to the rules of the Exchange.

"**Settlement Disruption Event**" means, in respect of a Share, an event beyond the control of the Hedging Party(ies) as a result of which the relevant clearance system cannot clear the transfer of such Share.

"**Share-for-Share**" means (i) in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists (or, at the option of the holder of such Shares, will consist) solely of New Shares, and (ii) a Reverse Merger.

"**Share-for-Combined**" means, in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists of Combined Consideration.

"**Share-for-Other**" means, in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists solely of Other Consideration.

"**Tender Offer**" means a takeover offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"**Tender Offer Date**" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

4.2 **Consequences:**

Consequences of Merger Events: in respect of any Merger Event, on or after the relevant Merger Date, the Calculation Agent shall either (i) (A) make such adjustment to any one or more of the Relevant Asset, the coupon amount or any other terms of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, the Calculation Agent will notify the Issuer that the relevant consequence shall be the early redemption of the Notes. If the early redemption of the Notes occurs, then the Issuer will pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes.

Consequences of Tender Offer: in respect of any Tender Offer, on or after the relevant Tender Offer Date, the Share Issuer and the Shares will not change, but the Calculation Agent shall either (i) (A) make such adjustment to the coupon amount or any other terms of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant shares traded on such options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonably result, the Calculation Agent will notify the Issuer that the relevant consequence shall be the early redemption of the Notes. If the early redemption of the Notes occurs, then the Issuer will pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes.

Consequences of Nationalisation, Insolvency Filing and Delisting: upon becoming aware of the occurrence of a Nationalisation, Insolvency Filing or Delisting, the early redemption of the Notes will take place (as determined by the Calculation Agent) and then the Issuer will pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes.

Consequences of Additional Disruption Event: upon becoming aware of the occurrence of an Additional Disruption Event, the Issuer may early redeem the Notes and therefore pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes.

Correction of the Share Price: in the event that the Share price on the Exchange which is utilised for any calculation or determination made under these Notes is subsequently corrected and the correction is published by the Exchange within one Settlement Cycle after the original publication, the Issuer may

notify of that correction and the Calculation Agent will determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust the terms of these Notes to account for such correction.

PART 4 SHARE INDEX BASKET LINKED NOTES

This Part 4 (*Share Index Basket Linked Notes*) is applicable only in the Pricing Supplement as being Share Index Basket Linked Notes.

1. DEFINITIONS

"**Exchange**" means, in respect of each component security or reference security of each of the Indices (each, a "**Component Security**"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

"**Exchange Business Day**" means (a) Exchange Business Day (All Share Indices Basis) or (b) Exchange Business Day (Per Share Index Basis) or (c) Exchange Business Day (Cross Asset Basis), in each case as specified in the Pricing Supplement, provided that, if no such specification is made in the Pricing Supplement, Exchange Business Day (All Share Indices Basis) shall apply.

"**Exchange Business Day (All Share Indices Basis)**" means any Scheduled Trading Day on which (i) each relevant Share Index Sponsor publishes the level of the relevant Share Index; and (ii) each Related Exchange is open for trading during their respective regular trading session(s) notwithstanding any such Related Exchange closing prior to its (their) Scheduled Closing Time.

"**Exchange Business Day (Cross Asset Basis)**" means, in respect of a basket of assets, any Scheduled Trading Day on which: (i) each Share Index Sponsor publishes the level of the relevant Share Index; and (ii) each Related Exchange is open for trading during their respective regular trading session(s), notwithstanding any such Related Exchange closing prior to its (their) Scheduled Closing Time, and which is also an Exchange Business Day under and as defined in the Equity Linked Conditions for Single Share Linked Notes and/or Share Basket Linked Notes and/or the ETF Linked Conditions.

"**Exchange Business Day (Per Share Index Basis)**" means, in respect of each Share Index, any Scheduled Trading Day on which (i) the relevant Share Index Sponsor publishes the level of the Share Index; and (ii) the relevant Related Exchange is open for trading during their respective regular trading session(s), notwithstanding the Related Exchange closing prior to its (their) Scheduled Closing Time.

"**Exchange Business Day Convention**" means any of the following, as specified in the Pricing Supplement:

- **Following Business Day Convention**: if the date specified as Valuation Date in the Pricing Supplement is not an Exchange Business Day for any of the Indices, the Valuation Date will be deemed to be, only for that Share Index, the first succeeding Exchange Business Day.

- **Modified Following Business Day Convention**: in case the date specified as Valuation Date in the Pricing Supplement is not an Exchange Business Day for any of the Share Indices comprised in the Basket, the Valuation Date will be deemed to be, only for that Share Index, the first succeeding Exchange Business Day unless that day falls in the next calendar month, in which case the Valuation Date for that Share Index will be the first preceding day that is an Exchange Business Day.

"**Related Exchange**" means, in respect of each Share Index, each exchange or quotation system specified as such in the Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the Pricing Supplement, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share Index.

"**Relevant Level**" means, subject as referred to in relation to Averaging Date, Observation Date, Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, in the case of a Share Index, an amount equal to the official closing level of such Share Index or in the case of a Share Dividend Index, the level for the Share Dividend Index for the relevant day, as published by the relevant Share Index Sponsor, as determined by the Calculation Agent or, if so specified in the Pricing Supplement, the level of the Share Index determined by the Calculation Agent as set out in the Pricing Supplement at the Valuation Time on (i) if Averaging is not specified in the Pricing Supplement, the relevant Settlement Level Date, or (ii) if Averaging is specified in the Pricing Supplement, each Averaging Date.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Trading Day**" means (a) Scheduled Trading Day (All Share Indices Basis) or (b) Scheduled Trading Day (Per Share Index Basis) or (c) Scheduled Trading Day (Cross Asset Basis), in each case as specified in the Pricing Supplement, provided that, if no such specification is made in the Pricing Supplement, Scheduled Trading Day (All Share Indices Basis) shall apply.

"**Scheduled Trading Day (All Share Indices Basis)**" means any day on which (i) each relevant Share Index Sponsor is scheduled to publish the level of the relevant Share Index; and (ii) each Related Exchange is scheduled to be open for trading during their respective regular trading session(s).

"**Scheduled Trading Day (Cross Asset Basis)**" means, in respect of a basket of assets, any day on which (i) each relevant Share Index Sponsor is scheduled to publish the level of the relevant Share Index; and (ii) each Related Exchange is scheduled to be open for trading during their respective regular trading session(s), and which is also an Exchange Business Day under and as defined in the Equity Linked Conditions for Single Share Linked Notes and/or Share Basket Linked Notes and/or the ETF Linked Conditions.

"**Scheduled Trading Day (Per Share Index Basis)**" means, in respect of each Share Index, any Scheduled Trading Day on which (i) the relevant Share Index Sponsor is scheduled to publish the level of the Share Index; and (ii) the relevant Related Exchange is scheduled to be open for trading during their respective regular trading session(s).

"**Settlement Level**" means, subject as referred to in relation to any Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, Observation Date or Valuation Date, as the case may be, (i) if Averaging is not specified in the Pricing Supplement, the Relevant Level for the relevant Settlement Level Date, or (ii) if Averaging is specified in the Pricing Supplement, the arithmetic mean of the Relevant Levels of each Index in the Share Index Basket on each Averaging Date or (iii) if Averaging (Per Index) is specified in the Pricing Supplement, the arithmetic mean of the Relevant Levels for the relevant Index on each Averaging Date, all as determined by or on behalf of the Calculation Agent in a commercially reasonable manner.

"**Settlement Level Date**" means any Automatic Early Redemption Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, as the case may be.

"**Share Dividend Index**" means an index specified as such in the Pricing Supplement.

"**Share Index Basket**" means, where the Share Index Basket Linked Notes are linked to the performance of more than one Share Index, a basket comprising such Shares Indices, as specified in the Pricing Supplement.

"**Share Index Sponsor**" means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Share Index and (b) announces (directly or through an agent) the level of the relevant Share Index on a regulated basis during each Scheduled Trading Day (unless otherwise specified in the Pricing Supplement).

"**Specified Maximum Days of Disruption**" means the number of days specified in the Pricing Supplement, or if not so specified, five Scheduled Trading Days.

"**Valuation Time**" means (i) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (b) in respect of any options contracts or future contracts on the Share Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the Coupon Valuation Time or the Redemption Valuation Time, as the case may be, specified in the Pricing Supplement or, if no such time is specified, the time at which the official closing level of the Share Index is calculated and published by the Share Index Sponsor.

2. **MARKET DISRUPTION EVENTS**

2.1 "**Market Disruption Event**" means either:

(i) (a) the occurrence or existence, in respect of any Component Security, of:

(1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;

(2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(3) an Early Closure in respect of such Component Security; and

(b) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists and comprises 20% or more of the level of the Share Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Share Index, of: (a) a Trading Disruption Event; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Share Index shall be based on a comparison of (x) the portion of the level of the Share Index attributable to that Component Security to (y) the overall level of the Share Index, in each case using the official opening weightings as published by the Sponsor as part of the market "opening data".

2.2 "**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to the Share on the Exchange; or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

2.3 "**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Share Index on the Related Exchange.

2.4 "**Early Closure**" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related

Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

2.5 "**Disrupted Day**" means any Scheduled Trading Day on which: (i) the Share Index Sponsor fails to publish the level of the Share Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) other than in the case of a Share Dividend Index, a Market Disruption Event has occurred. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Issuer of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Automatic Early Redemption Valuation Date, an Averaging Date, a Knock-in Determination Day or a Knock-out Determination Day, an Observation Date or a Valuation Date, as the case may be. Without limiting the obligation of the Calculation Agent to notify the Issuer as set forth in the preceding sentence, failure by the Calculation Agent to notify the Issuer of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day on the Notes.

Where Exchange Business Day (Cross Asset Basis) and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Pricing Supplement for (i) Index Linked Notes, (ii) Equity Linked Notes and/or (iii) ETF Linked Notes, a "Disrupted Day" shall also mean any Scheduled Trading Day on which a Disrupted Day occurs under and as defined in the Equity Linked Conditions and/or ETF Linked Conditions.

2.6 "**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

3. **ADJUSTMENTS**

3.1 If any of the Share Indices is (i) not calculated and announced by the Share Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor sponsor acceptable to the Calculation Agent, or (iii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Share Index, then in each case that index (the "**Successor Share Index**") will be deemed to be the Share Index.

3.2 If (i) on or prior to any Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, the Share Index Sponsor of any of the Share Indices announces that it will make a material change in the formula for or the method of calculating that Share Index or in any other way materially modifies that Share Index (other than a modification prescribed in that formula or method to maintain that Share Index in the event of changes in constituent stock and capitalisation and other routine events) (a "**Share Index Modification**") or permanently cancels the Share Index and no Successor Share Index exists (a "**Share Index Cancellation**") or (ii) on any Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date in respect of this Note, the Share Index Sponsor of any of the Indices fails to calculate and announce a relevant Share Index (a "**Share Index Disruption**" and together with a Share Index Modification and a Share Index Cancellation, each a "**Share Index Adjustment Event**"), then the Calculation Agent shall determine if such Share Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant Strike Price(s), Initial Price(s), Valuation Price(s), Final Price, Barrier, and any other variable relevant to the redemption and the payment of the coupon amount or other terms of the Notes as the Calculation Agent determines appropriate to account for that Share Index Adjustment Event, using, in lieu of a published level for that Share Index, the level for that Share Index as at that Automatic Early Redemption Valuation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Share Index last effect prior to the change, failure or cancellation, but using only those securities that comprised that Share Index immediately prior to that Share Index Adjustment Event;

3.3 **Correction of Share Index**

In the event that any price or level published on the Exchange or by the Share Index Sponsor of any of the Indices and which is utilised for any calculation or determination made under the Notes is

subsequently corrected and the correction is published by the Exchange or the Share Index Sponsor within one Settlement Cycle after the original publication, the Issuer may notify the Noteholder of that correction and the Calculation Agent will determine the amount that is payable as a result of that correction.

"**Settlement Cycle**" means, in respect of any the Indices, the period of Clearance System Business Days following a trade in such shares on the Exchange in which settlement will customarily occur according to the rules of the Exchange (if there are multiple Exchanges in respect of the Share Index, the longest such period).

"**Clearance System Business Day**" means, in respect of a clearance system, any day on which such clearance system is (but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"**Settlement Disruption Event**" means, in respect of a Component Security, an event beyond the control of the Hedging Party(ies) as a result of which the relevant clearance system cannot clear the transfer of such Component Security.

4. **ADDITIONAL DISRUPTION EVENTS**

4.1 **Definitions:**

"**Additional Disruption Event**" means any of the following events:

"**Change in Law**" means that, on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Hedging Party(ies) determine(s) in good faith that (X) it has become illegal to hold, acquire or dispose of Shares relating to the Hedging Transaction(s), or (Y) it will incur a materially increased cost in performing its obligations (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Hedging Disruption**" means that the Hedging Party(ies) is/are unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), being both transaction(s) and asset(s) to the Hedging Transaction(s).

"**Hedging Party(ies)**" means the Issuer and, if any, the entity with which the Issuer agrees the Hedging Transaction(s).

"**Insolvency Filing**" means that the Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to proceedings seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing.

Consequences: upon becoming aware of the occurrence of an Additional Disruption Event, the Issuer may early redeem the Notes and therefore pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes.

ANNEX 2
PROVISIONS RELATING TO INFLATION LINKED NOTES

This Annex 2 (*Provisions Relating to Inflation Linked Notes*) is applicable only in relation to Notes specified in the relevant Pricing Supplement as being Inflation Linked Notes. The definitions set out in Annex 1 (*Provisions relating to Equity Linked Notes*) will also apply in relation to a Series of Inflation Linked Notes unless the context otherwise requires, or such term is defined otherwise herein, and for the purposes of such definitions, the definition of Share Index shall be deemed to be a reference to Inflation Index.

In the event of any inconsistency between the Conditions and the additional terms and conditions relating to Inflation Linked Notes set out in this Annex 2 (the "**Inflation Linked Conditions**"), the Inflation Linked Conditions shall prevail. In the event of any inconsistency between the Inflation Linked Conditions and the Payout Conditions, the Payout Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Inflation Linked Conditions and (ii) the Pricing Supplement, the Pricing Supplement, shall prevail.

Section 1

Inflation Index Description

1. **Delay of Publication**

If any level of an Inflation Index for a Reference Month which is relevant to the calculation of a payment under the Notes and/or any other determination in respect of the Notes (a "**Relevant Level**") has not been published or announced by the day that is five Business Days prior to the next Determination Date, the Calculation Agent shall determine a Substitute Inflation Index Level (in place of such Relevant Level) as follows:

1.1 if Related Bond is specified as applicable in the relevant Pricing Supplement, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or

1.2 if (i) Related Bond is specified as not applicable in the relevant Pricing Supplement, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under 1.1 above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

[*Substitute Inflation Index Level = Base Level* × *(Latest Level/Reference Level)*] ; or

1.3 otherwise in accordance with any formula specified in the relevant Pricing Supplement,

where:

"**Base Level**" means the level of the relevant Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined.

"**Latest Level**" means the level of the relevant Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined.

"**Reference Level**" means the level of the relevant Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the next Determination Date, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Paragraph 1 (*Delay of Publication*), will be the definitive level for that Reference Month.

2. **Cessation of Publication**

If a level for the Inflation Index has not been published or announced for two consecutive months or the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation

Index then the Calculation Agent shall determine a Successor Inflation Index (in lieu of any previously applicable Inflation Index) for the purposes of the Notes by using the following methodology:

(a) If at any time a Successor Inflation Index has been designated by the Calculation Agent pursuant to the terms and conditions of the Related Bond, such Successor Inflation Index shall be designated a "Successor Inflation Index" for the purposes of all subsequent Determination Dates, notwithstanding that any other Successor Inflation Index may previously have been determined under Paragraph 2(b), 2(c) or 2(d) below; or

(b) If a Successor Inflation Index has not been determined under Paragraph 2(a) above and a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement index specified by the Inflation Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, such replacement index shall be the Inflation Index for purposes of the Notes from the date that such replacement index comes into effect; or

(c) If a Successor Inflation Index has not been determined under Paragraph 2(a) or 2(b) above, the Calculation Agent shall ask five leading independent dealers to state what the replacement Inflation Index for the Inflation Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same Inflation Index, this Inflation Index will be deemed the "Successor Inflation Index". If three responses are received, and two or more leading independent dealers state the same Inflation Index, this Inflation Index will be deemed the "Successor Inflation Index". If fewer than three responses are received, the Calculation Agent will proceed to Paragraph 2(d) below; or

(d) If no Successor Inflation Index has been deemed under Paragraph 2(a), 2(b) or 2(c) above by the fifth Business Day prior to the next Determination Date the Calculation Agent will determine an appropriate alternative index for such Determination Date, and such index will be deemed a "Successor Inflation Index", the Calculation Agent shall determine the method of determining the Relevant Level if no such alternative Inflation Index is available.

3. **Rebasing of the Inflation Index**

If the Calculation Agent determines that an Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Inflation Index**") will be used for purposes of determining the level of such Inflation Index from the date of such rebasing; **provided**, **however**, **that** the Calculation Agent shall make such adjustments as are made by the Calculation Agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Inflation Index so that the Rebased Inflation Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. If there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Inflation Index so that the Rebased Inflation Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Notes.

4. **Material Modification Prior to Determination Date**

If, on or prior to the day that is five Business Days before a Determination Date, an Inflation Index Sponsor announces that it will make a material change to an Inflation Index then the Calculation Agent shall make any such adjustments to the Inflation Index consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Inflation Index to continue as the Inflation Index.

5. **Manifest Error in Publication**

If, within 30 days of publication and prior to the redemption of the Notes or payments in respect of any relevant Determination Date in relation to the Notes, the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Calculation Agent will notify the holders of the Notes in accordance with Condition 14 of (i) that correction, (ii) the adjusted amount that is then payable under the Notes as a result of that correction and (iii) take such other action as it may deem necessary to give effect to such correction, **provided that** any amount payable pursuant to sub-paragraph (ii) above shall be paid (with no interest

accruing thereon) (a) in connection with an Inflation Index Sponsor's correction to remedy a manifest error in the level of an Inflation Index for a Reference Month for which the Determination Date has occurred, within five Business Days after notice of such amount payable by the Calculation Agent, (b) in connection with an Inflation Index Sponsor's correction to remedy a manifest error in the level of an Inflation Index for a Reference Month for which the Determination Date has not occurred, as an adjustment to the payment obligation on the next Determination Date, or (c) if there is no further Determination Date, within five Business Days after notice of such amount, payable by the Calculation Agent.

6. **Inflation Index Level Adjustment Correction**

In relation to any inflation index, unless otherwise specified in the definition of the relevant Inflation Index set out in Section 3 (*Inflation Indices*) of this Annex 2 (*Provisions Relating to Inflation Linked Notes*), as specified in the Pricing Supplement, either: (i) the first publication or announcement of the level of the Inflation Index (disregarding estimates) by the relevant Inflation Index Sponsor for any Reference Month shall be final and conclusive and, subject to this Condition 6, later revisions to the level of the Inflation Index for such Reference Month will not be used in any calculations; or (ii) the first publication or announcement of a level of the Inflation Index (disregarding estimates) published by the relevant Inflation Index Sponsor or, if revised, any subsequent revision of such level for a Reference Month shall be final and conclusive for such Reference Month, provided that such revisions are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date.

7. **Additional Disruption Events:**

(a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its sole and absolute discretion, determine whether or not the relevant Notes shall continue or be redeemed early.

(b) If the Issuer determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment as the Calculation Agent, in its sole and absolute discretion, considers appropriate, if any, to any variable relevant to the redemption or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date as the Calculation Agent shall determine.

(c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to the fair market value of such Note, on such day as is selected by the Calculation Agent in its sole and absolute discretion (**provided that** such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Calculation Agent in its sole and absolute discretion.

(d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Calculation Agent of the occurrence of an Additional Disruption Event.

Section 2

Definitions

1. **Definitions Applicable to Inflation Linked Notes**

In relation to Inflation Linked Notes, the following expressions have the meanings set out below:

"**Additional Disruption Event**" means, with respect to any Series of Notes, a Change in Law or Hedging Disruption;

"**Change in Law**" means that, on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent

jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of Hedge Positions or (y) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Determination Date**" means an Interest Payment Date, Maturity Date or other relevant payment date as may be specified in the Pricing Supplement in relation to the Notes;

"**Fallback Bond**" means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation linked bonds issued on or before the Issue Date and, if there is more than one inflation linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Notes;

"**Hedging Disruption**" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

"**Inflation Index**" means any index specified as such in the relevant Pricing Supplement which may be specified using the Inflation Indices described in Section 3 (*Inflation Indices*) of this Annex 2 (*Provisions Relating to Inflation Linked Notes*);

"**Inflation Index Sponsor**" means, in respect of an Inflation Index, the entity specified as such in the relevant Pricing Supplement or, if no entity is specified, the entity that publishes or announces (directly or through an agent) the level of the relevant Inflation Index;

"**Reference Month**" means the calendar month for which the level of the relevant Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Inflation Index level was reported is a period other than a month, the Reference Month will be the period for which the Inflation Index level was reported;

"**Related Bond**" means the bond specified in the relevant Pricing Supplement, or if no bond is so specified, the Fallback Bond. If the Related Bond is the "Fallback Bond", then for any Related Bond determination under these Conditions, the Calculation Agent shall use the Fallback Bond (as that is defined in this Section 2 (*Definitions*) hereof). If no bond is specified in the relevant Pricing Supplement as the Related Bond and "Fallback Bond: Not applicable" is specified in the relevant Pricing Supplement there will be no Related Bond. If a bond is selected as the Related Bond in the relevant Pricing Supplement, and that bond redeems or matures before the relevant Maturity Date, unless "Fallback Bond: Not applicable" is specified in the relevant Pricing Supplement, the Calculation Agent shall use the Fallback Bond for any Related Bond determination;

"**Substitute Inflation Index Level**" means an Inflation Index level, determined by the Calculation Agent pursuant to the provisions of Paragraph 1 (*Delay of Publication*) of Section 1 (*Inflation Index*

Description) of this Annex 2 (*Provisions Relating to Inflation Linked Notes*), in respect of a Determination Date; and

"**Successor Inflation Index**" has the meaning specified in Paragraph 2 (*Cessation of Publication*) of Section 1 (*Inflation Index Description*) of this Annex 2 (*Provisions Relating to Inflation Linked Notes*).

Section 3

Inflation Indices

European Union

(a) "**EUR – Excluding Tobacco-Non-revised Consumer Price Index**" means the "Non-revised Index of Consumer Prices excluding Tobacco", or relevant Successor Inflation Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(b) "**EUR – All Items-Non-revised Consumer Price Index**" means the "Non-revised Harmonised Index of Consumer Prices All Items", or relevant Successor Inflation Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(c) "**EUR – All Items-Revised Consumer Price Index**" means the "Revised Harmonised Index of Consumer Prices All Items", or relevant Successor Inflation Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index, or, if revised, any subsequent revisions of such level for a Reference Month shall be final and conclusive, provided that such revisions are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date.

France

(a) "**FRC – Excluding Tobacco-Non-Revised Consumer Price Index**" means the "Non-revised Index of Consumer Prices excluding Tobacco", or relevant Successor Inflation Index, measuring the rate of inflation in France excluding tobacco expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(b) "**FRC – Harmonised-Non-revised Consumer Price Index (HICP)**" means the "Non-revised Harmonised Index of Consumer Prices", or relevant Successor Inflation Index, measuring the rate of inflation in France, expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

Spain

(a) "**ESP – National-Revised Consumer Price Index (CPI)**" means the "Year on Year Revised Index of Consumer Prices", or relevant Successor Inflation Index, measuring the rate of inflation in Spain, expressed as an annual percentage and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index, or, if revised, any subsequent revisions of such level for a Reference Month shall be final and conclusive, provided that such revisions are published or announced up to and including the day that is two Business Days prior to the relevant Determination Date.

(b) "**ESP – National-Non-revised Consumer Price Index (CPI)**" means the "Non-revised Index of Consumer Prices including Tobacco", or relevant Successor Inflation Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Inflation Index Sponsor. The

first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(c) "**ESP – Harmonised-Revised Consumer Price Index (HICP)**" means the "Harmonised Index of Consumer Prices including Tobacco", or relevant Successor Inflation Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index, or, if revised, any subsequent revisions of such level for a Reference Month shall be final and conclusive, provided that such revisions are published or announced up to and including the day that is two Business Days prior to the relevant Determination Date.

(d) "**ESP – Harmonised-Non-revised Consumer Price Index (HICP)**" means the "Non-revised Harmonised Index of Consumer Prices including Tobacco", or relevant Successor Inflation Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

United Kingdom

(a) "**GBP – Non-revised Retail Price Index (UKRPI)**" means the "Non-revised Retail Price Index All Items in the United Kingdom", or relevant Successor Inflation Index, measuring the all items rate of inflation in the United Kingdom expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(b) "**GBP – Harmonised-Non-revised Consumer Price Index (HICP)**" means the "Non-revised Harmonised Index of Consumer Prices", or relevant Successor Inflation Index, measuring the rate of inflation in the United Kingdom, expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(c) "**GBP – Non-revised Retail Price Index Excluding Mortgage Interest Payments (UKRPIX)**" means the "Non-revised Retail Price Index Excluding Mortgage Interest Payments in the United Kingdom", or relevant Successor Inflation Index, measuring the all items rate of inflation in the United Kingdom expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

United States

"**USA – Non-revised Consumer Price Index – Urban (CPI-U)**" means the "Non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment", or relevant Successor Inflation Index, measuring the rate of inflation in the United States expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for such Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

Italy

(a) "**ITL – Whole Community – Excluding Tobacco Consumer Price Index**" means the "Indice nazionale dei prezzi al consumo per l'intera collettività (NIC) senza tabacchi" or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(b) "**ITL – Whole Community – Including Tobacco Consumer Price Index**" means the "Indice nazionale dei prezzi al consumo per l'intera collettività (NIC) con tabacchi", or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference

Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(c) "**ITL – Inflation for Blue Collar Workers and Employees – Excluding Tobacco Consumer Price Index**" means the "Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI) senza tabacchi", or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(d) "**ITL – Inflation for Blue Collar Workers and Employees – Including Tobacco Consumer Price Index**" means the "Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI) con tabacchi", or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

(e) "**ITL – Non-revised Harmonised Consumer Price Index (HICP)**" means the "Non-revised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Italy, expressed as an index and published by the relevant Inflation Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

ANNEX 3
ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED NOTES

The terms and conditions applicable to ETF Linked Notes shall comprise the Terms and Conditions of the Notes (the "**Conditions**") and the additional terms and conditions for ETF Linked Notes linked to one or more ETFs set out below (the "**ETF Linked Conditions**"), in each case subject to completion in the Pricing Supplement. In the event of any inconsistency between (i) the Conditions and/or the ETF Linked Conditions and (ii) the Pricing Supplement, the Pricing Supplement shall prevail.

1. **Disrupted Day**

The Calculation Agent shall give notice as soon as practicable to the Issuer and the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Automatic Early Redemption Valuation Date, an Averaging Date, a Knock-in Determination Day or a Knock-out Determination Day, an Observation Date or a Valuation Date, as the case may be.

Where Exchange Business Day (Cross Asset Basis) and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Pricing Supplement for (i) Index Linked Notes, (ii) Equity Linked Notes and/or (iii) ETF Linked Notes, a "Disrupted Day" shall also mean any Scheduled Trading Day on which a Disrupted Day occurs under and as defined in the Equity Linked Conditions and/or ETF Linked Conditions.

2. **Potential ETF Events and Extraordinary ETF Events**

(a) Potential ETF Events

(i) "**Potential ETF Events**" means any of the following:

(A) a subdivision, consolidation, or reclassification of relevant ETF Shares or a free distribution or dividend of any such ETF Shares to existing holders by way of bonus, capitalisation or similar issue;

(B) a distribution, issue or dividend to existing holders of the relevant ETF Shares of (A) such ETF Shares or (B) other share capital or securities granting the right to payment of dividends and/or proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such ETF Shares; (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF, as a result of a spin-off or other similar transaction; or (D) any of other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(C) an extraordinary dividend as determined by the Calculation Agent;

(D) a call by an ETF in respect of relevant ETF Shares that are not fully paid; and

(E) a repurchase by the ETF or its subsidiaries of relevant ETF Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

(F) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETF Shares.

(ii) "**Potential ETF Event Effective Date**" means, in respect of a Potential ETF Event, the date on which such Potential ETF Event is announced by the relevant ETF, as determined by the Calculation Agent in its sole and absolute discretion.

(iii) Following the declaration by the ETF of the terms of any Potential ETF Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such

Potential ETF Event has a diluting or concentrative effect on the theoretical value of the ETF Shares and, if so, subject to ETF Linked Condition 2(a)(v), will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Weighting and/or any of the other terms of the Conditions, these ETF Linked Conditions and/or the Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETF Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to (i) the adjustment in respect of such Potential ETF Event made by an options exchange ("**ETF Exchange Based Adjustment**") to options on the ETF Shares traded on that options exchange or (ii) the adjustment in respect of such Potential ETF Event made by the ETF Service Provider to the ETF Share.

(iv) Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall, other than where ETF Exchange Based Adjustment applies, notify the Issuer as soon as practicable and the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 14, stating the occurrence of the Potential ETF Event, giving details thereof and the adjustment to be taken in relation thereto, provided that any failure to give or non-receipt of such notice will not affect the validity of such Potential ETF Event or Potential ETF Event Effective Date or the adjustment in relation thereto.

(v) If the Calculation Agent determines that no adjustment in accordance with ETF Linked Condition 2(a)(iii) would produce a commercially reasonable result, the Calculation Agent shall notify the Issuer as soon as practicable and the Issuer (i) shall redeem all but not some only of the Notes on the Termination Date by payment to each Noteholder of the Termination Amount. For avoidance of any doubt, the Termination Amount shall not accrue any interest from the date of its calculation to the Termination Date.

(vi) Notwithstanding Condition 5(a)(ii) (*Accrual of interest*) and 5(b)(ii) (*Accrual of interest*) (as the case may be), each Note shall cease to bear interest from and including the Calculated Extraordinary ETF Event Amount Determination Date and no interest amounts scheduled for payment thereafter (including, for the avoidance of doubt, including any Interest Amounts) shall be payable.

(b) Extraordinary ETF Events

"**Extraordinary ETF Event**" means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary ETF Event:

(i) the ETF or any ETF Service Provider (i) ceases trading and/or, in the case of any ETF Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv)(1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order

for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above;

(ii) any ETF Service Provider ceases or unwinds the legal arrangements that gave rise to the ETF;

(iii) the occurrence of any Merger Event or Tender Offer (unless Tender Offer is specified as not applicable in the Pricing Supplement), where:

"**Merger Event**" means, in respect of any relevant ETF Shares, any (i) reclassification or change of such ETF Shares that results in a transfer of or an irrevocable commitment to transfer all of such ETF Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of an ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETF is the continuing entity and which does not result in a reclassification or change of all of such ETF Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding ETF Shares of the ETF that results in a transfer of or an irrevocable commitment to transfer all such ETF Shares (other than such ETF Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the ETF or its subsidiaries with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such ETF Shares outstanding but results in the outstanding ETF Shares (other than ETF Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding ETF Shares immediately following such event, in each case if the date of the occurrence of the Extraordinary ETF Event is on or before the latest of the last occurring Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day, Observation Date or Valuation Date or, where Averaging is specified in the Pricing Supplement, the final Averaging Date; and

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 30% and less than 100% (the "**Percentage Range**") of the outstanding voting shares of the ETF, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

(iv) (a) an allegation of criminal or fraudulent activity is made in respect of the ETF, or any ETF Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (b) the commencement or threat of any investigative, judicial, administrative, regulatory or other civil or criminal proceedings against the ETF, any ETF Service Provider or any key personnel of such entities, if such allegation, determination, suspicion or proceedings could (in the opinion of the Calculation Agent) have an adverse impact on a Hedge Provider's rights or obligations in relation to hedging activities in respect of the Notes or could materially affect the value of the ETF Shares;

(v) any ETF Service Provider or other agent or entity fulfilling such role, howsoever described in the ETF Documents as at the Issue Date, ceases to act in such capacity in

relation to the ETF and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;

(vi) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the ETF are modified from that set out in the ETF Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the ETF invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the ETF Documents);

(vii) any change to, breach or violation, intentional or otherwise, of the ETF Strategy that, in the determination of the Calculation Agent, acting in good faith and in a commercial reasonable manner, is likely to affect the value of the ETF Shares or the rights or remedies of any holders thereof;

(viii) a material modification of the ETF (including but not limited to a modification of the ETF Documents) or a material modification of the method of calculating the net asset value per ETF Share (if any), or any change in the period or timing of the calculation or the publication of the net asset value per ETF Share (if any) or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the ETF, the ETF Shares or investors in the ETF (including, without limitation, the suspension of the net asset value per ETF Share (if any) and/or that affects the value of the ETF Shares or the rights or remedies of the holders thereof as compared to those prevailing as of the Trade Date), in each case other than a modification or event which does not affect the ETF Shares or the ETF or any portfolio of assets to which the ETF Share relate (either alone or in common with other ETF Shares issued by the ETF);

(ix) any ETF Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the ETF;

(x) (i) the occurrence of any event affecting a ETF Share that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the relevant ETF Share; (ii) any failure of the ETF, or its authorised representative, to deliver, or cause to be delivered, (1) information that the ETF has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (2) information that has been previously delivered to any Hedge Provider or the Calculation Agent, as applicable, in accordance with the ETF's, or its authorised representative's, normal practice and that any Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such ETF's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the relevant ETF Share;

(xi) a reduction of the ETF's aggregate value or the reduction of the ETF's aggregate net asset value under an amount that, in the reasonable opinion of the Calculation Agent, has, or is likely to have, a significant effect on the management conditions of the ETF and/or its operating expenses or would increase the proportion of ETF Shares held, or likely to be held, by the Issuer, Guarantor or Hedge Provider to such extent that the full redemption in one single order of the ETF Shares held by the Issuer, Guarantor or Hedge Provider is likely to be impaired;

(xii) (i) any relevant activities of or in relation to the ETF or the ETF Service Providers are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the ETF or the ETF Service Providers, (iii) the ETF is required by a competent authority to redeem any ETF Shares and/or (iv) the Issuer, the Guarantor and/or any Hedge Provider is required by a competent authority, the ETF or any other relevant entity to dispose of or compulsorily redeem

any ETF Shares held in connection with any hedging arrangements relating to the Notes;

(xiii) (i) the non-execution or partial-execution by the ETF for any reason of a creation, subscription or redemption order in respect of any ETF Shares (including, for the avoidance of any doubt, any non-execution by the ETF pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of any Hedge Provider have an adverse impact on any Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, (ii) the ETF otherwise suspends or refuses transfers of any of its ETF Shares as described in the ETF Documents, (iii) if applicable, the ETF ceases to be an undertaking for collective investments under the relevant jurisdiction's legislation, (iv) the ETF otherwise suspends or refuses redemptions of any of its ETF Shares (including, without limitation, if the ETF applies any gating, deferral, suspension or other similar provisions permitting the ETF to delay or refuse redemption or transfer of ETF Shares) as described in the ETF Documents, (v) the ETF imposes in whole or in part any restriction (including, without limitation, any redemption *in specie*), charge or fee in respect of a redemption or subscription of its ETF Shares by the Issuer or any Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed ETF Shares, if in any case it could in the sole determination of any Hedge Provider have an adverse impact on any Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, (vi) a mandatory redemption, in whole or in part, of the ETF Shares is imposed by the ETF on any one or more holders of ETF Shares at any time for any reason or (vii) the Issuer, any Hedge Provider, or any Affiliate thereof, is required by the ETF or ETF Service Provider to redeem any ETF Shares for any reason;

(xiv) all the ETF Shares or all or substantially all the assets of an ETF are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

(xv) the currency or denomination of the ETF Shares is amended from that set out in the ETF Documents as at the Trade Date;

(xvi) one or more of the key individuals involved with, or having supervision over, the ETF ceases to act in such capacity, and the ETF or relevant ETF Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;

(xvii) following the issue by a ETF of a new class or series (howsoever described in the ETF Documents) of shares, the Calculation Agent, determines that such new class or series of shares has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Notes;

(xviii) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Notes (a "**Tax Event**") and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to any of its Affiliates, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date the Calculation Agent determines that there is no reasonable means of mitigating the Tax Event as provided above;

(xix) in connection with any hedging activities in relation to the Notes, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal,

regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of ETF Shares or that would subject a holder of the ETF Shares or the Issuer to any loss), purchase or sell any ETF Shares of the ETF or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased for any reason or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to any of its Affiliates, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date the Calculation Agent determines that that there is no practicable means of mitigating the Relevant Event as provided above;

(xx) in connection with the hedging activities in relation to the Notes, if the cost to the Issuer or the Hedge Provider in relation to the Notes and the related hedging activities would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss relating to the Notes and the related hedging activities;

(xxi) in connection with the hedging activities in relation to the Notes, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETF asset price risk or any other relevant price risk, including but not limited to the Issuer's obligations under the Notes, or (b) to realise, recover or remit the proceeds of any such transaction, asset or futures or option contract or any relevant hedge positions relating to an ETF Share of the ETF;

(xxii) at any time on or after the Issue Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Notes;

(xxiii) the Issuer becomes legally prohibited from transferring or redeeming its holding of ETF Shares;

(xxiv) the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETF Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union);

(xxv) (i) the occurrence of the reclassification of the ETF Shares; or

(ii) (A) proposal for or (B) the occurrence of the acquisition of the ETF by, or the aggregation of the ETF into, another fund the mandate, risk-profile and/or benchmarks of which the Calculation Agent determines to be different from the mandate, risk-profile and/or benchmarks of the ETF as compared to the Trade Date of the ETF Linked Notes (or any proposal for the foregoing occurs); or

(xxvi) (i) any cancellation, suspension or revocation of the registration or approval of the ETF or the ETF Shares by any governmental, legal or regulatory entity with authority over the ETF or the ETF Shares;

(ii) any change in the legal, tax, accounting or regulatory treatments of the ETF, any ETF Service Provider or the ETF Shares that the Calculation Agent determines has or is reasonably likely to have an adverse impact on the investors in the ETF or the holders of the ETF Shares or on the value of the ETF Shares, or

(iii) the ETF or any ETF Service Provider becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving any activities relating to or resulting from the operation of the ETF (including, without limitation, any future, announced or implemented material change to any one or more exemptive order, no action letters or interpretative guidance of any relevant governmental, legal or regulatory authority), including guidance relating to the ETF or to exchange traded funds generally that affects holders of the ETF Shares, whether occurring through action of any relevant governmental, legal or regulatory authority or otherwise, including as a result of a court order or executive order) that the Calculation Agent determines has had or is reasonably likely to have a material adverse effect on the value, redeemability or liquidity of the ETF or the ETF Shares, or the operation of the ETF in accordance with the terms of the ETF Documents); or

(iv) the issuance by any relevant governmental, legal or regulatory authority of an order to suspend redemption obligations of the ETF, to freeze assets of the ETF or take any other action the Calculation Agent determines is reasonably likely to have a material effect on the value, redeemability or liquidity of the ETF or the ETF Shares.

(c) Consequences of an Extraordinary ETF Event

If an Extraordinary ETF Event occurs, including any Additional Extraordinary ETF Event specified in the Pricing Supplement the Issuer in its sole and absolute discretion may take any of the actions (each an "**Extraordinary ETF Event Action**") described in subparagraphs (i) to (iii) inclusive below.

(i) Adjustment

If the Issuer determines that the action taken in respect of the Extraordinary ETF Event is to be "**Adjustment**" then it may:

(A) require the Calculation Agent to determine, in its sole and absolute discretion, the appropriate adjustment(s), if any, to be made to any one or more of any Relevant Asset and/or the Weighting and/or any of the other terms of the Conditions, these ETF Linked Conditions and/or the Pricing Supplement to account for the relevant Extraordinary ETF Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETF Shares or to the Notes. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETF Event made by any options exchange to options on the ETF Shares traded on that options exchange; or

(B) following such adjustment to the settlement terms of options on the ETF Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Weighting and/or any of the other terms of the Conditions, these ETF Linked Conditions and/or the Pricing Supplement, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETF Shares are not traded

on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Weighting and/or any of the other terms of the Conditions, these ETF Linked Conditions and/or the Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETF Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(ii) Substitution

If the Issuer determines that the action to be taken in respect of the Extraordinary ETF Event is to be Substitution, the Calculation shall on or after the occurrence of any Extraordinary ETF Event, substitute each ETF Share (each an "**Affected ETF Share**)" of each ETF (each, an "**Affected ETF**") which is affected by such Extraordinary ETF Event with an ETF Share selected by it in accordance with the criteria for ETF Share selection set out below (each a "**Substitute ETF Share"**) and the Substitute ETF Share will be deemed to be an "**ETF Share**" and the relevant issuer of such Substitute ETF Share, an "**ETF**" for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Weighting and/or any of the other terms of the Conditions, these ETF Linked Conditions and/or the Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to an initial price (the Initial Price) of the Affected ETF Share, the relevant Initial Price of each Substitute ETF Share will be determined by the Calculation Agent in accordance with the following formula:

Initial Price = A x (B/C)

where:

"**A**" is the official closing price of the relevant Substitute ETF Share on the relevant Exchange on the Substitution Date;

"**B**" is the Initial Price of the relevant Affected ETF Share; and

"**C**" is the fair market value of the relevant Affected ETF Share on the Substitution Date (which may, where available, be determined by reference to the official closing price of the Affected Share on the relevant Exchange and/or such other source(s) as the Calculation Agent determines appropriate).

Such substitution and the relevant adjustment to the ETF Basket will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant Extraordinary ETF Event Effective Date.

The Weighting of each Substitute ETF Share will be equal to the Weighting of the relevant Affected ETF Share.

In order to be selected as a Substitute ETF Share, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent in its sole and absolute discretion:

(A) where the relevant Extraordinary ETF Event is a Merger Event or a Tender Offer (a) in the case of ETF Shares related to a single ETF, and (b) in the case of ETF Shares related to an ETF Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETF Basket and (ii) it is or as of the relevant Extraordinary ETF Event Effective Date is

promptly scheduled to be (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union or in the United Kingdom, in any member state of the European Union or in the United Kingdom) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or

(B) (a) where the relevant Extraordinary ETF Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (A) above, but such share/unit/interest is (in the case of an ETF Share related to an ETF Basket), already included in the ETF Basket, or (b) where the Extraordinary ETF Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETF, including but not limited to, a comparable listing, investment objectives, investment restrictions and investment processes underlying asset pools and whose related parties are acceptable to the Calculation Agent;

(C) if no alternative traded instrument can be determined pursuant to the preceding sub-paragraph (B) above, use reasonable endeavours to substitute the relevant ETF with an index (or a fund tracking an index) selected by the Calculation Agent in its sole and absolute discretion; and

(D) following any such substitution (a "**Substitution**"), in its sole and absolute discretion amend such of the Conditions, these ETF Linked Conditions and/or the Pricing Supplement as it determines to be appropriate to take account of such Substitution, including to ensure the weighted average price referred to in (i) above (and any consequent rise or fall in value of the affected ETF Share since the Issue Date) is reflected in the terms of the Substitution.

(iii) Termination

If the Issuer determines that the action to be taken in respect of the Extraordinary ETF Event is to be "**Termination**", upon the occurrence of a Termination Event the Issuer (i) shall redeem all but not some only of the Notes on the Termination Date by payment to each Noteholder of the Termination Amount. For avoidance of any doubt, the Termination Amount shall not accrue any interest from the date of its calculation to the Termination Date.

Notwithstanding Condition 5(a)(ii) (*Accrual of interest*) and 5(b)(ii) (*Accrual of interest*) (as the case may be), each Note shall cease to bear interest from and including the Calculated Extraordinary ETF Event Amount Determination Date and no interest amounts scheduled for payment thereafter (including, for the avoidance of doubt, including any Interest Amounts) shall be payable.

(iv) Upon the occurrence of an Extraordinary ETF Event, if the Issuer determines that an adjustment in accordance with the above provisions is necessary it shall give notice as soon as practicable (an "**Extraordinary Event Notice**") to the Noteholders in accordance with Condition 14 (*Notices)* stating the occurrence of such Extraordinary ETF Event (the date on which an Extraordinary Event Notice is given, an "**Extraordinary ETF Event Notification Date**"), giving details thereof and the action to be taken in relation thereto, including, in the case of a Substitution, the identity of the Substitute ETF Shares and the Substitution Date and, in the case of a Termination, details of any Termination Date and Termination Amount (where applicable), provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Extraordinary ETF Event or the proposed action.

3. **Correction of ETF Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Notes calculated by reference to the price of an ETF

Share, if the relevant price of the relevant ETF Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the ETF Share Correction Period of the original publication, the price to be used shall be the price of the relevant ETF Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Notes calculated by reference to the price of an ETF Share will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

4. **Knock-in Event and Knock-out Event**

(a) This ETF Linked Condition 4 is applicable only if:

(i) Knock-in Event is specified as applicable in the Pricing Supplement, in which case any payment under the Notes which is expressed to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event; or

(ii) Knock-out Event is specified as applicable in the Pricing Supplement, in which case any payment under the Notes which is expressed to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

(b) Provided that:

(i) if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Pricing Supplement is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins or ends at the Valuation Time a Knock-in Event or a Knock-out Event would otherwise have occurred and a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of each affected ETF Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date; and

(ii) if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Pricing Supplement is any time/or period of time during the regular trading hours on the relevant Exchange other than the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins or ends at the Knock-in Valuation Time or Knock-out Valuation Time a Knock-in Event or a Knock-out Event would otherwise have occurred and a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of each affected ETF Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date.

5. **Automatic Early Redemption**

If "**AER Value Automatic Early Redemption Event**" is specified as applicable in the Pricing Supplement, then unless previously redeemed or purchased and cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) in respect of an Automatic Early Redemption Valuation Period if on any or all Automatic Early Redemption Valuation Date(s), as specified in the Pricing Supplement, an Automatic Early Redemption Event occurs, then the Notes will, subject as provided in ETF Linked Condition 2(c), be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or Automatic Early

Redemption Valuation Period and the Issuer shall redeem each Note at an amount equal to the relevant Automatic Early Redemption Amount.

6. **Definitions**

"**Additional Extraordinary ETF Event**" means (i) (unless specified otherwise in the Pricing Supplement) Change in Law, or (ii) any of Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Stop-Loss Event and/or Loss of Stock Borrow, in each case if specified in the Pricing Supplement.

"**AER Value Automatic Early Redemption Event**" means the AER Value is:

(i) greater than;

(ii) greater than or equal to;

(iii) less than; or

(iv) less than or equal to,

the Automatic Early Redemption Price, (i), (ii), (iii) or (iv) applying, as specified in the Pricing Supplement,

"**AER Value**" has the meaning given to it in the Pricing Supplement, being a term defined in Payout Condition 4.2 (*Value Definitions*).

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes, control means ownership of a majority of the voting power of an entity.

"**Automatic Early Redemption Amount**" means an amount, in respect of each principal amount of Notes equal to the Calculation Amount, being the Automatic Early Redemption Payout set out in the Pricing Supplement.

"**Automatic Early Redemption Date**" means each date specified as such in the Pricing Supplement, or if such date is not a Business Day, the immediately succeeding Business Day, provided that no additional amount shall be payable to Holders as a result of such delay.

"**Automatic Early Redemption Payout**" is as specified in the relevant Pricing Supplement.

"**Automatic Early Redemption Price**" means the price, amount, percentage or number specified as such in the Pricing Supplement, subject to adjustment as provided in ETF Linked Condition 2(c)(i) above.

"**Automatic Early Redemption Valuation Date**" means each date as specified as such in the Pricing Supplement or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of Valuation Date shall apply *mutatis mutandis* as if references in such provisions to Valuation Date were to Automatic Early Redemption Valuation Date.

"**Automatic Early Redemption Valuation Period**" means each period specified as such in the Pricing Supplement.

"**Automatic Early Redemption Valuation Time**" has the meaning given it in the Pricing Supplement.

"**Averaging Date**" means each date specified as an Averaging Date in the Pricing Supplement or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day.

If any such day is a Disrupted Day pursuant to the above, then:

(a) where "Scheduled Trading Day (Per ETF Share Basis)" is specified in the Pricing Supplement:

(i) if "**Omission**" is specified as applying in the Pricing Supplement, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level, price or amount, as applicable, provided that if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of Valuation Date will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date; or

(ii) if "**Postponement**" is specified as applying in the Pricing Supplement, the provisions of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date, or

(iii) if "**Modified Postponement**" is specified as applying in the Pricing Supplement then:

(1) where the Notes are ETF Linked Notes relating to a single ETF, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (b) of the definition of Valuation Date below; or

(2) where the Notes are ETF Linked Notes relating to an ETF Basket, the Averaging Date for each ETF Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each ETF Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such ETF Share. If the first succeeding Valid Date in relation to such ETF Share has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such ETF Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b) of the definition of Valuation Date below; or

(b) where "Scheduled Trading Day (All ETF Shares Basis)" or "Scheduled Trading Day (Cross Asset Basis)" is specified in the Pricing Supplement:

(i) if "**Omission**" is specified as applying in the Pricing Supplement, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level, price or amount provided that, if through the operation of this provision no Averaging Dates would occur, then:

(1) the sole Averaging Date for each ETF Share which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the originally designated final Averaging Date (the "**Scheduled Final Averaging Date**"); and

(2) the sole Averaging Date for each ETF Share which the Calculation Agent determines is affected by the occurrence of a Disrupted Day (each an "**Affected Item**") shall be the first Scheduled Trading Day following the Scheduled Final Averaging Date that is not a Disrupted Day relating to the Affected Item unless each of the number of

consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Final Averaging Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price, as applicable, using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day, and otherwise in accordance with the Valuation Date provisions;

(ii) if "**Postponement**" is specified as applying in the Pricing Supplement, then the Averaging Date for each ETF Share shall be the first succeeding Scheduled Trading Day following the originally designated Averaging Date (the "**Scheduled Averaging Date**") that is not a Disrupted Day in relation to any ETF Share (irrespective of whether, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date) unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption is a Disrupted Day for any ETF Share (each an "**Affected Item**"). In that case: (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date for the Affected Item (irrespective of whether, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date), and (ii) the Calculation Agent shall determine the Settlement Price, as applicable, using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day, and otherwise in accordance with the Valuation Date provisions; or

(iii) if "**Modified Postponement**" is specified as applying in the Pricing Supplement then (i) the Averaging Date for each ETF Share which the Calculation Agent determines is not affected by the occurrence of a Disrupted Date shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**"), and (ii) the Averaging Date for each ETF Share which the Calculation Agent determines is affected by the occurrence of a Disrupted Day (each an "**Affected Item**") shall be the first succeeding Valid Date (as defined below) in relation to each Affected Item. If the first succeeding Valid Date in respect of an Affected Item has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (x) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (y) the Calculation Agent shall determine the Settlement Price, as applicable, using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day, and otherwise in accordance with the Valuation Date provisions.

For the purposes of these ETF Linked Conditions, "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**Change in Law**" means that, on or after the Trade Date (as specified in the Pricing Supplement) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant ETF Share and/or (B) it will incur a materially increased cost in performing its obligations in relation to the ETF Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant securities.

"**Clearance System Business Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

"**Coupon Valuation Time**" means the time specified as such in the Pricing Supplement.

"**Cross Asset Basket**" means a basket of Shares, ETF Shares and/or Share Indices, as specified in the Pricing Supplement.

"**Disrupted Day**" means any Scheduled Trading Day on which:

(a) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session; or

(b) a Market Disruption Event has occurred.

"**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"**ETF**" means any fund specified as being an Exchange Traded Fund in the Pricing Supplement, or if not so specified, any fund which the Calculation Agent determines to be an exchange traded fund.

"**ETF Basket**" means a Basket comprising the ETF Shares in one or more ETFs specified in the Pricing Supplement.

"**ETF Documents**" means, with respect to any ETF Share, (i) the offering documents in effect on the Trade Date specifying among other things the terms and conditions relating to such ETF and (ii) any other documents and agreements in respect of the ETF, including without limitation, the constitutive and governing documents, subscription agreements and other agreements of the ETF, in each case, described in (i) above.

"**ETF Service Provider**" means, in respect of any ETF, any person who is appointed to provide services, directly or indirectly, for such ETF, whether or not specified in the ETF Documents, including any investment advisor or investment manager, sub-manager, fund adviser, fund administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other key individual or entity involved with or having supervisory or management powers over the ETF, as determined by the Calculation Agent.

"**ETF Share(s)**" means, in respect of an ETF, a share or unit in such ETF.

"**ETF Share Correction Period**" means the period specified in the Pricing Supplement or if none is so specified, one Settlement Cycle.

"**ETF Strategy**" means, in respect of an ETF, the strategies or investment guidelines stated in the ETF Documents which contribute to the value of the ETF Shares.

"**Exchange**" means, in relation to a ETF Share, each exchange or quotation system specified as such for such ETF Share in the Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETF Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETF Share on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means either (i) in the case of a single ETF Share, Exchange Business Day (Single ETF Share Basis) or (ii) in the case of a basket of ETF Shares or other assets, (a) Exchange Business Day (All ETF Shares Basis) or (b) Exchange Business Day (Per ETF Share Basis) or (c) Exchange Business Day (Cross Asset Basis), in each case as specified in the Pricing Supplement,

provided that, if no such specification is made in the Pricing Supplement, Exchange Business Day (All ETF Shares Basis) shall apply.

"**Exchange Business Day (All ETF Shares Basis)**" means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time.

"**Exchange Business Day (Cross Asset Basis)**" means, in respect of a basket of assets, any Scheduled Trading Day on which each relevant Exchange and each Related Exchange (if any) in respect of all ETF Shares comprised in the basket is open for trading during its regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time) and which is also an Exchange Business Day under and as defined in the Equity Linked Conditions.

"**Exchange Business Day (Per ETF Share Basis)**" means, in respect of an ETF Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such ETF Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its (their) Scheduled Closing Time.

"**Exchange Business Day (Single ETF Share Basis)**" means, in respect of an ETF Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its (their) Scheduled Closing Time.

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETF Share on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETF Share on any relevant Related Exchange.

"**Extraordinary ETF Event Effective Date**" means, in respect of an Extraordinary ETF Event, the date on which such Extraordinary ETF Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion.

"**Hedge Provider**" means the party (being, *inter alia*, the Issuer, the Guarantor, the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Notes or where no such party actually hedges such obligations, a hypothetical investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETF Shares, or enter or be deemed to enter into any agreement to purchase, or pay an amount linked to the performance of, such number of ETF Shares as it (or in the case of a hypothetical investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Notes.

"**Hedging Disruption**" means that the Issuer and/or the Guarantor or any of its Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the fund price risk or any other relevant price risk including but not limited to the currency risk of the Issuer or the Guarantor, issuing and performing its obligations with respect to the Notes, or (ii) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"**Hedging Shares**" means the number of ETF Shares that the Issuer or any of its Affiliates deems necessary to hedge the price risk of entering into and performing its obligations with respect to the Notes.

"Increased Cost of Hedging" means that the Issuer and/or the Guarantor or any of their respective Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, fund price risk, foreign exchange risk and interest rate risk) of the Issuer or the Guarantor, issuing and performing its obligations with respect to the Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such

materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"**Increased Cost of Stock Borrow**" means that the Issuer or any of its Affiliates would incur a rate to borrow any ETF Share that is greater than the Initial Stock Loan Rate.

"**Initial Stock Loan Rate**" means, in respect of an ETF Share, the initial stock loan rate specified in relation to such ETF Share in the Pricing Supplement.

"**Insolvency Filing**" means that an ETF institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the ETF shall not be deemed an Insolvency Filing.

"**Knock-in Determination Day**" means the date(s) specified as such in the Pricing Supplement, or otherwise each Scheduled Trading Day during the Knock-in Determination Period.

"**Knock-in Determination Period**" means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

"**Knock-in Event**" means the Knock-in Value is (A):

(i) greater than;

(ii) greater than or equal to;

(iii) less than; or

(iv) less than or equal to,

the Knock-in Price or (B) within the Knock-in Range (x) on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period, as specified in the Pricing Supplement,

"**Knock-in Period Beginning Date**" means the date specified as such in the Pricing Supplement or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-in Period Ending Date**" means the date specified as such in the Pricing Supplement or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-in Price**" means the price, amount, percentage or number specified as such in the Pricing Supplement, subject to adjustment from time to time in accordance with the provisions set forth in these ETF Linked Conditions.

"**Knock-in Range**" means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the Pricing Supplement, subject to adjustment from time to time in accordance with the provisions set forth in these ETF Linked Conditions.

"**Knock-in Valuation Time**" means the time or period of time on any Knock-in Determination Day specified as such in the Pricing Supplement or in the event that the Pricing Supplement do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

"**Knock-in Value**" has the meaning given to it in the Pricing Supplement, being a term defined in Payout Condition 4.2 (*Value Definitions*).

"**Knock-out Determination Day**" means the date(s) specified as such in the Pricing Supplement, or otherwise each Scheduled Trading Day during the Knock-out Determination Period.

"**Knock-out Determination Period**" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

"**Knock-out Event**" means the Knock-out Value is (A):

(i) greater than,

(ii) greater than or equal to,

(iii) less than or

(iv) less than or equal to

the Knock-out Price or (B) within the Knock-out Range (x) on a Knock-out Determination Day or (y) in respect of any Knock-out Determination Period, as specified in the Pricing Supplement.

"**Knock-out Period Beginning Date**" means the date specified as such in the Pricing Supplement or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Fund Business Day.

"**Knock-out Period Ending Date**" means the date specified as such in the Pricing Supplement or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-out Price**" means the price, amount, percentage or number specified as such in the Pricing Supplement, subject to adjustment from time to time in accordance with ETF Linked Condition 2(c)(i).

"**Knock-out Range**" means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the Pricing Supplement, subject to adjustment from time to time in accordance with the provisions set forth in these ETF Linked Condition 2(c)(i) (*Consequences of an Extraordinary ETF Event - Adjustment*) and ETF Linked Condition 2(b) (*Extraordinary ETF Events*).

"**Knock-out Valuation Time**" means the time or period of time on any Knock-out Determination Day specified as such in the Pricing Supplement or, in the event that the Pricing Supplement do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

"**Knock-out Value**" has the meaning given to it in the Pricing Supplement, being a term defined in the Payout Condition 4.2 (*Value Definitions*).

"**Loss of Stock Borrow**" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETF Share in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"**Market Disruption Event**" means, in respect of an ETF Share, the occurrence or existence of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event, begins or ends at the time when the level of the relevant ETF Share triggers, respectively, the occurrence of the Knock-in Event or Knock-out Event or (b) in all other circumstances that ends at the relevant Valuation Time, or (iii) an Early Closure.

"**Maximum Stock Loan Rate**" means, in respect of an ETF Share, the Maximum Stock Loan Rate specified in the Pricing Supplement.

"**Number of NAV Publication Days**" means (i) the number of calendar days specified in the Pricing Supplement, or (ii) if not specified in the Pricing Supplement, the maximum number of days after the due date for publication or reporting of the net asset value per ETF Share after which the ETF Service Provider or any entity fulfilling such role, howsoever described in the ETF Documents, or any other party

acting on behalf of the ETF, may remedy any failure to publish or report the net asset value per ETF Share in accordance with the relevant ETF Documents and before the Calculation Agent may determine that an Extraordinary ETF Event has occurred.

"**Observation Date**" means each date specified as an Observation Date in the Pricing Supplement, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of Valuation Date shall apply *mutatis mutandis* as if references in such provisions to Valuation Date were to Automatic Early Redemption Valuation Date.

"**Observation Period**" means the period specified as the Observation Period in the Pricing Supplement.

"**Related Exchange**" means, in relation to an ETF Share, each exchange or quotation system specified as such for such ETF Share in the Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETF Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETF Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where All Exchanges is specified as the Related Exchange in the Pricing Supplement, Related Exchange shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETF Share.

"**Relevant Price**" means an amount equal to the official closing price (or the price at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as the case may be, on the relevant Settlement Price Date or Averaging Date, if so specified in the Pricing Supplement) quoted on the relevant Exchange for the relevant ETF Share or if such price cannot be so determined and the Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as the case may be, on the Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day or such Averaging Date, as the case may be, if so specified in the Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as the case may be, on the Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day or such Averaging Date, as the case may be, if so specified in the Pricing Supplement) for the ETF Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such ETF Share or on such other factors as the Calculation Agent shall decide.

"**Scheduled Closing Time**" means, in respect of an Exchange on which an ETF Share is traded and/or listed, the scheduled weekday closing time of such Exchange.

"**Scheduled Trading Day**" means either (i) in the case of a single ETF and in relation to an ETF Share, Scheduled Trading Day (Single ETF Share Basis) or (ii) in the case of an ETF Basket or basket of assets, (a) Scheduled Trading Day (All ETF Shares Basis) or (b) Scheduled Trading Day (Per ETF Share Basis) or (c) Scheduled Trading Day (Cross Asset Basis), in each case as specified in the Pricing Supplement, provided that, if no such specification is made in the Pricing Supplement, Exchange Business Day (All ETF Shares Basis) shall apply.

"**Scheduled Trading Day (All ETF Shares Basis)**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

"**Scheduled Trading Day (Cross Asset Basis)**" means, in respect of a basket of assets, any day on which each Exchange and each Related Exchange (if any) in respect of all ETF Shares comprised in the basket of assets is scheduled to be open for trading during its regular trading session and which is also a Scheduled Trading Day for the purpose of the Equity Linked Conditions.

"**Scheduled Trading Day (Per ETF Share Basis)**" means, in respect of an ETF Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETF Share are scheduled to be open for trading during their respective regular trading session(s).

"**Scheduled Trading Day (Single ETF Share Basis)**" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

"**Scheduled Valuation Date**" means any day which but for the occurrence of a Disrupted Day would have been a Valuation Date.

"**Screen Page**" means the page specified in the Pricing Supplement, or any successor page or service thereto.

"**Settlement Cycle"** means, in respect of an ETF Share, the period of Clearance System Business Days following a trade in the ETF Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

"**Settlement Price**" means, subject as referred to in relation to any Observation Date, Valuation Date or Averaging Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, (A) if Averaging is not specified in the Pricing Supplement, the Relevant Price for the relevant Settlement Price Date, or (B) if Averaging is specified in the Pricing Supplement, the arithmetic mean of the Relevant Prices of the single ETF on each Averaging Date, or, in the case of an ETF Basket, either the arithmetic mean of the Relevant Prices for each ETF on each Averaging Date or (C) if Averaging (Per ETF) is specified in the Pricing Supplement, the arithmetic mean of the Relevant Prices of the relevant ETF on each Averaging Date, all as determined by or on behalf of the Calculation Agent in a commercially reasonable manner.

"**Settlement Price Date**" means any Automatic Early Redemption Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, as the case may be.

"**Specified Maximum Days of Disruption**" means five (5) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the Pricing Supplement.

"**Stop-Loss Event**" means, in respect of an ETF Share, the price of any ETF Share as quoted on the relevant Exchange for such ETF Share at any time or the Scheduled Closing Time, as specified in the Pricing Supplement, on any Scheduled Trading Day that is not a Disrupted Day in respect of such ETF Share on or after the Trade Date or, if later the Strike Date, is less than 5%, or such percentage specified in the Pricing Supplement, of its Settlement Price or, if no Settlement Price is stipulated in the Pricing Supplement, the price given as the benchmark price for such ETF Share in the Pricing Supplement, all as determined by the Calculation Agent.

"**Strike Date**" means the Strike Date specified in the Pricing Supplement, as may be adjusted in accordance with the definition of Valuation Date below, provided that:

in the case of ETF Linked Notes relating to a ETF Basket or Notes relating to a Cross Asset Basket, if the Strike Date for any ETF Share forming part of the ETF Basket or Cross Asset Basket, as applicable, is specified to be the Trade Date (subject, for the avoidance of doubt, to any adjustments relating to the Strike Date that are set out in the Pricing Supplement) then:

(i) if the Strike Date for any ETF Share forming part of the ETF Basket or Cross Asset Basket, as applicable, is not a Scheduled Trading Day, the Strike Date for such ETF Share shall be the first succeeding Scheduled Trading Day; unless (ii) in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then the Strike Date for such ETF Share, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of such ETF Share forming part of the ETF Basket or Cross Asset Basket, as applicable, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date is a Disrupted Day in respect of such ETF Share.

In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the relevant ETF Share, notwithstanding the fact that such day is a Disrupted Day with respect to

such ETF Share, and (ii) the Calculation Agent shall determine the price of the ETF Share as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the price of that ETF Share last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each ETF Share comprised in that ETF Basket or Cross Asset Basket, as applicable, (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant ETF Share on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant ETF Share as of the Valuation Time on the last such consecutive Scheduled Trading Day) and otherwise in accordance with the above provisions.

"**Strike Day**" means each date specified as such in the Pricing Supplement.

"**Strike Period**" means the period specified as the Strike Period in the Pricing Supplement.

"**Termination Amount**" means amount equal to the fair market value of a Note taking into account the relevant Extraordinary ETF Event or Potential ETF Event (as the case may be), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion as soon as practicable following the occurrence of the relevant Extraordinary ETF Event or the relevant Potential ETF Event (as the case may be) (the "**Calculated Extraordinary ETF Event Amount Determination Date**").

"**Termination Date**" means the date determined by the Issuer (which, for the avoidance of doubt shall be any date determined by the Issuer in its sole and absolute discretion) and specified in the notice given to the Noteholders in accordance with these ETF Linked Conditions.

"**Trading Disruption**" means, in relation to an ETF Share, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETF Share on the Exchange; or (ii) in futures or options contracts relating to the ETF Share on any relevant Related Exchange.

"**Valuation Date**" means the Coupon Valuation Date, Strike Date and/or Redemption Valuation Date, as the case may be, specified in the Pricing Supplement or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(a) in the case of ETF Linked Notes relating to a single ETF Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that the last such consecutive Scheduled Trading Day;

(b) in the case of ETF Linked Notes relating to a Basket of ETF Shares, the Valuation Date for each ETF Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each ETF Share affected (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day and otherwise in accordance with the above provisions; or

(c) in the case of Notes relating to a Cross Asset Basket, the Valuation Date for each ETF Share in such Cross Asset Basket not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each ETF Share affected (each an

"**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day, and otherwise in accordance with the above provisions.

"**Valuation Time**" in relation to an ETF Share means either (i) the close of trading on the Exchange or (ii) as otherwise specified in the Pricing Supplement.

"**Weighting**", in relation to an ETF Share, the weighting to be applied to it as specified in the Pricing Supplement or if no weighting is so specified then no such weighting shall apply.

ANNEX 4
ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED NOTES

The terms and conditions applicable to Fund Linked Notes shall comprise the Terms and Conditions of the Notes (the "**Conditions**") and the additional Terms and Conditions set out below (the "**Fund Linked Note Conditions**"), in each case subject to completion in the Pricing Supplement. In the event of any inconsistency between the Conditions and the Fund Linked Note Conditions, the Fund Linked Note Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Fund Linked Note Conditions and (ii) the Pricing Supplement, the Pricing Supplement shall prevail.

1. **Definitions**

"**Additional Extraordinary Fund Event**" means any event specified as such in the Pricing Supplement;

"**AUM**" means, assets under management;

"**AUM Level**" has the meaning given to it in the Pricing Supplement, or if not so specified, with respect to (i) a Mutual Fund, EUR 50,000,000, or (ii) a Hedge Fund, EUR 50,000,000, or (iii) an ETF, EUR 50,000,000 or the equivalent in any other currency;

"**Basket Trigger Event**" means that an Extraordinary Fund Event (as defined below) occurs in respect of one or more Funds comprising the Fund Basket which has or, in the event that an Extraordinary Fund Event has occurred in respect of more than one Fund, together have, a weighting (as may be specified in the Pricing Supplement) in the Fund Basket equal to or greater than the Basket Trigger Level;

"**Basket Trigger Level**" has the meaning given to it in the Pricing Supplement or if not so specified, 50%;

"**Calculation Date**" means each day specified in the Pricing Supplement, or if not so specified, each day which is a Fund Business Day;

"**Disrupted Day**" means, in the case of an ETF, any Scheduled Trading Day on which:

(a) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session; or

(b) a Market Disruption Event has occurred;

"**Early Closure**" means, in the case of an ETF, the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"**ETF**" or "**Exchange Traded Fund**" means any Fund specified as being an Exchange Traded Fund in the Pricing Supplement, or if not so specified, any Fund which the Calculation Agent determines to be an exchange traded fund;

"**ETF Price**" means, in respect of any Automatic Early Redemption Valuation Date, the price per Fund Share as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Automatic Early Redemption Valuation Date;

"**Exchange**" means, in the case of an ETF and in relation to a Fund Share, each exchange or quotation system specified as such for such Fund Share in the Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Fund Share on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means in the case of an ETF, either (i) in the case of a single Fund Share, Exchange Business Day (Single Fund Share Basis) or (ii) in the case of a basket of Funds or other assets, (a) Exchange Business Day (All Fund Shares Basis) or (b) Exchange Business Day (Per Fund Share Basis), in each case as specified in the Pricing Supplement, provided that, if no such specification is made in the Pricing Supplement, Exchange Business Day (Per Fund Share Basis) shall apply;

"**Exchange Business Day (All Fund Shares Basis)**" means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time;

"**Exchange Business Day (Per Fund Share Basis)**" means, in respect of a Fund Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Fund Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its (their) Scheduled Closing Time;

"**Exchange Business Day (Single Fund Share Basis)**" means, in respect of a Fund Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its (their) Scheduled Closing Time;

"**Exchange Disruption**" means, in the case of an ETF, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Fund Share on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Fund Share on any relevant Related Exchange;

"**Extraordinary Fund Event Effective Date**" means, in respect of an Extraordinary Fund Event, the date on which such Extraordinary Fund Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion;

"**Fee**" has the meaning given to it in the Pricing Supplement;

"**Final Calculation Date**" means the date specified as such in the Pricing Supplement;

"**Fund**" means each Mutual Fund, Hedge Fund, Private Equity Fund or ETF;

"**Fund Basket**" means, where the Fund Linked Notes are linked to the performance of Fund Shares (including, if applicable, Fund Shares in one or more ETFs) of more than one Fund, a basket comprising such Fund Shares;

"**Fund Business Day**" means either (i) with respect to a single Fund, (a) in respect of a Fund other than an ETF, Fund Business Day (Single Fund Share Basis), or (b) in respect of an ETF, each Scheduled Trading Day, or (ii) in respect of a Fund Basket, (a) in respect of a Fund Basket not comprised of Fund Shares of ETFs, either Fund Business Day (All Fund Shares Basis) or Fund Business Day (Per Fund Share Basis) as specified in the Pricing Supplement, provided that, if no such specification is made in the Pricing Supplement, Fund Business Day (Per Fund Share Basis) shall apply, or (b) in respect of a Fund Basket comprised of ETFs, a day which is a Scheduled Trading Day in respect of each Fund Share comprising the Fund Basket;

"**Fund Business Day (All Fund Shares Basis)**" means, with respect to a Fund Basket, a date (i) that is a Fund Valuation Date for all Fund Shares comprised in the Fund Basket, (ii) for which there has been a corresponding Fund Reporting Date in respect of each such Fund and (iii) on which the Hedge Provider has, or could have, a subscription or redemption order for each such Fund Share executed at the NAV per Fund Share as published on the relevant Fund Reporting Date or as calculated by the Calculation Agent, as the case may be;

"**Fund Business Day (Per Fund Share Basis)**" means, with respect to a Fund Share, a date (i) that is a Fund Valuation Date in respect of such Fund Share, (ii) for which there has been a corresponding Fund Reporting Date and (iii) on which the Hedge Provider has, or could have, a subscription or redemption

order for the Fund Shares executed at the NAV per Fund Share as published on the relevant Fund Reporting Date or as calculated by the Calculation Agent, as the case may be;

"**Fund Business Day (Single Fund Share Basis)**" means with respect to a Fund Share, a date (i) that is a Fund Valuation Date, (ii) for which there has been a corresponding Fund Reporting Date and (iii) on which the Hedge Provider has, or could have, a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published on the relevant Fund Reporting Date;

"**Fund Documents**" means, unless specified otherwise in the Pricing Supplement, with respect to any Fund Share, the offering document of the relevant Fund in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such Fund Share and, for the avoidance of doubt, any other documents or agreements in respect of the Fund, as further described in any Fund Document;

"**Fund Reporting Date**" means, subject to the occurrence of an Extraordinary Fund Event, in respect of any Fund Share and a Fund Valuation Date, the date on which, in accordance with the Fund Documents, the relevant NAV per Fund Share or Aggregate Fund Shares NAV, as the case may be, is reported or published in respect of such Fund Valuation Date;

"**Fund Service Provider**" means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, in respect of such Fund, whether or not specified in the Fund Documents, including any adviser, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the Pricing Supplement;

"**Fund Share(s)**" means an ownership interest issued to or held by an investor in a Fund or any other interest specified as such in the Pricing Supplement;

"**Fund Valuation Date**" means any date as of which, in accordance with the Fund Documents, the Fund (or the Fund Service Provider that generally determines such value) is or, but for the occurrence of an Extraordinary Fund Event, would have been scheduled to determine the NAV per Fund Share or Aggregate Fund Shares NAV, as the case may be;

"**Hedge Fund**" means the hedge fund(s) specified as such in the Pricing Supplement;

"**Hedge Provider**" means the party (being, *inter alios*, the Issuer, the Guarantor, the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Fund Linked Notes or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Shares, or enter or be deemed to enter into any agreement to purchase, or pay an amount linked to the performance of, such number of Fund Shares as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Notes;

"**Hedging Date**" has the meaning given to it in the Pricing Supplement;

"**Hypothetical Investor**" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in a Fund Share which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding a Fund Share at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"**Implied Embedded Option Value**" means an amount which may never be less than zero equal to the present value as at the Implied Embedded Option Value Determination Date of any future payments under the Fund Linked Notes determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any Fund Shares by the Hedge Provider, the volatility of the Fund Shares and transaction costs;

"**Implied Embedded Option Value Determination Date**" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option

Value following the occurrence of an Extraordinary Fund Event for which the Issuer or, as the case may be, the Guarantor determines the relevant action is to be Termination (as defined below);

"**Initial Calculation Date**" means the date specified as such in the Pricing Supplement, or if not so specified, the Hedging Date;

"**Market Disruption Event**" means, if the Fund is an ETF, in respect of a Fund Share the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event, begins or ends at the time when the level of the relevant Fund Share triggers, respectively, the occurrence of the Knock-in Event or Knock-out Event or (b) in all other circumstances that ends at the relevant Valuation Time, or (iii) an Early Closure;

"**Merger Event**" means, in respect of any relevant Shares and Entity (as defined below), any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such Entity, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of an Entity that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity or its subsidiaries with or into another entity in which the Entity is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event, in each case if the Extraordinary Fund Event Effective Date, as determined by the Calculation Agent, is on or before the Final Calculation Date. For the purposes of this definition "Merger Event" only, "**Shares**" shall mean the applicable Fund Shares or the shares of any applicable Fund Service Provider, as the context may require, and "**Entity**" shall mean the applicable Fund or any applicable Fund Service Provider, as the context may require;

"**Mutual Fund**" means the mutual fund(s) specified as such in the Pricing Supplement;

"**NAV per Fund Share**" means, with respect to the relevant Fund Shares and the Fund Reporting Date relating to such Fund Shares, (i) the net asset value per Fund Share as of the relevant Fund Valuation Date, as reported on such Fund Reporting Date by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service, or (ii) if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Shares (the "**Aggregate Fund Shares NAV**"), the net asset value per Fund Share calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Shares divided by the number of Fund Shares issued and outstanding as of the relevant Fund Valuation Date;

"**NAV Trigger Event**" means, in respect of the Fund Shares, that (i) the NAV per Fund Share has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period as compared to the NAV per Fund Share on the first day of the NAV Trigger Period which will be defined to be a Fund Valuation Date, or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets;

"**NAV Trigger Percentage**" means the percentage specified in the Pricing Supplement or, if not so specified, with respect to (i) a Mutual Fund, 50%, or (ii) a Hedge Fund, 50%, or (iii) an ETF, 50%;

"**NAV Trigger Period**" means the period specified in the Pricing Supplement, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date;

"**Non-Principal Protected Termination Amount**" means an amount per Security determined by the sum of:

(i) the Implied Embedded Option Value; and

(ii) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the Pricing Supplement, the Simple Interest;

"**Number of NAV Publication Days**" means the number of calendar days specified in the Pricing Supplement or if not so specified, with respect to (i) a Mutual Fund, five calendar days, or (ii) a Hedge Fund, ten calendar days, or (iii) an ETF, five calendar days;

"**Principal Protected Termination Amount**" means an amount per Fund Linked Note determined as the sum of:

(i) the Protected Amount;

(ii) the Implied Embedded Option Value; and

(iii) if delayed redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the Pricing Supplement, the Simple Interest;

"**Private Equity Fund**" means the private equity fund(s) specified as such in the Pricing Supplement;

"**Protected Amount**" means the amount specified as such in the Pricing Supplement;

"**Related Exchange**" means, in the case of an ETF and in relation to a Fund Share, each exchange or quotation system specified as such for such Fund Share in the Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Fund Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Fund Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the Pricing Supplement, Related Exchange shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Fund Share;

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"**Scheduled Trading Day**" means either (i) in the case of a single ETF and in relation to a Fund Share, Scheduled Trading Day (Single Fund Share Basis) or (ii) in the case of a basket of ETFs, (a) Scheduled Trading Day (All Fund Shares Basis) or (b) Scheduled Trading Day (Per Fund Share Basis), in each case as specified in the Pricing Supplement, provided that, if no such specification is made in the Pricing Supplement, Exchange Business Day (Per Fund Share Basis) shall apply;

"**Scheduled Trading Day (All Fund Share Basis)**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"**Scheduled Trading Day (Per Fund Share Basis)**" means, in respect of a Fund Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Fund Share are scheduled to be open for trading during their respective regular trading session(s);

"**Scheduled Trading Day (Single Fund Share Basis)**" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"**Settlement Price**" means, subject as referred to in relation to any Valuation Date or Averaging Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be in the case of an ETF, an amount equal to the official closing price (or the price at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as the case may be, on the Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or

Knock-out Determination Day or an Averaging Date, as the case may be, if so specified in the Pricing Supplement) quoted on the relevant Exchange for such Fund Share on (a) if Averaging is not specified in the Pricing Supplement, the Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day or (b) if Averaging is specified in the Pricing Supplement, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as the case may be, on the Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day or such Averaging Date, as the case may be, if so specified in the Pricing Supplement) cannot be so determined and the Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as the case may be, on the Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day or such Averaging Date, as the case may be, if so specified in the Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as the case may be, on the Valuation Date, Automatic Early Redemption Valuation Date, Knock-in Determination Day or Knock-out Determination Day or such Averaging Date, as the case may be, if so specified in the Pricing Supplement) for the Fund Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Fund Share or on such other factors as the Calculation Agent shall decide);

"**Simple Interest**" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Implied Embedded Option Value during the period from (and including) the Implied Embedded Option Value Determination Date to (and including) the Termination Date calculated on the basis of such interest as the Calculation Agent determines would be payable under the floating rate leg of a fixed-floating swap transaction in the relevant currency with the Implied Embedded Option Value as the notional amount. Such transaction may be such over-the-counter or on-exchange contract as the Calculation Agent may select as being available in the market on or about the Implied Option Value Determination Date.

"**Specified Maximum Days of Disruption**" means the number of days specified in the Pricing Supplement, or if not so specified, five Scheduled Trading Days;

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50% and less than 100% of the outstanding voting shares, units or interests of the Fund or Fund Service Provider, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"**Termination Amount**" means the amount specified in the Pricing Supplement or if not so specified, (x) the Principal Protected Termination Amount, or (y) the Non-Principal Protected Termination Amount, as specified in the Pricing Supplement;

"**Termination Date**" means (i) the date specified in the Application Transaction Terms, or (ii) if Delayed Redemption on the occurrence of an Extraordinary Fund Event is specified as being applicable in the relevant Pricing Supplement, such delayed date as will be specified by the Issuer in a notice to Holders in accordance with Condition 14 (*Notices)*, hereof;

"**Trade Date**" has the meaning given to it in the Pricing Supplement;

"**Trading Disruption**" means, in the case of an ETF and in relation to a Fund Share, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the Fund Share on the Exchange or (ii) in futures or options contracts relating to the Fund Share on any relevant Related Exchange; and

"**Valuation Time**" in the case of an ETF and in relation to a Fund Share means either (i) the close of trading on the Exchange or (ii) as otherwise specified in the Pricing Supplement.

2. **Extraordinary Fund Events**

Subject to the provisions of Fund Linked Note Condition 3 (*Determination of Extraordinary Fund Events*), "**Extraordinary Fund Event**" means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

Global Events:

2.1 the Fund or any Fund Service Provider:

(i) ceases trading and/or, in the case of a Fund Service Provider, ceases administration, portfolio management, investment services, custodian services, prime brokerage, or any other relevant business (as applicable);

(ii) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger);

(iii) makes a general assignment or arrangement with or for the benefit of its creditors;

(iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, proceedings seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it proceedings seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceedings or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained, in each case within 15 days of the institution or presentation thereof;

(v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or

(vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or

2.2 the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

2.3 there exists any litigation against the Fund or a Fund Service Provider which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the Fund Shares or the rights or remedies of any investor in such Fund Shares; or

2.4

(i) an allegation of criminal or fraudulent activity is made in respect of the Fund, or any Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred; or

(ii) any investigative, judicial, administrative or other civil or criminal proceedings are commenced or threatened against the Fund, any Fund Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the Fund Shares or the rights or remedies of any investor in such Fund Shares;

Fund Service Provider/Key Person Events:

2.5

(i) a Fund Service Provider ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent; and/or

(ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents which failure is reasonably likely to have an adverse impact on the value of the Fund Shares or on the rights or remedies of any investor in such Fund Shares; or

2.6 one or more of the key individuals involved with, or having supervision over, the Fund or a Fund Service Provider ceases to act in such capacity, and the relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;

Modification Events:

2.7 a material modification of or deviation from any of the investment objectives, investment restrictions, investment processes or investment guidelines of the Fund (howsoever described, including the underlying type of assets in which the Fund invests) from those set out in the Fund Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;

2.8 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described) of the type of assets (i) in which the Fund invests or (ii) the Fund purports to track;

2.9 a material modification or any announcement regarding a potential future material modification of the Fund (including, but not limited to, a material modification of the Fund Documents or to the Fund's liquidity terms) other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relates (either alone or in common with other Fund Shares issued by the Fund);

2.10 the creation by the Fund of any illiquid share class or unit howsoever described;

2.11 the currency denomination of the Fund Shares is amended from that set out in the Fund Documents so that the NAV per Fund Share is no longer calculated in the same currency as it was as at the Trade Date;

2.12 if applicable, the Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction; or

2.13 following the issue or creation of a new class or series (howsoever described in the Fund Documents) of shares or units by the Fund, the Calculation Agent determines taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the Fund Documents) that such new class or series has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Notes;

NAV per Fund Share/AUM Level Events:

2.14 a material modification of the method of calculating the NAV per Fund Share or, as the case may be, the Aggregate Fund Shares NAV;

2.15 any change in the periodicity of the calculation or the publication of the NAV per Fund Share or, as the case may be, the Aggregate Fund Shares NAV;

2.16 any suspension of the calculation or publication of the NAV per Fund Share or, as the case may be, the Aggregate Fund Shares NAV;

2.17 the occurrence of any event affecting a Fund Share that, in the sole and absolute discretion of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the NAV per Fund Share;

2.18 any of the Fund, any Fund Service Provider or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Share or, as the case may be, the Aggregate Fund Shares NAV within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Shares unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;

2.19 any Fund Service Provider uses asset prices provided by the investment manager (howsoever described in the Fund Documents) to calculate the NAV per Fund Share or, as the case may be, the Aggregate Fund Shares NAV when such asset prices could have been obtained from independent sources and the asset prices from independent sources materially diverge from the asset prices provided by the investment manager (howsoever described in the Fund Documents);

2.20 the assets under management of the Fund fall below the AUM Level;

2.21 (i) the Calculation Agent determines, at any time, that the NAV per Fund Share or, as the case may be, the Aggregate Fund Shares NAV is inaccurate, or (ii) the reported net asset value of the Fund Shares misrepresents the net asset value of the Fund Shares;

2.22 a NAV Trigger Event occurs; or

2.23 (i) in the case of a Hedge Fund only, the audited net asset value of the Fund and/or the NAV per Fund Share or, as the case may be, the Aggregate Fund Shares NAV is different from the audited net asset value of the Fund and/or the NAV per Fund Share or, as the case may be, the Aggregate Fund Shares NAV communicated by the relevant Fund Service Provider in respect of the same date, (ii) the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, and/or (iii) the Calculation Agent, in its sole and absolute discretion, does not deem the audited net asset value of the Fund and/or the NAV per Fund Share or, as the case may be, the Aggregate Fund Shares NAV to be representative of the actual net asset value of the Fund and/or the NAV per Fund Share or, as the case may be, the Aggregate Fund Shares NAV;

Reporting Events:

2.24 any failure of the Fund, or its authorised representative, to deliver or publish, or cause to be delivered or published, (i) information that the Fund has agreed to deliver or publish, or agreed to cause to be delivered or published, to the Calculation Agent or Hedge Provider, or (ii) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Share; or

2.25 any Fund Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio or other activities or undertakings of the Fund;

Tax/Law/Accounting/Regulatory Events:

2.26 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Notes (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or

2.27

(i) any relevant activities of or in relation to the Fund or a Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund);

(ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Fund or a Fund Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence;

(iii) the Fund is required by a competent authority to redeem any Fund Shares;

(iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Notes; and/or

(v) any change in the legal, tax, accounting or regulatory treatment of the Fund or any Fund Service Provider that is reasonably likely to have an adverse impact on the value of the Fund Shares or other activities or undertakings of the Fund or on the rights or remedies of any investor in such Fund Shares, including any Hedge Provider;

Hedging/Impracticality/Increased Costs Events:

2.28 in connection with any hedging activities in relation to the Fund Linked Notes, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any reserve, special deposit or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a holder of the Fund Shares or the Hedge Provider to any loss), purchase or sell the relevant Fund Shares or any underlying assets of or related to the Fund or for the Hedge Provider to maintain such hedging arrangements and, subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

2.29 in connection with the hedging activities in relation to the Fund Linked Notes, if the cost to the Hedge Provider in relation to the Fund Linked Notes and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedge

Provider would be subject to a material loss relating to the Fund Linked Notes and the related hedging arrangements;

2.30 in connection with the hedging activities in relation to the Fund Linked Notes, the Hedge Provider is unable or it becomes impractical for the Hedge Provider to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the Issuer's obligations under the Notes; or (ii) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the Fund on any investor's ability to redeem a Fund Share, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Share, or (B) any mandatory redemption, in whole or in part, of such Fund Share; or

2.31 at any time on or after the Trade Date, the Issuer or, as the case may be, the Guarantor would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expenses or fees (other than brokerage commissions) to maintain the Fund Linked Notes;

Dealing/Listing Events:

2.32

(i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit);

(ii) the Fund suspends or refuses transfers of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares);

(iii) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Shares, if in any case it could in the sole and absolute determination of the Calculation Agent have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes;

(iv) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason; or

(v) in the case of an ETF, the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant Fund Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

Miscellaneous Events:

2.33 the occurrence of any Additional Extraordinary Fund Event;

2.34 in the case of Fund Linked Notes linked to a Fund Basket, a Basket Trigger Event occurs;

2.35 the Fund or any Fund Service Provider defaults under, materially modifies or terminates any rebate agreements in place with the Issuer, the Guarantor, the Hedge Provider or any of its affiliates;

2.36 if the Fund is part of an umbrella structure with more than one sub-fund, a cross-contamination or other failure to segregate the portfolio of assets held by the Fund occurs between different series, classes and/or sub-funds; or

2.37 any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets (including without limitation any repo or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or terminable early by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider.

References solely in this Fund Security Condition 2 (*Extraordinary Fund Events*) to:

(i) "**Fund**" shall include the Fund and any funds in which it invests any of its investible assets from time to time;

(ii) "**Fund Shares**" shall include the Fund Shares and the shares or units in any Fund (as defined in paragraph (i) above); and

(iii) in the case of a Private Equity Fund only, "**Extraordinary Fund Event**" shall have the meaning given to it in the Pricing Supplement.

3. **Determination of Extraordinary Fund Events**

The Calculation Agent will determine if an Extraordinary Fund Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary Fund Event, the Issuer or, as the case may be, the Guarantor may determine which Extraordinary Fund Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary Fund Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

4. **Consequences of an Extraordinary Fund Event**

4.1 If the Calculation Agent determines that an Extraordinary Fund Event has occurred, the Issuer or, as the case may be, the Guarantor shall, as soon as reasonably practicable after having been notified of such determination by the Calculation Agent, give notice ("**Extraordinary Fund Event Notice**") to the Holders in accordance with Condition 14 (*Notices)* (which notice shall be irrevocable) of the occurrence of such Extraordinary Fund Event (the date on which an Extraordinary Fund Event Notice is given, an "**Extraordinary Fund Event Notification Date**") and set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary Fund Event pursuant to Fund Linked Note Condition 4.2 below. Where the action that the Issuer or, as the case may be, the Guarantor has determined to take is not, for whatever reason, set out in the Extraordinary Fund Event Notice, the action that the Issuer or, as the case may be, the Guarantor has determined to take shall be set out in a subsequent notice given to Holders in accordance with Condition 14 (*Notices)* as soon as reasonably practicable after the Extraordinary Fund Event Notification Date.

For such purposes, an Extraordinary Fund Event shall be considered to be "continuing" if it has not been remedied to the reasonable satisfaction of the Issuer or, as the case may be, the Guarantor.

The Issuer or, as the case may be, the Guarantor shall provide Holders with an Extraordinary Fund Event Notice as soon as reasonably practicable following the determination of an Extraordinary Fund Event. However, neither the Issuer, the Guarantor nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Holder or any other person in connection with the Notes as a result of any delay, howsoever arising. If the Issuer or, as the case may be, the Guarantor gives an Extraordinary Fund Event Notice, it shall have no obligation to make any payment in respect of the Fund Linked Notes until it has determined the action that it has determined to take pursuant to Fund Linked Note Condition 4.2 below.

4.2 Following the occurrence of an Extraordinary Fund Event, the Issuer or, as the case may be, the Guarantor in its sole and absolute discretion may take the action described below in (a), (b), (c) or (d).

(a) ***No Action***

If the Issuer or, as the case may be, the Guarantor in its sole and absolute discretion determines that the action to be taken in respect of the Extraordinary Fund Event is to be "**No Action**", then the Fund Linked Notes shall continue and there shall be no amendment to the Terms and Conditions and/or the Pricing Supplement.

(b) ***Adjustment***

If the Issuer or, as the case may be, the Guarantor in its sole and absolute discretion determines that the action to be taken in respect of the Extraordinary Fund Event is to be "**Adjustment**", then the Calculation Agent acting on instructions from the Issuer (or, as the case may be, the Guarantor) may determine, in its sole and absolute discretion, the appropriate adjustment(s), if any, to be made to any of the terms of these Terms and Conditions and/or the Pricing Supplement (including adjusting any Fee) to take account of the economic effect of the Extraordinary Fund Event and determine the effective date of such adjustment.

(c) ***Substitution***

If the Issuer or, as the case may be, the Guarantor in its sole and absolute discretion determines that the action in respect of the Extraordinary Fund Event is to be "**Substitution**", the Calculation Agent shall:

(i) determine the weighted average price at which a Hypothetical Investor can redeem the Fund Shares in the relevant Fund in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as it is reasonably practicable following the Extraordinary Fund Event;

(ii) for a period of no longer than 14 calendar days following the date on which a Hypothetical Investor would have received proceeds from a redemption order in full submitted by the Hedge Provider as soon as practicable following the occurrence of an Extraordinary Fund Event, use reasonable efforts to substitute the Fund Shares with shares, units or other similar interests in an alternative fund which, in the sole and absolute determination of the Calculation Agent, has similar characteristics to the relevant Fund, including, but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent; and

(iii) if no alternative fund can be determined pursuant to sub-paragraph (ii) above, use reasonable efforts to substitute the Fund with an index (or a fund tracking such index) selected by the Calculation Agent in its sole and absolute discretion,

and following any substitution in accordance with sub-paragraph (ii) or (iii) above, the Issuer or, as the case may be, the Guarantor may, in its sole and absolute discretion, require the Calculation Agent to make such determinations and/or adjustments to these Terms and Conditions and/or the Pricing Supplement as it determines to be appropriate to take account of such Substitution.

(d) ***Termination***

If the Issuer or, as the case may be, the Guarantor determines that the action to be taken in respect of the Extraordinary Fund Event is to be "**Termination**", on giving notice to Holders in accordance with Condition 14 (*Notices)* (which such notice may be included in the Extraordinary Fund Event Notice in respect of the relevant Extraordinary Fund Event) the outstanding Fund Linked Notes shall be redeemed by payment of the Termination Amount on the Termination Date. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 14 (*Notices)*.

(e) ***General***

In determining to take a particular action as a result of an Extraordinary Fund Event, neither the Issuer nor the Guarantor is under any duty to consider the interests of Holders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary Fund Event, neither the Issuer, the Guarantor nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders or any other person in connection with the Fund Linked Notes as a result of any such determination, howsoever such loss may arise including as a result of any delay in making any payment in respect of the Fund Linked Notes.

5. **Maturity Date/Automatic Early Redemption Date/Termination Date Extension**

If on the date falling two Business Days prior to the originally designated Maturity Date, Automatic Early Redemption Date or Termination Date, as the case may be, the Hedge Provider has not, after having placed one or more redemption orders in respect of its holding of Fund Shares in accordance with the terms of the relevant Fund Documents, received redemption proceeds in full in respect of such Fund Shares (the "**Redemption Proceeds**"), the Calculation Agent may postpone the Maturity Date, Automatic Early Redemption Date or Termination Date, as the case may be, and notify the Holders thereof in accordance with Condition 14 (*Notices)*.

As soon as practicable following receipt by the Hedge Provider of the Redemption Proceeds, the Calculation Agent shall give notice to Holders in accordance with Condition 14 (*Notices)* (such notice the "**Delayed Payment Notice**") and each Fund Linked Note shall be redeemed on the date specified in the Delayed Payment Notice (such date, the "**Postponed Settlement Date**") at its Redemption Amount.

ANNEX 5
ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES

*If specified as applicable in the Pricing Supplement, the terms and conditions applicable to Credit Linked Notes shall comprise the Terms and Conditions of the Notes (the "**Conditions**") and the additional terms and conditions for Credit Linked Notes set out below (the "**Credit Linked Conditions**"), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Pricing Supplement and subject to completion in the Pricing Supplement. In the event of any inconsistency between the Conditions and the Credit Linked Conditions, the Credit Linked Conditions shall prevail. The Credit Linked Conditions may only be specified as applicable in a Pricing Supplement relating to Non-3(a)(2) Notes.*

Notwithstanding anything to the contrary set forth in the Credit Linked Conditions, in no event will a Credit Linked Note be settled by means of physical delivery.

Defined terms used in these Credit Linked Conditions or the related section of the Pricing Supplement where the same term may be used in another Annex to the Conditions (e.g. Valuation Date) shall have the meanings given in these Credit Linked Conditions or in the section of the Pricing Supplement relating to Credit Linked Notes.

Unless otherwise stated in these Credit Linked Conditions or in the Pricing Supplement, in the event that any day specified in the section "Credit Linked Note Provisions" in the Pricing Supplement or the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such day or last day shall be subject to adjustment in accordance with the applicable Business Day Convention.

In the case of Credit Linked Notes for which more than one Reference Entity or Index is specified in the Pricing Supplement, all references to "the Reference Entity" or to "the Index" herein shall be construed to refer to the Reference Entity or the Index in respect of which the relevant determination falls to be made at any relevant time and all related provisions and determinations will be construed accordingly.

For the avoidance of doubt no Credit Linked Notes will be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

(a) any relevant Reference Entity or Index does not exist on, or ceases to exist on or following, the Trade Date; and/or

(b) Obligations, Deliverable Obligations, Valuation Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date.

Credit Linked Notes may take the form of Single Reference Entity Credit Linked Notes, First-to-Default Credit Linked Notes, Nth-to-Default Credit Linked Notes, Linear Basket Credit Linked Notes, Index Credit Linked Notes or Long/Short Credit Linked Notes. In the case of Linear Basket Credit Linked Notes and Index Credit Linked Notes, the Notes may be either Non-Tranched ("**Non-Tranched Linear Basket Credit Linked Notes**" or "**Non-Tranched Index Credit Linked Notes**", as the case may be) to which either Credit Payment on Maturity or Credit Payment As You Go will apply or Tranched ("**Tranched Linear Basket Credit Linked Notes**" or "**Tranched Index Credit Linked Notes**") (as the case may be). In addition, Index Credit Linked Notes may be Basket Tranched Index Credit Linked Notes ("**Basket Tranched Index Credit Linked Notes**"). Notwithstanding the use of the term "Index", Index Credit Linked Notes are not Index Linked Notes. A Credit Linked Note may also be a Zero Coupon Note.

Credit Linked Notes may be issued in respect of which:

(a) "Credit Linked Interest" is applicable but "Credit Linked Redemption" is not applicable;

(b) "Credit Linked Interest" is not applicable but "Credit Linked Redemption" is applicable; and

(c) "Credit Linked Interest" and "Credit Linked Redemption" are both applicable.

If "Credit Linked Interest" is applicable, Credit Linked Condition 5 shall apply in respect of the Notes. If "Credit Linked Interest" is not applicable, Credit Linked Condition 5 shall not apply in respect of the Notes.

If "Credit Linked Redemption" is applicable, Credit Linked Condition 1 and other Credit Linked Conditions relevant in respect of redemption following the occurrence of a Credit Event Determination Date shall apply in respect of the Notes. If "Credit Linked Redemption" is not applicable, Credit Linked Condition 1 and other Credit

Linked Conditions relevant in respect of redemption following the occurrence of a Credit Event Determination Date shall not apply in respect of the Notes.

The Pricing Supplement shall specify, inter alia:

(a) the type of Credit Linked Notes;

(b) whether the "Credit Linked Interest" and/or "Credit Linked Redemption" is applicable;

(c) the Settlement Method (if applicable) and, where Auction Settlement applies, the applicable Fallback Settlement Method;

(d) the Reference Entity or Reference Entities in respect of which a Credit Event may occur or, in the case of Index Credit Linked Notes, the relevant Index Annex;

(e) the Reference Obligation(s) (if any) in respect of each Reference Entity or, in the case of Index Credit Linked Notes, the relevant Index Annex;

(f) the Trade Date, the Scheduled Maturity Date and if different from the Scheduled Maturity Date, the Credit Observation End Date;

(g) the Reference Entity Notional Amount (if applicable) in respect of each Reference Entity;

(h) the Long Nominal Exposure Percentage and the Short Nominal Exposure Percentage (if applicable) in respect of the Long/Short Credit Linked Notes;

(i) "H" and "L" in the case of Tranched Linear Basket Credit Linked Notes;

(j) the Attachment Point(s) and the Exhaustion Point(s) in the case of Tranched Index Credit Linked Notes or Basket Tranched Index Credit Linked Notes;

(k) the Credit Multiplier, the Credit Event Reduction Factor and LLM and/or SLM (in each case to the extent applicable); and

(l) the Transaction Type applicable to each Reference Entity if Standard Terms is specified as being applicable in the Pricing Supplement.

Certain elections in respect of Credit Linked Notes and one or more Reference Entities may be made by specifying that the Standard Terms is applicable in the Pricing Supplement.

In the case of Index Linked Notes, certain information relating to the Credit Index will be as specified in the Index Annex named in the Pricing Supplement.

The application of any of Credit Linked Conditions 6, 7, 8, 9 or 11 below shall, for the avoidance of doubt, not preclude the application of any other such Credit Linked Condition either contemporaneously or subsequently and in the event that any such provisions are inconsistent or the Calculation Agent becomes entitled to exercise a discretion under one or more of such provisions, the Calculation Agent may elect in its discretion which provision shall apply and under which provision or provisions it shall exercise its discretion.

1. Redemption of Credit Linked Notes

(a) Unless previously redeemed or purchased and cancelled and provided that a Credit Event Determination Date has not occurred in respect of any Reference Entity, the Issuer shall redeem each Credit Linked Note on the Maturity Date by payment of the Final Redemption Amount. If a Credit Event Determination Date has occurred in respect of any Reference Entity and "Credit Linked Redemption" is applicable in the Pricing Supplement, the Issuer shall redeem each Credit Linked Note as described below. References in these Credit Linked Conditions to a Credit Linked Note or a Note are, unless the context otherwise requires, to a principal amount of Credit Linked Notes equal to the Calculation Amount. Any payment of a "pro rata" amount in respect of a Note will be determined by reference to its principal amount relative to the then Aggregate Principal Amount of the Notes.

(b) Where the Notes are Single Reference Entity Credit Linked Notes and "Credit Linked Redemption" is applicable in the Pricing Supplement, if a Credit Event Determination Date has occurred in relation to

the Reference Entity, then the Notes will be settled in accordance with Credit Linked Condition 2 (*Auction Settlement*), Credit Linked Condition 3 (*Cash Settlement*) or Credit Linked Condition 4 (*Physical Settlement*), as applicable or, if the Notes are Zero/Set Recovery Notes, the provisions of paragraph (h) below will apply.

(c) Where the Notes are First-to-Default Credit Linked Notes, if a Credit Event Determination Date has occurred in relation to any of the specified Reference Entities and "Credit Linked Redemption" is applicable in the Pricing Supplement, then the Notes will be settled in accordance with Credit Linked Condition 2 (*Auction Settlement*), Credit Linked Condition 3 (*Cash Settlement*). Credit Linked Condition 4 (*Physical Settlement*) or the provisions of paragraph (h) below, as applicable, in relation only to the First Reference Entity (as defined in the definition of Credit Event Determination Date) or, if the Notes are Zero/Set Recovery Notes, the provisions of paragraph (h) below will apply.

(d) Where the Notes are Nth-to-Default Credit Linked Notes, if a Credit Event Determination Date has occurred in relation to one or more of the specified Reference Entities and "Credit Linked Redemption" is applicable in the Pricing Supplement, notwithstanding any provision to the contrary in these Credit Linked Conditions, no settlement in accordance with Credit Linked Condition 2 (*Auction Settlement*), Credit Linked Condition 3 (*Cash Settlement*),Credit Linked Condition 4 (*Physical Settlement*), or the provisions of paragraph (h) below, as applicable, will occur until such time as a Credit Event Determination Date has occurred in respect of the Relevant Number of Reference Entities (a "**Trigger**"). The Reference Entity in respect of which a Credit Event Determination Date has occurred which causes the Trigger to occur is referred to as the "**Triggering Reference Entity**" and the Relevant Number is the number specified as such in the Pricing Supplement. As of the day on which the Calculation Agent determines that a Credit Event Determination Date has occurred in respect of the Relevant Number of References Entities then (i) Credit Linked Condition 2 (*Auction Settlement*), Credit Linked Condition 3 (*Cash Settlement*) or Credit Linked Condition 4 (*Physical Settlement*), as applicable, shall apply in relation only to the Triggering Reference Entity or (ii) if the Notes are Zero/Set Recovery Notes, the provisions of paragraph (h) below will apply.

(e) Where the Notes are Non-Tranched Linear Basket Credit Linked Notes or Non-Tranched Index Credit Linked Notes to which Credit Payment on Maturity applies, Tranched Linear Basket Credit Linked Notes, Tranched Index Credit Linked Notes, Basket Tranched Index Credit Linked Notes or Long/Short Credit Linked Notes, if a Credit Event Determination Date has occurred in respect of any specified Reference Entity and "Credit Linked Redemption" is applicable in the Pricing Supplement, then, in respect of each Credit Linked Note, each Note shall be redeemed at the Credit Event Redemption Amount on the Credit Event Redemption Date, subject as provided in paragraph (i) below.

For the avoidance of doubt, this paragraph (e) will apply in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred.

In respect of Tranched Linear Basket Credit Linked Notes and for the avoidance of doubt, where a Credit Event Determination Date has occurred with respect to a number of Reference Entities that is equal to or less than L (as defined below), then the Credit Event Redemption Amount will be par.

In respect of Tranched Index Credit Linked Notes and for the avoidance of doubt, where the Attachment Point is not exceeded by the Aggregate Loss Percentage following the occurrence of any Credit Event Determination Date, then the Credit Event Redemption Amount will be par.

In respect of Basket Tranched Index Credit Linked Notes and for the avoidance of doubt, where the relevant Attachment Point is not exceeded by the relevant Aggregate Loss Percentage following the occurrence of any Credit Event Determination Date in respect of each of the Basket Tranched Index Components, then the Credit Event Redemption Amount will be par.

Prior to each date on which a payment is due on the Credit Linked Notes, the Issuer shall procure that Noteholders are notified in accordance with Condition 14 (*Credit Event Notice after Restructuring Credit Event*) of each Credit Event that has occurred since the previous payment date, provided that any delay or failure in the delivery of a such notice shall not affect the validity of any Credit Event Determination Date.

(f) Where the Notes are Non-Tranched Linear Basket Credit Linked Notes or Non-Tranched Index Credit Linked Notes to which Credit Payment As You Go applies and "Credit Linked Redemption" is applicable

in the Pricing Supplement, if a Credit Event Determination Date has occurred in respect of any specified Reference Entity: (i) the Issuer shall give notice in each case that a Credit Event Determination Date has occurred (such notice a "**Settlement Notice**") to the Noteholders in accordance with Condition 14 (*Credit Event Notice after Restructuring Credit Event*) and (ii) in respect of each Credit Linked Note:

(i) the Issuer shall pay as an Installment Amount for the purposes of Condition 6(h) an amount equal to the relevant Credit Event Amount, if any, on the relevant Credit Event Payment Date which will be the relevant Installment Date; and

(ii) each Note shall be redeemed at the Credit Event Redemption Amount on the Credit Event Redemption Date, provided that if on or prior to the Credit Event Redemption Date and save where any Protected Amount is payable, a Credit Event Determination Date has occurred in respect of all the specified Reference Entities each Credit Linked Note will be redeemed (together with accrued interest, if any) at the final Credit Event Amount on the final Credit Event Payment Date, subject as provided in paragraph (i) below

For the avoidance of doubt part (i) of this provision will apply and part (ii) of this provision will apply in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred.

Any delay in the delivery of a Settlement Notice or failure by the Issuer to deliver a Settlement Notice shall not affect the validity of the Credit Event Determination Date in respect of the affected Reference Entity.

(g) Where only a part of an issuance of Notes is credit linked (which will be the case where the Credit Multiplier is less than 1), references in these Credit Linked Conditions to the "Scheduled Maturity Date" shall be references to the Scheduled Maturity Date of the credit linked part of the Notes only and notwithstanding any other provision of the Conditions, the Maturity Date of the Notes shall be the later of the Maturity Date determined in accordance with these Credit Linked Conditions, and the final Installment Date specified in the Pricing Supplement.

(h) Where the Notes are Zero/Set Recovery Notes then if a Credit Event Determination Date has occurred in respect of any Reference Entity (in the case of Single Reference Entity Credit Linked Notes, Linear Basket Credit Linked Notes, Index Credit Linked Notes, First-to-Default Credit Linked Notes or Long/Short Credit Linked Notes) or in respect of the Triggering Reference Entity (in the case of Nth- to-Default Credit Linked Notes) then following a Credit Event Determination Date in respect of any such Reference Entity the provisions of Credit Linked Conditions 2, 3 or 4 will not apply but (i) each Single Reference Entity Credit Linked Note, First-to-Default Credit Linked Note and Nth-to-Default Credit Linked Note will be redeemed by payment of the Credit Event Redemption Amount, if any, on the Credit Event Redemption Date together with accrued interest, if any, and (ii) each Linear Basket Credit Linked Note, Index Credit Linked Note or Long/Short Credit Linked Note may be redeemed (or otherwise) as provided in paragraph (e) or (f) above, as applicable and/or paragraph (i) below, if applicable.

(i) Where any Credit Event Redemption Amount is zero (whether the Notes are Zero/Set Recovery Notes or otherwise) then, other than for the payment of any accrued interest or any other due but unpaid amounts or any interest amount not subject to the Credit Linked Conditions, the Notes will be cancelled as of the Credit Event Redemption Date or, if other, the day on which it is determined that the Credit Event Redemption Amount is or would be, were it to be so calculated in respect of such day, zero with no payment being due other than any final amount of accrued interest or any other due but unpaid amounts. The Issuer will have no further obligations in respect of the Credit Linked Notes.

(j) For the avoidance of doubt, the aggregate outstanding principal amount in respect of Zero Coupon Notes is equal to 100% of their face amount.

(k) For the avoidance of doubt the provisions of Credit Linked Conditions 6, 7, 8, 9 and 11 may each apply to First-to-Default Credit Linked Notes and Nth-to-Default Credit Linked Notes meaning that subject to paragraph 1(g) above, the Maturity Date may be delayed beyond the Scheduled Maturity Date in certain circumstances.

(l) If any purchase and cancellation of Notes occurs under Condition 6(d) or any further issue under Condition 13 (*Definitions applicable to Credit Linked* Notes), the Calculation Agent will make such adjustments to the Pricing Supplement and/or these Credit Linked Conditions as it determines

appropriate (including Reference Entity Notional Amounts) to ensure the Notes continue to reflect economic intentions.

2. Auction Settlement

(a) Where Auction Settlement is specified as the applicable Settlement Method in the Pricing Supplement and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Issuer shall give notice (such notice an "Auction Settlement Notice") to the Noteholders in accordance with Condition 14 (*Credit Event Notice after Restructuring Credit Event*), and, subject to these Credit Linked Conditions where "Credit Linked Redemption" is specified as applicable in the Pricing Supplement only, in particular Credit Linked Condition 1, redeem all but not some only of the Credit Linked Notes, each Credit Linked Note being redeemed by the Issuer at the Credit Event Redemption Amount in the relevant Credit Linked Specified Currency on the Credit Event Redemption Date.

(b) Unless settlement has occurred in accordance with the paragraph above, if:

(i) an Auction Cancellation Date occurs;

(ii) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraphs (b) or (c)(ii) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option);

(iii) a DC Credit Event Question Dismissal occurs; or

(iv) a Credit Event Determination Date was determined pursuant to paragraph (a)(i) 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 in respect of the relevant Credit Event on or prior to the date falling three Business Days after such Credit Event Determination Date,Unless settlement has occurred in accordance with the paragraph above, if:

then:

(x) if Fallback Settlement Method – Cash Settlement is specified as applicable in the Pricing Supplement, the Issuer shall redeem the Credit Linked Notes in accordance with Credit Linked Condition 3 below (*Cash Settlement*); or

(y) if Fallback Settlement Method – Physical Delivery is specified as applicable in the Pricing Supplement, the Issuer shall redeem the Credit Linked Notes in accordance with Credit Linked Condition 4 below (*Physical Settlement*).

If a Credit Event Determination Date has occurred and the Notes become redeemable in accordance with this Credit Linked Condition 2, upon payment of the Credit Event Redemption Amounts 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 may be less than the principal amount of a Credit Linked Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer or the Guarantor. For the avoidance of doubt, following redemption of a portion of the Notes in accordance with the foregoing, the Issuer may still have payment obligations in respect of any outstanding portion of the Notes.

3. Cash Settlement

If a Credit Event Determination Date has occurred, then where Cash Settlement is specified as the applicable Settlement Method in the Pricing Supplement or if Credit Linked Condition 2(b)(iv)(x) above applies, the Issuer shall give notice (such notice a "Cash Settlement Notice") to the Noteholders in accordance with Condition 14 (*Credit Event Notice after Restructuring Credit Event*), and, where "Credit Linked Redemption" is specified as applicable, subject to these Credit Linked Conditions, in particular Credit Linked Condition 1 (*Redemption of Credit Linked Notes*), redeem all but not some only of the Credit Linked Notes, each Credit Linked Note being redeemed by the Issuer at the Credit Event Redemption Amount in the relevant Credit Linked Specified Currency on the Credit Event Redemption Date.

If Cash Settlement applies and "Mod R" is specified as applicable in the Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then, unless the Valuation Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Valuation Obligation may be included in the Valuation Obligations Portfolio only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date in each case as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements.

If Cash Settlement applies and "Mod Mod R" is specified as applicable in the Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Valuation Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Valuation Obligation may be included in the Valuation Obligations Portfolio only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

If a Credit Event Determination Date has occurred and the Notes become redeemable in accordance with this Credit Linked Condition 3 (*Cash Settlement****), upon payment of the Credit Event Redemption Amounts 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 may be less than the principal amount of a Credit Linked Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer or the Guarantor. For the avoidance of doubt, following redemption of a portion of the Notes in accordance with the foregoing, the Issuer may still have payment obligations in respect of any outstanding portion of the Notes.***

4. Physical Settlement

If a Credit Event Determination Date has occurred, then where Physical Delivery is specified as the applicable Settlement Method in the Pricing Supplement or if Credit Linked Condition 2(b)(iv)(y) above applies, then, subject to any prior redemption, the Issuer shall, following the receipt of a Calculation Agent Physical Settlement Notice, give notice (such notice a "Notice of Physical Settlement") to the Noteholders in accordance with Condition 14 (*Credit Event Notice after Restructuring Credit Event*), and where "Credit Linked Redemption" is specified as applicable subject to these Credit Linked Conditions, in particular Credit Linked Condition 1 (*Redemption of Credit Linked Notes*), redeem all but not some only of the Credit Linked Notes, each Credit Linked Note being redeemed by the Issuer by the Delivery of the Deliverable Obligations comprising the Entitlement on the Credit Settlement Date, subject to and in accordance with the Terms and Conditions of the Notes and these Credit Linked Conditions. Where Asset Package Delivery applies, the provisions of the second paragraph of the definition of "Deliver" shall apply and the Calculation Agent may make any adjustment in relation to provisions for physical delivery and determination of the Entitlement to take account of the relevant Asset Package.

In the Notice of Physical Settlement, the Issuer shall specify the Deliverable Obligations comprising the Entitlement that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Entitlement, irrespective of their market value. The Notice of Physical Settlement shall include (i) details of the relevant Reference Entity, (ii) the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency (in each case the relevant "**Outstanding Amount**") and, if different, the face amount, of each such Deliverable Obligation. The aggregate Outstanding Amount of all Deliverable Obligations specified in the Notice of Physical Settlement that the Issuer intends to Deliver shall be the relevant "**Aggregate Outstanding Amount**".

The Issuer may, from time to time, amend a Notice of Physical Settlement by delivering a notice to Noteholders in accordance with Condition 14 (*Credit Event Notice after Restructuring Credit Event*), (each such notification, a "**Physical Settlement Amendment Notice**") that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable

Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective). A Physical Settlement Amendment Notice shall specify each replacement Deliverable Obligation that the Issuer will Deliver (each, a "**Replacement Deliverable Obligation**") and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the "**Replaced Deliverable Obligation Outstanding Amount**"). The Outstanding Amount of each Replacement Deliverable Obligation identified in the Physical Settlement Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of the Replacement Deliverable Obligation(s) specified in any Physical Settlement Amendment Notice in aggregate with the Outstanding Amount of the Deliverable Obligation(s) specified in the Notice of Physical Settlement or any earlier Physical Settlement Amendment Notice which, in each case, are not being replaced must not be greater than the Aggregate Outstanding Amount. Each such Physical Settlement Amendment Notice must be effective on or prior to the Credit Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice). Notwithstanding the foregoing, (i) the Issuer may correct any errors or inconsistencies contained in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, by notice to Noteholders in accordance with Condition 14 (*Credit Event Notice after Restructuring Credit Event*), prior to the relevant Delivery Date; and (ii) if Asset Package Delivery is applicable, the Issuer shall on the PSN Effective Date, or as soon as reasonably practicable thereafter (but in any case, prior to the Delivery Date), notify the Noteholders (in accordance with Condition 14 (*Credit Event Notice after Restructuring Credit Event*)) of the detailed description of the Asset Package, if any, that the Issuer will Deliver in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable, it being understood in each case that any such notice of correction shall not constitute a Physical Settlement Amendment Notice.

If Physical Settlement applies and "Mod R" is specified as applicable in the Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then, unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date in each case as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements.

If Physical Settlement applies and "Mod Mod R" is specified as applicable in the Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

If a Credit Event Determination Date has occurred and the Notes become redeemable in accordance with this Credit Linked Condition 4, upon Delivery of the Deliverable Obligations and/or payment of the Partial Cash Settlement Amounts, as the case may be, 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 value of such Deliverable Obligations and/or the Partial Cash Settlement Amount, as the case may be, may be less than the principal amount of a Credit Linked Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer or the Guarantor. For the avoidance of doubt, following redemption of a portion of the Notes in accordance with the foregoing, the Issuer may still have payment obligations in respect of any outstanding portion of the Notes.

5. Accrual of Interest

(a) Where "Credit Linked Interest" is specified in the Pricing Supplement to not apply or the Credit Linked Conditions are specified in the Pricing Supplement not to apply to any interest provisions of the Notes

then, notwithstanding the occurrence of a Credit Event Determination Date, for such purposes, each Note will continue to bear interest in accordance with Condition 5(a)(ii) up to but excluding the Scheduled Maturity Date (with such date being deemed to be the final Interest Payment Date).

(b) If "Credit Linked Interest" is applicable but "Credit Linked Redemption" is not applicable, then notwithstanding "Credit Linked Redemption" is not applicable, any notice that the Issuer would be obliged under the Credit Linked Conditions to provide to Noteholders if "Credit Linked Redemption" were applicable, shall nevertheless be provided to Noteholders unless the Calculation Agent determines that such notice is not relevant given "Credit Linked Redemption" is not applicable.

(c) Where the Notes are Single Reference Entity Notes, First-to-Default Credit Linked Notes, or Nth-to-Default Credit Linked Notes, and "Credit Linked Interest" is applicable in the Pricing Supplement, then, subject as provided in paragraph (d) in respect of Nth-to-Default Credit Linked Notes, if and to the extent that:

(i) "Accrual of Interest up to Credit Event" is specified in the Pricing Supplement as not applicable to any interest provisions of the Notes then, notwithstanding Condition 5(a)(ii), each Note to which the Credit Linked Conditions apply shall, to the extent to which "Credit Linked Interest" is expressed to apply to such Notes, cease to bear interest from the Interest Payment Date immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Payment Date such Interest Payment Date, or, if the Credit Event Determination Date falls prior to the first Interest Payment Date, no interest shall accrue on the Notes; or

(ii) "Accrual of Interest up to Credit Event" is specified in the Pricing Supplement as applicable to any interest provisions of the Notes then, notwithstanding Condition 5(a)(ii), each Note to which the Credit Linked Conditions apply shall, to the extent to which "Credit Linked Interest" is expressed to apply to such Notes, cease to bear interest from the Credit Event Determination Date with such accrued interest being determined for this purpose as though the Credit Event Determination Date was an Interest Payment Date but accrued interest will only be payable on the Credit Event Redemption Date; and

provided that, in the case of (i) or (ii) if:

(x) Credit Linked Condition 6, Credit Linked Condition 7 or Credit Linked Condition 8 applies in respect of the Notes and, in the case of Credit Linked Condition 6, a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of Credit Linked Condition 7, a Failure to Pay has not occurred on or prior to the Grace Period Extension Date or, in the case of Credit Linked Condition 8, a Credit Event has not occurred on or prior to the DC Cut-off Determination Date, as the case may be; and/or

(y) Credit Linked Condition 9 applies in respect of the Notes and a Credit Event Determination Date or the Repudiation/Moratorium Extension Condition, as applicable, has not occurred or are not satisfied on or prior to the Postponed Maturity Date,

then to the extent that "Credit Linked Interest" is expressed to apply to the Notes, interest will accrue as provided in Credit Linked Condition 6, Credit Linked Condition 7, Credit Linked Condition 8 or Credit Linked Condition 9, as the case may be.

(d) Where the Notes are Nth-to-Default Credit Linked Notes and "Credit Linked Interest" is applicable, no interest adjustment in accordance with this Credit Linked Condition 5 will occur until such time as a Trigger has occurred. As of the day on which the Calculation Agent determines that a Trigger has occurred, then the Credit Event Determination Date will be deemed to have occurred only on such day.

(e) Where the Notes are Non-Tranched Linear Basket Credit Linked Notes or Non-Tranched Index Credit Linked Notes to which Credit Payment on Maturity applies, Tranched Linear Basket Credit Linked Notes, Tranched Index Credit Linked Notes, Basket Tranched Index Credit Linked Notes or Long/Short Credit Linked Notes, if a Credit Event Determination Date has occurred in respect of any specified Reference Entity and "Credit Linked Interest" is specified as applicable then, in respect of each Credit Linked Note unless the Credit Linked Note is a Zero Coupon Note, the interest calculation basis described in paragraph (g) below will apply.

For the avoidance of doubt paragraph (e) above will apply in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred.

(f) Where the Notes are Non-Tranched Linear Basket Credit Linked Notes or Non-Tranched Index Credit Linked Notes to which Credit Payment As You Go applies and "Credit Linked Interest" is specified as applicable then, if a Credit Event Determination Date has occurred in respect of any specified Reference Entity: (i) the Issuer shall give notice in each case that a Credit Event Determination Date has occurred (such notice a "**Settlement Notice**") to the Noteholders in accordance with Condition 14 and (ii) in respect of each Credit Linked Note unless the Credit Linked Note is a Zero Coupon Note, the interest calculation basis described in paragraph (g) below will apply.

For the avoidance of doubt paragraph (f) above will apply in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred.

Any delay in the delivery of a Settlement Notice or failure by the Issuer to deliver a Settlement Notice shall not affect the validity of the Credit Event Determination Date in respect of the affected Reference Entity.

(g) In the case of Linear Basket Credit Linked Notes or Index Credit Linked Notes or Long/Short Credit Linked Notes, each Note will bear interest pursuant to, and in accordance with, Condition 5, and for such purposes the aggregate outstanding principal amount of the Notes shall be deemed to be the Adjusted Credit Outstanding Nominal Amount or, in the case of each of Condition 5(a)(iv) or 5(b)(ix), the Calculation Amount shall be deemed to be each Note's pro rata share of the Adjusted Credit Outstanding Nominal Amount, in each case on the relevant Interest Payment Date or the relevant date for payment pursuant to Credit Linked Conditions 6, 7, 8, 9 or 11. For the avoidance of doubt, this paragraph (g) is intended to apply to Linear Basket Credit Linked Notes or Index Credit Linked Notes or Long/Short Credit Linked Notes which are Zero Coupon Notes, subject to the provisions of sub-paragraph (h) below.

(h) For these purposes "**Adjusted Credit Outstanding Nominal Amount**" means, in respect of any Interest Payment Date or date for payment pursuant to Credit Linked Conditions 6, 7, 8, 9 or 11:

(i) in the case of Non-Tranched Linear Basket Credit Linked Notes or Non-Tranched Index Credit Linked Notes (i) the aggregate outstanding principal amount multiplied by the Credit Multiplier minus (ii) the product of (a) the aggregate outstanding principal amount multiplied by the Credit Multiplier and (b) (x) the original aggregate Reference Entity Notional Amounts of Reference Entities in respect of which a Credit Event Determination Date has occurred on or prior to the relevant Interest Payment Date or date for payment pursuant to Credit Linked Conditions 6, 7, 8, 9 or 11, as the case may be divided by (y) the original aggregate Reference Entity Notional Amounts of the original number of Reference Entities to which the Notes related, in each case as of the Issue Date of the first Tranche of the Notes;

(ii) in the case of Tranched Linear Basket Credit Linked Notes, an amount determined by the Calculation Agent by reference to the following formula:

$$\left[[aggregate\ outstanding\ nominal\ amount * CM] * \left(1 - \left(\frac{1}{H-L}\right) * Min[H-L\ ; Max\ [N-L; 0]]\right)\right]$$

Where,

"**CM**" means the Credit Multiplier;

"**H**" means the higher tranche level, expressed as a number of Reference Entities as specified in the Pricing Supplement;

"**L**" means the lower tranche level, expressed as a number of Reference Entities as specified in the Pricing Supplement; and

"**N**" means the number of Reference Entities for which a Credit Event Determination Date has occurred; or

(iii) in the case of Tranched Index Credit Linked Notes, an amount determined by the Calculation Agent by reference to the following formula:

$$\left[[aggregate\ outstanding\ nominal\ amount * CM] * \left(1 - \left(\frac{1}{EP - AP}\right) * Min[EP - AP\ ; Max\ [ALP - AP; 0]]\right)\right]$$

Where,

"**ALP**" means the Aggregate Loss Percentage;

"**AP**" means the Attachment Point;

"**CM**" means the Credit Multiplier;

"**EP**" means the Exhaustion Point.

(iv) In the case of Basket Tranched Index Credit Linked Notes, amount determined by the Calculation Agent by reference to the following formula:

$$[aggregate\ outstanding\ nominal\ amount * CM] * \sum_{1...z}^{z} CWz * \left[\left(1 - \left(\frac{1}{EPz - APz}\right) * Min[EPz - APz\ ; Max\ [ALPz - APz; 0]]\right)\right]$$

"**ALP_z**" means the Aggregate Loss Percentage$_z$ in respect of Basket Tranched Index Componentz being the Aggregate Loss Percentage determined in respect of Basket Tranched Index Component$_z$;

"**AP_z**" means the Attachment Point$_z$ in respect of Basket Tranched Index Component$_z$ as indicated in the Pricing Supplement;

"**CW_z**" is the "Component Weighting$_z$" of Basket Tranched Index Component$_z$ as indicated in the Pricing Supplement;

"**EP_z**" means the Exhaustion Point$_z$ in respect of Basket Tranched Index Componentz as indicated in the Pricing Supplement; and

"**z**" means the number of Basket Tranched Index Components comprising the Basket Tranched Index Credit Linked Notes;

(v) In the case of Long/Short Credit Linked Notes, an amount determined by the Calculation Agent to be equal to the amount that would be:

(i) where the Long Exposure comprises Single Reference Entity Exposure, First-to-Default Exposure, or Nth-to-Default Exposure:

(A) prior to the date on which such Long Exposure would cease to accrue interest under paragraph (b) above if, as applicable, a Single Reference Entity Exposure were Single Reference Entity Credit Linked Notes, a First-to-Default Exposure were First-to-Default Credit Linked Notes and a Nth- to-Default Exposure were Nth-to-Default Credit Linked Notes, the aggregate outstanding principal amount of the Notes; and

(B) on or after the date on which such Long Exposure would cease to accrue interest under paragraph (b) above if, as applicable, a Single Reference Entity Exposure were Single Reference Entity Credit Linked Notes, a First- to-Default Exposure were First-to-Default Credit Linked Notes and a Nth- to-Default Exposure were Nth-to-Default Credit Linked Notes, zero; or

(ii) where the Long Exposure comprises Non-Tranched Linear Basket Exposure, Non-Tranched Index Exposure, Tranched Linear Basket Exposure, Tranched Index Exposure or Basket Tranched Index Exposure, the Adjusted Credit Outstanding Nominal Amount of the Notes determined by the Calculation Agent as if

(A) the aggregate outstanding principal amount was equal to the Long Nominal Amount; and

(B) as applicable, a Non-Tranched Linear Basket Exposure were Non-Tranched Linear Basket Credit Linked Notes, a Non-Tranched Index Exposure were Non-Tranched Index Credit Linked Notes, a Tranched Linear Basket Exposure were Tranched Linear Basket Credit Linked Notes, a Tranched Index Exposure were Tranched Index Credit Linked Notes or a Basket Tranched Index Exposure were Basket Tranched Index Credit Linked Notes;

and sub-paragraphs (h)(i) to (iv) were construed accordingly.

6. Repudiation/Moratorium Extension

If "Repudiation/Moratorium" is specified as a Credit Event in the Pricing Supplement, the provisions of this Credit Linked Condition 6 shall apply.

Where a Credit Event Determination Date has not occurred on or prior to the Credit Observation End Date or any Interest Payment Date (determined by reference to the Relevant Time) but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Credit Observation End Date or any Interest Payment Date or, if Credit Linked Condition 9(a)(y) applies, the Postponed Maturity Date or Postponed Interest Payment Date (as defined in Credit Linked Condition 9) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation/Moratorium may, in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date or relevant Interest Payment Date, then the Calculation Agent shall notify the Noteholders in accordance with Condition 14 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 Scheduled Maturity Date, where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:

(i) each principal amount of Credit Linked Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Repudiation/Moratorium Evaluation Date or, if later, the Postponed Maturity Date; and

(ii) in the case of interest bearing Credit Linked Notes and to the extent that the "Credit Linked Interest" is stated to be applicable to such Notes, the Issuer shall be obliged to pay interest (if any) calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Repudiation/Moratorium Evaluation Date or, if later, the Postponed 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

(iii) in the case of Credit Linked Notes which are Zero Coupon Notes, no amount in addition to the Final Redemption 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 and "Credit Linked Redemption" is applicable, the provisions of Credit Linked Condition 1, Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked Notes; or

(c) in relation to such event as of an Interest Payment Date and where "Credit Linked Interest" is applicable, 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 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 second Business Day following the Repudiation/Moratorium Evaluation Date or, if later, the Postponed Interest 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 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 adjusted accordingly and may be zero and will be payable on the second Business Day following the applicable Repudiation/Moratorium Evaluation Date or, if later, the Postponed Interest Payment Date.

7. Grace Period Extension

If "Grace Period Extension" is specified as applicable in the Pricing Supplement (or applies pursuant to application of the Standard Terms), the provisions of this Credit Linked Condition 7 shall apply.

Where a Credit Event Determination Date has not occurred on or prior to the Credit Observation End Date or any Interest Payment Date (determined by reference to the Relevant Time) 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 Credit Observation End Date or relevant Interest Payment Date (determined by reference to the Relevant Time) (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date or relevant Interest Payment Date), then the Calculation Agent shall notify the Noteholders in accordance with Condition 14 that a Potential Failure to Pay has occurred and the maturity of the Notes and/or relevant interest payment will be delayed and:

(a) in relation to a Potential Failure to Pay existing as of the Scheduled Maturity Date, where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:

(i) each principal amount of Credit Linked Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Grace Period Extension Date; and

(ii) in the case of interest bearing Credit Linked Notes and to the extent that the "Credit Linked Interest" is applicable, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(iii) in the case of Credit Linked Notes which are Zero Coupon Notes, no amount in addition to the Final Redemption Amount shall be payable in respect of such delay; or

(b) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has occurred, to the extent that the Credit Linked Conditions are stated to apply to such Notes and "Credit Linked Redemption" is applicable, the provisions of Credit Linked Condition 1, Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked Notes; or

(c) in relation to such event as of an Interest Payment Date and where "Credit Linked Interest" is applicable, 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 or prior to the Grace Period Extension Date then the relevant amount of interest shall be payable on the second 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; or (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be adjusted accordingly and may be zero and will be payable on the second Business Day following the applicable Grace Period Extension Date.

8. Credit Derivatives Determinations Committee Extension

If, in the determination of the Calculation Agent, a Potential Credit Event has occurred on or prior to the Credit Observation End Date or any Interest Payment Date and the Credit Derivatives Determinations

Committee has not made its determination on or prior to the Scheduled Maturity Date or any Interest Payment Date (determined by reference to the Relevant Time) then the Calculation Agent shall notify Noteholders in accordance with Condition 14 that the Maturity Date (where "Credit Linked Redemption" is applicable) or relevant Interest Payment Date (where "Credit Linked Interest" is applicable) has been postponed to a date (the "**DC Determination Cut-off Date**") being the day falling (i) (a) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, fifteen (15) 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, if later (ii) fifteen (15) Business Days following the DC Credit Event Question Dismissal, 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:

(i) each principal amount of Credit Linked Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the DC Determination Cut-off Date; and

(ii) in the case of interest bearing Credit Linked Notes and to the extent that the "Credit Linked Interest" is applicable to such Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or if none the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the DC Determination Cut-off 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

(iii) in the case of Credit Linked Notes which are Zero Coupon Notes, no amount in addition to the Final Redemption 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 and where "Credit Linked Redemption" is applicable, to the extent that the Credit Linked Conditions are stated to apply to such Notes, the provisions of Credit Linked Condition 1, Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked Notes; or

(c) in relation to such event as of an Interest Payment Date and where "Credit Linked Interest" is applicable, 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 second Business Day following the DC Determination Cut-off 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 adjusted accordingly and may be zero and will be payable on the second Business Day following the applicable DC Determination Cut-off Date.

9. Maturity Date/Interest Payment Date Extension in the case of Credit Linked Notes

(a) The following provisions of this Credit Linked Condition 9 apply to Credit Linked Notes and, for the avoidance of doubt, may be applied on more than one occasion. The provisions of this Condition 9 shall only apply to postpone any payment of principal in respect of the Maturity Date if "Credit Linked Redemption" is applicable and/or to postpone any payment of interest in respect of any Interest Payment Date if "Credit Linked Interest" is applicable.

Without prejudice to Credit Linked Condition 11, if:

(x) on (A) the Scheduled Maturity Date or any Interest Payment Date, (B), if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the Pricing Supplement, 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 determination of the Calculation Agent, a Credit Event or Potential Credit Event may have occurred or may occur; or

(y) on the Scheduled Maturity Date or any Interest Payment Date, in the determination of the Calculation Agent, a Potential Repudiation/Moratorium may have occurred or may occur, or

(z) on the Scheduled Maturity Date or any Interest Payment Date, a Credit Event Determination Date has occurred in respect of any Reference Entity but the relevant Final Price or Auction Final Price has not been determined,

the Calculation Agent may at its option notify the Noteholders in accordance with Condition 14 that the Maturity Date, the relevant Interest Payment Date, the 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, has been postponed to a date (such date the "**Postponed Maturity Date**" or, in the case of an Interest Payment Date, the "**Postponed Interest Payment Date**") specified in such notice (a) falling fifteen (15) Business Days after the Credit Observation End Date, the relevant Interest Payment Date, the relevant Repudiation/Moratorium Evaluation Date or Grace Period Extension Date, or the last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be, or if such day is not a Business Day the immediately succeeding Business Day or (b) if later, the second Business Day following the determination of the Final Price or the Auction Final Price (or, if later, the related Auction Settlement Date) in respect of each Reference Entity for which a Credit Event Determination Date has occurred, and:

where:

(i) in the case of Credit Linked Condition 9(a)(x), a Credit Event Determination Date has not occurred on or prior to the Postponed Maturity Date or relevant Postponed Interest Payment Date or, in the case of Credit Linked Condition 9(a)(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity Date or relevant Postponed Interest Payment Date:

(x) subject as provided below, in the case of a Postponed Maturity Date each Note will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Postponed Maturity Date; and

(y) in the case of a Postponed Maturity Date and interest bearing Credit Linked Notes, to the extent that "Credit Linked Interest" is applicable to such Notes, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Postponed 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

(ii) in the case of a Postponed Interest Payment Date, the Issuer shall be obliged to pay the relevant amount of interest on the second Business Day following the Postponed Interest Payment Date and no further or other amounts in respect of interest shall be payable as a result of such delay; or

(iii) where Credit Linked Condition 9(a)(z) applies to the Scheduled Maturity Date, the Issuer shall be obliged to pay the relevant Credit Event Redemption Amount on the second Business Day following the Postponed Maturity Date and no further or other amounts in respect of interest shall be payable as a result of such delay; or

(iv) in the case of Credit Linked Notes which are Zero Coupon Notes, no amount in addition to the Final Redemption Amount shall be payable in respect of such delay; or

(b) where:

(i) in the case of Credit Linked Condition 9(a)(x), a Credit Event Determination Date has occurred on or prior to the Postponed Maturity Date or relevant Postponed Interest Payment Date and

where "Credit Linked Redemption" is applicable, the provisions of Credit Linked Condition 1, Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked Notes; or

(ii) in the case of Credit Linked Condition 9(a)(y), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity Date or relevant Postponed Interest Payment Date and where "Credit Linked Redemption" is applicable, the provisions of Credit Linked Condition 1 or Credit Linked Condition 6 shall apply to the Credit Linked Notes.

Notwithstanding any other provision of these Credit Linked Conditions, no Credit Event may occur after the Credit Observation End Date unless that Credit Event occurs as a result of and is related to a Potential Failure to Pay, a Potential Repudiation/Moratorium or a Credit Event Resolution Request Date which occurred on or prior to the Credit Observation End Date

10. Partial Cash Settlement

If all or a portion of the Obligations comprising the Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations, the Issuer shall give notice (a "**Partial Cash Settlement Notice**") to the Noteholders in accordance with Condition 14 and the Issuer shall pay in respect of each Undeliverable Obligation and/or Hedge Disruption Obligation, as the case may be, the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

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

Unless otherwise specified in the Pricing Supplement, for the purposes of this Credit Linked Condition 10 only the following terms shall be defined as follows and such definitions will apply notwithstanding other definitions of such terms in Credit Linked Condition 13:

"**Indicative Quotation**" means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

"**Market Value**" means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full 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); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the Pricing Supplement and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (b) of the definition of "Quotation" below, an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth Business Day following the Valuation Date the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on

such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

"**Partial Cash Settlement Amount**" is deemed to be, for an Undeliverable Obligation or a Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Hedge Disruption Obligation, determined as provided in this Credit Linked Condition less if applicable (C) a *pro rata s*hare of Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Entitlement), and (ii) zero provided that where (i) the relevant Undeliverable Obligation or Hedge Disruption Obligation forms part of the Asset Package and the Calculation Agent determines in its sole discretion that a Final Price cannot reasonably be determined in respect of such Undeliverable Obligation or Hedge Disruption Obligation, then the Partial Cash Settlement Amount will be an amount calculated by the Calculation Agent in its sole discretion equal to the fair market value of the relevant Undeliverable Obligation or Hedge Disruption Obligation less Unwind Costs.

"**Partial Cash Settlement Date**" is deemed to be the date falling three Business Days after the calculation of the Final Price.

"**Quotation**" means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the Pricing Supplement, each Indicative Quotation obtained and expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable, of the relevant Undeliverable Obligation or Hedge Disruption Obligation with respect to a Valuation Date in the manner that follows:

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more 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 two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the Pricing Supplement, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.

(b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the Pricing Supplement, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

(c) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this determination.

"**Quotation Amount**" is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount equal to at least the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

"**Quotation Method**" is deemed to be Bid.

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

(a) "Standard Reference Obligation" is specified as not applicable in the Pricing Supplement, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or

(b) (i) "Standard Reference Obligation" is specified as applicable in the Pricing Supplement (or no election is specified in the Pricing Supplement), (ii) there is no Standard Reference Obligation and either (iii) "Initially none" is specified in the Pricing Supplement in respect of the Reference Obligation, or (iv) a Non-Standard Reference Obligation is specified in 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 "Standard Reference Obligation" is specified as applicable in the Pricing Supplement (or no election is specified in the Pricing Supplement), the Reference Obligation is the Standard Reference Obligation and the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation and the Calculation Agent will select as a substitute Reference Obligation any Deliverable Obligation with the same level of seniority as the relevant Seniority Level, provided that, if there is no Deliverable Obligation with the same level of seniority as the relevant Seniority Level, the Calculation Agent may select any Deliverable Obligation as a substitute Reference Obligation.

In addition:

(i) the Calculation Agent may at any time (x) replace the Reference Obligation with any Deliverable Obligation with the same level of seniority as the relevant Seniority Level from time to time, provided that, if there is no Deliverable Obligation with the same level of seniority as the relevant Seniority Level, the Calculation Agent may select any Deliverable Obligation as the replacement Reference Obligation or (y) where there is no Reference Obligation, including for the avoidance of doubt where "Initially none" is specified in the Pricing Supplement in respect of the Reference Obligation, select any Deliverable Obligation as the Reference Obligation; and

(ii) if "Standard Reference Obligation" is specified as applicable in the Pricing Supplement (or no election is specified in the Pricing Supplement) and a new obligation is placed on the SRO List in respect of the relevant Reference Entity, then the Calculation Agent may, but is not obliged to, select the new Standard Reference Obligation in respect of the Reference Entity as the Reference Obligation. The provisions of this definition may be applied by the Calculation Agent on more than one occasion and are without prejudice to the right of the Calculation Agent to determine a Substitute Reference Obligation.

Without prejudice to the paragraphs above:

(a) in the case of iTraxx Index Credit Linked Notes (or Long/Short Credit Linked Notes referencing such Index), the Reference Obligation will be the Reference Obligation (if any) specified as such opposite the relevant Reference Entity in the Index Annex, subject to the definition of "Substitute Reference Obligation" below and the following paragraph:

If there is no Standard Reference Obligation and the Index Sponsor publishes a replacement Reference Obligation for a Reference Entity, the Calculation Agent will select such Reference Obligation as the Reference Obligation hereunder for such Reference Entity rather than applying the provisions of the definition of "Substitute Reference Obligation" above; and

(b) in the case of CDX Index Credit Linked Notes (or Long/Short Credit Linked Notes referencing such Index), the Reference Obligation will be the Reference Obligation (if any) specified as such in the Index and specified opposite the Reference Entity in the Index Annex, subject as

provided in paragraph (b) of the definition of "Index Annex" below and to the "Substitute Reference Obligation" provisions herein.

For the avoidance of doubt, in the case of (a) and (b) above, where there is no Reference Obligation specified for the relevant Reference Entity in the Index Annex, the provisions of (i)(y) above shall apply and the Calculation Agent may select any Deliverable Obligation as the Reference Obligation.

"**Valuation Date**" means, for the purposes of this Credit Linked Condition 10, the fifth Business Day after the Credit Settlement Date.

"**Valuation Method**" is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case "Valuation Method" is deemed to be Market.

"**Valuation Time**" is the time specified as such in the Pricing Supplement, or, if no time is so specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be.

"**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 Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be, 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 that in aggregate are approximately equal to the Quotation Amount.

11. Settlement Suspension

(a) **Suspension**

Without prejudice to Credit Linked Condition 9, if, following the determination of a Credit Event Determination Date but prior to the Credit 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 this Credit Linked Condition 11 and the definitions of Credit Event Redemption Date, Valuation Date, Physical Settlement Period and PSN Cut-off Date, and any other Credit Linked Condition provision(s) as determined by the Calculation Agent, shall toll and be suspended and remain suspended (such period of suspension, a "**Suspension Period**") until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. During such suspension period none of the Issuer, the Calculation Agent or any Noteholder are obliged to, nor are they entitled to, take any action in connection with the settlement of the Notes. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, the relevant timing requirements of the Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary with the Issuer having the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Credit Linked Condition 11.

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

(b) **Interest**

In the case of interest bearing Credit Linked Notes to the extent that "Credit Linked Interest" is applicable as specified in the Pricing Supplement:

(i) if a Suspension Period falls in any one or more Interest Period(s), then no interest (or any interest on any delayed payment of interest) shall accrue during each portion of an Interest Period during which a Suspension Period exists; and

(ii) if an Interest Payment Date falls in a Suspension Period, such Interest Payment Date will be deferred until such date as determined by the Calculation Agent falling no earlier than the first Payment Day and no later than the fifth Payment Day following the end of the Suspension Period, all subject to the provisions of Condition 7 and Credit Linked Conditions 6, 7 and 8.

12. Redemption following a Merger Event

If "Merger Event" is specified as applying in 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 Condition 14 and redeem all but not some only of the Credit Linked Notes and pay in respect of each Credit Linked Note, the Merger Event Redemption Amount on the Merger Event Redemption Date in each case as specified in the Pricing Supplement.

13. Definitions applicable to Credit Linked Notes

"**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 for the purpose of these Credit Linked Conditions:

(a) in respect of any Notes for which "Physical Settlement" is specified to be the Settlement Method in the Pricing Supplement (or for which Physical Settlement is applicable as the Fallback Settlement Method in accordance with Credit Linked Condition 2), the Outstanding Principal Balance of the Deliverable Obligations being Delivered will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified in the Pricing Supplement, in which case, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will include accrued but unpaid interest (as the Calculation Agent shall determine in its reasonable discretion);

(b) in respect of any Notes for which "Cash Settlement" is specified to be the applicable Settlement Method in the Pricing Supplement (or for which Cash Settlement is applicable as the Fallback Settlement Method in accordance with Credit Linked Condition 2), and:

(i) "Include Accrued Interest" is specified in the Pricing Supplement, the Outstanding Principal Balance of the Valuation Obligation shall include accrued but unpaid interest;

(ii) "Exclude Accrued Interest" is specified in the Pricing Supplement, the Outstanding Principal Balance of the Valuation Obligation shall not include accrued but unpaid interest; or

(iii) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the Pricing Supplement, the Calculation Agent shall determine, based on the then current market practice in the market of the Valuation Obligation whether the Outstanding Principal Balance of the Valuation Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof; or

(c) if Credit Linked Condition 10 applies, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligation (as applicable), whether such Quotations shall include or exclude accrued but unpaid interest.

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "control" means ownership of a majority of the voting power of an entity.

"**Aggregate Loss Percentage**" means:

(a) if "Zero Recovery" is specified as applicable in the Pricing Supplement, the sum of the Reference Entity Weightings for each Reference Entity for which a Credit Event Determination Date has occurred; and

(b) if "FP Recovery" is specified as applicable in the Pricing Supplement, a percentage calculated by the Calculation Agent equal to:

$$\left[\left(\sum_{1\ldots n}^{n} REW_{A,i} \times (100\% - FP_{A,i})\right)\right]$$

Expressed in words, this is (a) the sum of, in respect of each Reference Entity for which a Credit Event Determination Date has occurred, the product of (i) the Reference Entity Weighting and (ii) 100% minus the Final Price, Auction Final Price or the Set/Zero Recovery Price (as applicable), expressed as a percentage.

Where

"**FP**" is the Final Price, the Auction Final Price or the Set/Zero Recovery Price, as applicable, with $FP_{A,i}$ being such value in respect of the Reference Entity for which a Credit Event Determination Date has occurred;

"**n**" is the number of Reference Entities for which a Credit Event Determination Date has occurred; and

"**REW_{Ai}**" means the Reference Entity Weighting of the Reference Entity in respect of which a Credit Event Determination Date has occurred;

"**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 Market Value**" means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

"**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 the Pricing Supplement:

(i) a Governmental Intervention; or

(ii) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in 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 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, either (a) no Package Observable Bond exists immediately prior to such Asset Package Credit Event or (b) Sovereign No Asset Package Delivery is specified as applicable in the Pricing Supplement (by operation of the Standard Terms or otherwise).

"**Attachment Point**" means the percentage specified as such in the Pricing Supplement

"**Auction**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

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

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

"**Auction Final Price**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Final Price Determination Date**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Settlement Date**" shall mean 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, five Business Days) immediately following the Auction Final Price Determination Date.

"**Auction Settlement Notice**" has the meaning given to that term in Credit Linked Condition 2.

"**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 thirty (30) calendar days of the institution or presentation thereof or before the Scheduled Maturity Date (in the case of Credit Linked Notes), 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 all or substantially all its assets;

(g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against

all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter or before the Scheduled Maturity Date (in the case of Credit Linked Notes), 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 clauses (a) to (g).

"**Basket Tranched Index Component**" means, in respect of any Basket Tranched Index Credit Linked Notes, each "Basket Tranched Index Component" indicated as such in the Pricing Supplement and having the Component Weighting, Attachment Point, Exhaustion Point and Index as indicated in the Pricing Supplement.

"**Basket Tranched Index Credit Linked Notes**" means Credit Linked Notes indicated as such in the Pricing Supplement, where the Issuer purchases credit protection from Noteholders in respect of a basket of more than one Basket Tranched Index Component.

"**Calculation Agent City Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City specified in the Pricing Supplement.

"**Calculation Agent Physical Settlement Amendment Notice**" means a notice by the Calculation Agent to the Issuer containing material information required to be included in a Physical Settlement Amendment Notice to be given by the Issuer.

"**Calculation Agent Physical Settlement Notice**" means a notice from the Calculation Agent to the Issuer containing material information required to be included in a Notice of Physical Settlement to be given by the Issuer.

"**Cash Settlement Notice**" has the meaning given to that term in Credit Linked Condition 3.

"**CDX Index Credit Linked Notes**" means Notes which are either CDX Non-Tranched Index Credit Linked Notes or CDX Tranched Index Credit Linked Notes.

"**CDX Non-Tranched Index Credit Linked Notes**" means Non-Tranched Index Credit Linked Notes indicated as such in the Pricing Supplement, where the Issuer purchases credit protection from Noteholders in respect of the Index.

"**CDX Tranched Index Credit Linked Notes**" means Tranched Index Credit Linked Notes or Basket Tranched Index Credit Linked Notes indicated as such in the Pricing Supplement, where the Issuer purchases credit protection from Noteholders in respect of a particular tranche of the Index.

"**Component Weighting**" means, in respect of any Basket Tranched Index Component, the percentage specified as such in the Pricing Supplement.

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

"**Conforming Reference Obligation**" means a Reference Obligation which is a Deliverable Obligation determined in accordance with paragraph (a) below of the definition of Deliverable 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 (or any successor website thereto) from time to time and may be amended from time to time.

"**Credit Derivatives Determinations Committee**" (and each a "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 the Pricing Supplement which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention.

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 Amount**" means, in the case of Linear Basket Credit Linked Notes or Index Credit Linked Notes to which Credit Payment As You Go applies, following the occurrence of a Credit Event Determination Date in respect of any Reference Entity (i) the amount specified as such in the Pricing Supplement or (ii) a Note's *pro rata* share of the amount (which may be zero) calculated by the Calculation Agent in accordance with the following formula:

(RENA × FP) – UC

where:

"**RENA**" is the Reference Entity Notional Amount in respect of the affected Reference Entity;

"**FP**" is the Final Price, the Auction Final Price or the Set/Zero Recovery Price, as applicable, in respect of the affected Reference Entity;

"**UC**" is Unwind Costs.

Expressed in words, this is (1) the product of the Reference Entity Notional Amount in respect of the affected Reference Entity and the Final Price, Auction Final Price or the Set/Zero Recovery Price, as applicable, in respect of the affected Reference Entity minus (2) the Unwind Costs.

"**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 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 sixty (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; and

Provided that, if so specified in the Pricing Supplement, such date, will be, in all cases, the later to occur of (A) the Trade Date and (B) the Credit Event Backstop Date that is determined pursuant to (a) or (b) above.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

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

(a) Auction Settlement is the applicable Settlement Method or in any event in the case of a Tranched Linear Basket Credit Linked Note, a Tranched Index Credit Linked Note, a Zero/Set Recovery Note, a Basket Tranched Index Credit Linked Note or a Long/Short Credit Linked Note:

(i) subject to paragraph (a)(ii) 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

(ii) notwithstanding paragraph (a)(i) 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:

(i) (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

(ii) (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 Issuer's Hedging Arrangements, 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 Settlement Date, the Credit Event Redemption Date or the Maturity Date as applicable, a DC No Credit Event Announcement 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 Credit Linked Conditions (including any adjustment to payment amounts) as may be required to reflect (I) such deemed date of occurrence or (II) such deemed non-occurrence, of such Credit Event Determination Date and

(2) the effective date of such adjustment(s). For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any adjustment to payment amounts.

Where the Notes are First-to-Default Credit Linked Notes or Long/Short Credit-Linked Notes including a First-to-Default Exposure, a Credit Event Determination Date shall be deemed to occur with respect to the Notes on the first occasion a Credit Event Determination Date occurs with respect to any Reference Entity (the "**First Reference Entity**"). Where the Notes are First-to-Default Credit Linked Notes or Nth-to-Default Credit Linked Notes or Long/Short Credit-Linked Notes including a First-to-Default Exposure or Nth-to-Default Exposure and a Credit Event Determination Date occurs with respect to more than one Reference Entity on the same day, the Calculation Agent shall determine in its sole discretion the order in which such Credit Event Determination Dates occur.

"**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 Credit Observation End 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. A Credit Event Notice shall be subject to the requirements regarding notices set out in Condition 14.

"**Credit Event Payment Date**" means in relation to any Credit Event Amount the day falling the number of Business Days specified in the Pricing Supplement (or, if a number of Business Days is not so specified, three Business Days) following (x) the calculation of the relevant Final Price or Auction Final Price, as applicable or (y) in the case of Zero/Set Recovery Notes, the Credit Event Determination Date.

"**Credit Event Redemption Amount**" means, unless otherwise specified in the Pricing Supplement:

(a) in the case of Single Reference Entity Credit Linked Notes, First-to-Default Credit Linked Notes and Nth-to-Default Credit Linked Notes, an amount calculated by the Calculation Agent equal to each Note's *pro rata* share of:

[(RENA × FP) – UC] + Protected Amount

Expressed in words, this is the sum of (a), (1) the product of the Reference Entity Notional Amount and the Final Price, Auction Final Price or the Set/Zero Recovery Price, as applicable minus (2) the Unwind Costs and (b) if specified as applicable in the Pricing Supplement, the Protected Amount.

(b) in the case of Non-Tranched Linear Basket Credit Linked Notes or Non-Tranched Index Credit Linked Notes to which Credit Payment on Maturity applies, an amount calculated by the Calculation Agent equal to each Note's *pro rata* share of:

$$\left[\left(\sum_{1\ldots n}^{n} RENA_{u,i}\right) + \left(\sum_{1\ldots n}^{n} RENA_{A,i} \times FP_{A,i}\right) - UC\right] + Protected\ Amount;$$

Expressed in words, this is the sum of (a) (1) the sum of the Reference Entity Notional Amounts in respect of each Reference Entity for which a Credit Event Determination Date has not occurred plus (2) the sum of, in respect of each Reference Entity for which a Credit Event Determination Date has occurred, the product of the Reference Entity Notional Amount and the Final Price, Auction Final Price or the Set/Zero Recovery Price (as applicable) minus (3) Unwind Costs and (b) if specified as applicable in the Pricing Supplement, the Protected Amount.

(c) in the case of Non-Tranched Linear Basket Credit Linked Notes or Non-Tranched Index Credit Linked Notes to which Credit Payment As You Go applies, an amount calculated by the Calculation Agent equal to a Note's *pro rata* share of:

$$\left[\sum_{1\ldots n}^{n} RENA_{u,i}\right] + Protected\ Amount$$

Expressed in words, this is the sum of (a) the Reference Entity Notional Amounts in respect of each Reference Entity for which a Credit Event Determination Date has not occurred and (b) if specified as applicable in the Pricing Supplement, the Protected Amount.

(d) in the case of Tranched Linear Basket Credit Linked Notes, an amount calculated by the Calculation Agent equal to each Note's *pro rata* share of:

$$\left[[aggregate\ outstanding\ nominal\ amount * Credit\ Multiplier] * \left(1 - \left(\frac{1}{H-L}\right) * Min[H-L; Max\ [N-L; 0]]\right)\right] + Protected\ Amount$$

Expressed in words, this is the sum of (a) the product of (i) the aggregate outstanding principal amount of Notes multiplied by the Credit Multiplier and (ii) one minus the product of (x) the quotient of 1 as numerator and the number of Reference Entities specified as H (being the higher tranche level) in the Pricing Supplement minus the number of Reference Entities specified as L (being the lower tranche level) in the Pricing Supplement ("**H-L**") as denominator and (y) the lesser of H-L and the number, floored at zero, of Reference Entities in respect of which a Credit Event Determination Date has occurred ("N") minus the number of Reference Entities specified as L (being the lower tranche level) in the Pricing Supplement and (b) if specified as applicable in the Pricing Supplement, the Protected Amount; or

(e) in the case of Tranched Index Credit Linked Notes, an amount calculated by the Calculation Agent equal to each Note's pro rata share of:

$$\left[[aggregate\ outstanding\ nominal\ amount * CM] * \left(1 - \left(\frac{1}{EP-AP}\right) * Min[EP-AP\ ; Max\ [ALP-AP; 0]]\right)\right] + Protected\ Amount$$

expressed in words, this is the sum of (a) the product of (i) the aggregate outstanding principal amount of Notes multiplied by the Credit Multiplier and (ii) one minus the product of (x) the quotient of 1 as numerator and the Exhaustion Point minus the Attachment Point as denominator and (y) the lesser of (A) the Exhaustion Point minus the Attachment Point and (B) the number, floored at zero, equal to the Aggregate Loss Percentage minus the Attachment Point and (b) if specified as applicable in the Pricing Supplement, the Protected Amount.

where:

"**ALP**" means the Aggregate Loss Percentage;

"**AP**" means the Attachment Point;

"**CM**" means the Credit Multiplier;

"**EP**" means the Exhaustion Point;

"**Protected Amount**" means the amount stated in the Pricing Supplement if specified as applicable;

"**RENA**" is the Reference Entity Notional Amount, RENA,i being the Reference Entity Notional Amount in respect of any Reference Entityi, with RENAu,i being the Reference Entity Notional Amount in respect of any Reference Entityi for which a Credit Event Determination Date has not occurred and being deemed to be zero for all other Reference Entities and RENAA,i is the Reference Entity Notional Amount in respect of any Reference Entityi for which a Credit Event Determination Date has occurred and being deemed to be zero for all other Reference Entities;

"**FP**" is the Final Price, the Auction Final Price or the Set/Zero Recovery Price, as applicable, with $FP_{A,i}$ being such value in respect of the Reference Entity for which a Credit Event Determination Date has occurred;

"**UC**" is Unwind Costs; and

"**n**" is the number of Reference Entities.

(f) in the case of Basket Tranched Index Credit Linked Notes, an amount calculated by the Calculation Agent equal to each Note's *pro rata* share of:

$$[aggregate\ outstanding\ nominal\ amount * CM] * \sum_{1...z}^{z} CWz \left[\left(1 - \left(\frac{1}{EPz - APz}\right) * Min\left[EPz - APz\ ; Max\ [ALPz - APz; 0]\right]\right)\right] + Protected\ Amount$$

expressed in words, this is the sum of (a) the product of (i) the aggregate outstanding principal amount of Notes multiplied by the Credit Multiplier and (ii) the sum in respect of each Basket Tranched Index Componentz of (A) the product of (I) the Component Weightingz of that Basket Tranched Index Componentz and (II) one minus the product of (x) the quotient of 1 as numerator and the Exhaustion Pointz minus the Attachment Pointz as denominator and (y) the lesser of (X) the Exhaustion Pointz minus the Attachment Pointz and (Y) the number, floored at zero, equal to the Aggregate Loss Percentagez minus the Attachment Pointz and (b) if specified as applicable in the Pricing Supplement, the Protected Amount

where:

"**ALP_z**" means the $Aggregate\ Loss\ Percentage_z$ in respect of Basket Tranched Index $Component_z$ being the Aggregate Loss Percentage determined in respect of Basket Tranched Index $Component_z$;

"**AP_z**" means the $Attachment\ Point_z$ in respect of Basket Tranched Index $Component_z$ as indicated in the Pricing Supplement;

"**CW_z**" is the "$Component\ Weighting_z$" of such Basket Tranched Index $Component_z$ as indicated in the Pricing Supplement;

"**EP_z**" means the $Exhaustion\ Point_z$ in respect of Basket Tranched Index $Component_z$ as indicated in the Pricing Supplement; and

"**z**" means the number of Basket Tranched Index Component comprising the Basket Tranched Index Credit Linked Notes;

provided that, in each of (a) to (f) above, in no event shall the Credit Event Redemption Amount be more than the principal amount of the Notes multiplied by the Credit Multiplier (if applicable) or less than zero;

(g) in the case of Long/Short Credit Linked Notes, an amount calculated by the Calculation Agent equal to each Note's *pro rata* share of the sum of the Long Redemption Amount and the Short Redemption Amount; provided that in no event shall such Credit Event Redemption Amount be more than the sum of (a) the product of the Long Nominal Amount and the LLM and (b) the product of the Short Nominal Amount and the SLM, or less than zero;

where

"**Basket Tranched Index Exposure**" means if specified in the Pricing Supplement to be applicable, the credit linked terms applicable to the Long Nominal Amount and/or the Short Nominal Amount, as applicable;

"**Calculation Percentage**" means, unless otherwise specified in the Pricing Supplement:

(a) in the case of Single Reference Entity Exposure, First-to-Default Exposure and Nth-to-Default Exposure, a percentage calculated by the Calculation Agent equal to (a) if no Credit Event Determination Date or, in the case of an Nth-to-Default Exposure, Trigger, has occurred, 100% or (b) otherwise:

[(RENA × FP) – UC] ÷ RENA

Expressed as a percentage.

Expressed in words, this is (a) (1) the product of the Reference Entity Notional Amount and the Final Price, Auction Final Price or the Set/Zero Recovery Price, as applicable minus (2) the Unwind Costs divided by (b) the Reference Entity Notional Amount, expressed as a percentage.

(b) in the case of Non-Tranched Linear Basket Exposure or Non-Tranched Index Exposure, a percentage calculated by the Calculation Agent equal to:

$$\left[\left(\sum_{1\ldots n} RENA_{u,i}\right)+\left(\sum_{1\ldots n} RENA_{A,i}\times FP_{A,i}\right)-UC\right]\div\left(\sum_{1\ldots n} RENA_{,i}\right)$$

Expressed as a percentage.

Expressed in words, this is (A) the sum of (a) (1) the sum of the Reference Entity Notional Amounts in respect of each Reference Entity for which a Credit Event Determination Date has not occurred plus (2) the sum of, in respect of each Reference Entity for which a Credit Event Determination Date has occurred, the product of the Reference Entity Notional Amount and the Final Price, Auction Final Price or the Set/Zero Recovery Price (as applicable) minus (3) Unwind Costs divided by (B) the sum of the Reference Entity Notional Amounts in respect of all Reference Entities, expressed as a percentage.

(c) in the case of Tranched Linear Basket Exposure, a percentage calculated by the Calculation Agent equal to:

$$\left[\left(1-\left(\frac{1}{H-L}\right)*Min\left[H-L;Max\left[N-L;0\right]\right]\right)\right]$$

Expressed as a percentage.

Expressed in words, this is one minus the product of (x) the quotient of 1 as numerator and the number of Reference Entities specified as H (being the higher tranche level) in the Pricing Supplement minus the number of Reference Entities specified as L (being the lower tranche level) in the Pricing Supplement ("**H-L**") as denominator and (y) the lesser of H-L and the number, floored at zero, of Reference Entities in respect of which a Credit Event Determination Date has occurred ("**N**") minus the number of Reference Entities specified as L (being the lower tranche level) in the Pricing Supplement, expressed as a percentage.

(d) in the case of Tranched Index Exposure, a percentage calculated by the Calculation Agent equal to:

$$\left[\left(1-\left(\frac{1}{EP-AP}\right)*Min\left[EP-AP\,;Max\left[ALP-AP;0\right]\right]\right)\right]$$

Expressed as a percentage.

Expressed in words, this is one minus the product of (x) the quotient of 1 as numerator and the Exhaustion Point minus the Attachment Point as denominator and (y) the lesser of (A) the Exhaustion Point minus the Attachment Point and (B) the number, floored at zero, equal to the Aggregate Loss Percentage minus the Attachment Point, expressed as a percentage

where:

"**ALP**" means the Aggregate Loss Percentage;

"**AP**" means the Attachment Point; and

"**EP**" means the Exhaustion Point.

(e) in the case of Basket Tranched Index Exposure, a percentage calculated by the Calculation Agent equal to:

$$\sum_{1\ldots z}^{z} CWz \left[\left(1 - \left(\frac{1}{EPz - APz}\right) * Min\left[EPz - APz\,; Max\left[ALPz - APz; 0\right]\right]\right)\right]$$

expressed in words, this is the sum in respect of each Basket Tranched Index Component$_z$ of (A) the product of (I) the Component Weighting$_z$ of that Basket Tranched Index Component$_z$ and (II) one minus the product of (x) the quotient of 1 as numerator and the Exhaustion Point$_z$ minus the Attachment Point$_z$ as denominator and (y) the lesser of (X) the Exhaustion Point$_z$ minus the Attachment Point$_z$ and (Y) the number, floored at zero, equal to the Aggregate Loss Percentage$_z$ minus the Attachment Point$_z$

where:

"**ALP$_z$**" means the Aggregate Loss Percentagez in respect of Basket Tranched Index Component$_z$ being the Aggregate Loss Percentage determined in respect of Basket Tranched Index Component$_z$;

"**AP$_z$**" means the Attachment Point$_z$ in respect of Basket Tranched Index Component$_z$ as indicated in the Pricing Supplement;

"**CW$_z$**" is the "Component Weighting$_z$" of such Basket Tranched Index Component$_z$ as indicated in the Pricing Supplement;

"**EP$_z$**" means the Exhaustion Point in respect of Basket Tranched Index Component$_z$ as indicated in the Pricing Supplement; and

"**z**" means the number of Basket Tranched Index Component comprising the Basket Tranched Index Credit Linked Notes;

"**First-to-Default Exposure**" means if specified in the Pricing Supplement to be applicable, the credit linked terms applicable to the Long Nominal Amount and/or the Short Nominal Amount, as applicable;

"**FP**" is the Final Price, the Auction Final Price or the Set/Zero Recovery Price, as applicable, with $FP_{A,i}$ being such value in respect of the Reference Entity for which a Credit Event Determination Date has occurred;

"**LLM**" means the number specified as such in the Pricing Supplement, if any, being the leverage multiplier in respect of the Long Exposure;

"**Long Nominal Amount**" means at any time the product of the Long Nominal Exposure Percentage and the aggregate principal amount of Notes outstanding;

"**Long Redemption Amount**" equals the product of the Long Nominal Amount and the Long Calculation Percentage and the LLM;

"**Long Calculation Percentage**" means the Calculation Percentage arising from the Long Exposure;

"**Long Exposure**" means, in respect of the Long Nominal Amount and as specified in the Pricing Supplement, any one of Single Reference Entity Exposure, First-to-Default Exposure, Nth-to-Default Exposure, Non-Tranched Linear Basket Exposure, Non-Tranched Index Exposure, Tranched Linear Basket Exposure, Tranched Index Exposure or Basket Tranched Index Exposure;

"**Long Nominal Exposure Percentage**" means the percentage indicated as such in the Pricing Supplement; "**n**" is the number of Reference Entities,

"**Non-Tranched Linear Basket Exposure**" if specified in the Pricing Supplement to be applicable, the credit linked terms applicable to the Long Nominal Amount and/or the Short Nominal Amount, as applicable;

"**Non-Tranched Index Exposure**" if specified in the Pricing Supplement to be applicable, the credit linked terms applicable to the Long Nominal Amount and/or the Short Nominal Amount, as applicable;

"**Nth-to-Default Exposure**" if specified in the Pricing Supplement to be applicable, the credit linked terms applicable to the Long Nominal Amount and/or the Short Nominal Amount, as applicable;

"**RENA**" is the Reference Entity Notional Amount, with $RENA_{u,i}$ being the Reference Entity Notional Amount in respect of any Reference Entityi for which a Credit Event Determination Date has not occurred and being deemed to be zero for all other Reference Entities and $RENA_{A,i}$ is the Reference Entity Notional Amount in respect of any Reference Entityi for which a Credit Event Determination Date has occurred and being deemed to be zero for all other Reference Entities;

"**Short Calculation Percentage**" means 100% minus the Calculation Percentage arising from the Short Exposure;

"**Short Exposure**" means, in respect of the Short Nominal Amount and as specified in the Pricing Supplement, any one of Single Reference Entity Exposure, First-to-Default Exposure, Nth-to-Default Exposure, Non-Tranched Linear Basket Exposure, Non-Tranched Index Exposure, Tranched Linear Basket Exposure, Tranched Index Exposure or Basket Tranched Index Exposure;

"**Short Nominal Amount**" means at any time the product of the Short Nominal Exposure Percentage and the number aggregate principal amount of Notes outstanding;

"**Short Nominal Exposure Percentage**" means the percentage indicated as such in the Pricing Supplement;

"**Short Redemption Amount**" equals the product of the Short Nominal Amount and the Short Calculation Percentage and the SLM

"**Single Reference Entity Exposure**" means if specified in the Pricing Supplement to be applicable, the credit linked terms applicable to the Long Nominal Amount and/or the Short Nominal Amount, as applicable;

"**SLM**" means the number specified as such in the Pricing Supplement, if any, being the leverage multiplier in respect of the Short Exposure;

"**Tranched Linear Basket Exposure**" if specified in the Pricing Supplement to be applicable, the credit linked terms applicable to the Long Nominal Amount and/or the Short Nominal Amount, as applicable;

"**Tranched Index Exposure**" if specified in the Pricing Supplement to be applicable, the credit linked terms applicable to the Long Nominal Amount and/or the Short Nominal Amount, as applicable;

and provided that, the Credit Linked Conditions shall apply to the relevant Long Exposure or Short Exposure (including for the purposes of determining the Calculation Percentage arising from the relevant Long Exposure or Short Exposure, as the case may be) in such manner as the Calculation Agent, acting in a commercially reasonable manner, may determine is necessary or desirable to give rise to the intended economic effect of the Credit Linked Conditions and as if a Single Reference Entity Exposure is a Single Reference Entity Credit Linked Note, a First-to-Default Exposure is a First-to- Default Credit Linked Note, a Nth-to-Default Exposure is a Nth-to-Default Credit Linked Note, a Non- Tranched Linear Basket Exposure is a Non-Tranched Linear Basket Credit Linked Note, a Non- Tranched Index Exposure is a Non-Tranched Index Credit Linked Note, a Tranched Linear Basket Exposure is a Tranched Linear Basket Credit Linked Note, a Tranched Index Exposure is a Tranched Index Credit Linked Note or a Basket Tranched Index Exposure is a Basket Tranched Index Credit Linked Note.

"**UC**" is Unwind Costs;

"**Credit Event Redemption Date**" means, subject to Credit Linked Condition 11:

(a) in the case of any Notes other than Linear Basket Credit Linked Notes or Index Credit Linked Notes or Long/Short Credit Linked Notes,

(i) the day falling three Business Days, or such other number of Business Days specified in the Pricing Supplement, after (i) the calculation of the Final Price (ii) the Auction Settlement Date or (iii) if the Notes are Zero/Set Recovery Notes the Credit Event Determination Date, as applicable, in each case in respect of the Reference Entity the occurrence of which results in the Notes becoming redeemable; or

(ii) where Maturity Credit Redemption is specified to be applicable in the Pricing Supplement only: if later, the Maturity Date determined pursuant to these Credit Linked Conditions and subject to adjustment, where applicable, pursuant to Credit Linked Conditions 6, 7, 8, 9 and 11; or

(b) in the case of Linear Basket Credit Linked Notes or Index Credit Linked Notes or Long/Short Credit Linked Notes, the "**Maturity Date**" determined for these purposes as

(i) subject to (ii) and (iii) below, the later of

(a) the day falling three Business Days or such other number of Business Days specified in the Pricing Supplement, following (i) the calculation of the Final Price or (ii) the Auction Final Price Determination Date (or, if later, the related Auction Settlement Date) in respect of each Reference Entity for which a Credit Event Determination Date has occurred and for which the Final Price or Auction Final Price is relevant for the determination of the Credit Event Redemption Amount; and

(b) the Maturity Date determined without regard to the provisions of this paragraph and subject to adjustment as specified in Credit Linked Conditions 6, 7, 8, 9 or 11; or

(ii) if the Notes are Zero/Set Recovery Notes, the later of

(a) the day falling three Business Days or such other number of Business Days specified in the Pricing Supplement, following the date as of which a Credit Event Determination Date has occurred or is determined not to have occurred in respect of each Reference Entity which is relevant for the determination of the Credit Event Redemption Amount; and

(b) the Maturity Date determined without regard to the provisions of this paragraph and subject to adjustment as specified in Credit Linked Conditions 6, 7, 8, 9 or 11; or

(iii) if the Notes are Tranched Linear Basket Credit Linked Notes or Tranched Index Credit Linked Notes or Basket Tranche Index Credit Linked Notes or Long/Short Credit Linked Notes, the Maturity Date subject to adjustment as specified in Credit Linked Conditions 6, 7, 8, 9 or 11.

"**Credit Event Reduction Factor**" means:

(a) in the case of any Notes other than Tranched Linear Basket Credit Linked Notes, Tranched Index Credit Linked Notes, Basket Tranched Index Credit Linked Notes or Long/Short Credit Linked Notes, an amount equal to (i) the aggregate Reference Entity Notional Amounts of all Reference Entities in respect of which a Credit Event Determination Date has not occurred prior to the Credit Observation End Date, divided by (ii) the aggregate of the Reference Entity Notional Amounts of all Reference Entities; or

(b) in the case of Tranched Linear Basket Credit Linked Notes, Tranched Index Credit Linked Notes, Basket Tranched Index Credit Linked Notes or Long/Short Credit Linked Notes only, an amount equal to (i) the Adjusted Credit Outstanding Nominal Amount, divided by (ii) the aggregate outstanding principal amount multiplied by the Credit Multiplier (if any) as of the Issue 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.

"**Credit Index**" means the index named in the Index Annex specified in the Pricing Supplement.

"**Credit Multiplier**" means 1 unless specified otherwise in the Pricing Supplement.

"**Credit Observation End Date**" means the Scheduled Maturity Date or such other date specified in the Pricing Supplement. The Credit Observation End Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**Credit Settlement Date**" means (a) the last day of the longest Physical Settlement Period following the PSN Cut-off Date (the "Scheduled Credit Settlement Date") provided that if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Credit Settlement Date, the Credit Settlement Date shall be the earlier of (i) the second Business Day following the date on which no Hedge Disruption Event subsists and (ii) the day falling sixty (60) Business Days following the Scheduled Credit Settlement Date or (b) where Maturity Credit Redemption is specified to be applicable in the Pricing Supplement only: if later, the Maturity Date determined pursuant to these Credit Linked Conditions and subject to adjustment, where applicable, pursuant to Credit Linked Conditions 6, 7, 8, 9 and 11.

"**Currency Amount**" means, with respect to (a) a Deliverable Obligation specified in a Notice of Physical Settlement or a selected Valuation Obligation, as applicable that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each Physical Settlement Amendment Notice with respect to that portion of the relevant Credit Linked Notes into the currency of denomination of the relevant Replacement Deliverable Obligation.

"**Currency Rate**" means, with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, or selected Valuation Obligation, as applicable, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

"**Currency Rate Source**" means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

"**DC 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 Credit Observation End 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 Cut-off Determination Date**" has the meaning given to that term in Credit Linked Condition 8.

"**DC No 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 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 (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 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.

"**Deliver**" means to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Entitlement to the relevant Noteholder free and clear of any and all liens, charges, claims or encumbrances including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of "Credit Event" above but excluding any liens routinely imposed on all securities in a relevant clearance system or right of set-off by or of the Reference Entity or any applicable Underlying Obligor) provided that (i) if all or a portion of the Entitlement consists of Direct Loan Participations, "Deliver" means to create (or procure the creation of) a participation in favour of the relevant Noteholder and (ii) if a Deliverable Obligation is a Guarantee,

"Deliver" means to Deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, "Deliver" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. "Delivery" and "Delivered" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

If Asset Package Delivery applies, (i) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable, may be satisfied by Delivery of the related Asset Package, 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) the paragraph immediately above shall be deemed to apply to each Asset in the Asset Package provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (iii) if the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full three Business Days following the date on which the Issuer has notified the Holders in accordance with Credit Linked Condition 4 of the detailed description of the Asset Package that it intends to Deliver, (iv) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion and (v) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value and the term Asset Package shall be construed accordingly.

"**Deliverable 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 "*Method for Determining Deliverable Obligations*" below;

(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 Deliverable Obligation; and

(d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in the Pricing Supplement, any Prior Deliverable Obligation, or (ii) if the Reference Entity is a Sovereign, any Package Observable Bond,

in each case, (i) unless it is an Excluded Deliverable 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).

(i) *Method for Determining Deliverable Obligations*. For the purposes of this definition of "Deliverable Obligation", the term "Deliverable Obligation" may be defined as each obligation of the Reference Entity described by the Deliverable Obligation Category specified in the Pricing Supplement, and, subject to paragraph (ii) (Interpretation of Provisions) below, having each of, the Deliverable Obligation Characteristics, if any, specified in the Pricing Supplement, in each case, as of each such date the Calculation Agent determines relevant for purposes of the Hedging Arrangements. The following terms shall have the following meanings:

(i) "**Deliverable 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" below, except that, for the purpose of determining Deliverable Obligation, the definition of "Reference Obligation Only" shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligation Only).

(ii) "**Deliverable Obligation Characteristics**" means any one or more of Not Subordinated, Credit Linked 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;

(A) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;

(B) "**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;

(C) "**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 or the Guarantor, as the case may be, (to the extent that the Issuer or the Guarantor, as applicable, 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);

(D) "**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:

(I) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);

(II) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or

(III) restrictions in respect of blocked periods on or around payment dates or voting periods;

(E) "**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than the period specified in the Pricing Supplement (or if no such period is specified, thirty years);

(F) "**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

(G) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream International or any other internationally recognised clearing system.

(ii) *Interpretation of Provisions*

(i) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified in the Pricing Supplement, the Pricing Supplement shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.

(ii) If (i) either of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in the Pricing Supplement, the Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds; (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the Pricing Supplement, the Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans; or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the Pricing Supplement, the Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.

(iii) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Deliverable Obligation Characteristics in the Pricing Supplement, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

(iv) If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:

(A) for purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation;

(B) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Pricing Supplement from the following list: "Not Subordinated", "Credit Linked Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";

(C) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in 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

(D) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

(E) For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.

(F) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the Pricing Supplement, if an obligation would otherwise satisfy a particular Obligation Characteristic or Deliverable 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 or Deliverable Obligation Characteristic.

(G) For purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in the paragraphs commencing "If Physical Settlement applies and "Mod R" …" and "If Physical Settlement applies and "Mod Mod R" …" in Credit Linked Condition 4 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.

(H) If "Subordinated European Insurance Terms" is specified as applicable in the Pricing Supplement, if an obligation would otherwise satisfy the "Maximum Maturity" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

(v) For the avoidance of doubt the provisions of this paragraph (ii) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

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

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

"**Delivery Date**" means, with respect to a Deliverable Obligation or an Asset Package, the date such Deliverable Obligation is Delivered (or deemed to be Delivered pursuant to the definition of "Deliver" above).

"**Domestic Currency**" means the currency specified as such in 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 whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50% owned, directly or indirectly, by the Reference Entity. As used herein, "Voting Shares" shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

"**Due and Payable Amount**" means the amount that is due and payable by the Reference Entity under the obligation whether by reason of maturity, acceleration, 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 either (A) the relevant PSN Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date), or (B) the relevant Valuation Date, as applicable.

"**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:

(i) bank or other financial institution;

(ii) insurance or reinsurance company;

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

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

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

(b) an Affiliate of an entity specified in sub-paragraph (a);

(c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:

(i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least U.S. $100 million or (B) is one of a group of investment vehicles under common control or management having, in aggregate, total assets of at least U.S. $100 million; or

(ii) that has total assets of at least U.S. $500 million; or

(iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraphs (a), (b), (c)(i) or (d); or

(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, 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.

"**Entitlement**" means, in respect of each principal amount of Credit Linked Notes equal to the Calculation Amount multiplied by the relevant Credit Multiplier, Deliverable Obligations, as selected by the Calculation Agent, with:

(a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance; or

(b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the Calculation Amount multiplied by the Credit Multiplier less, if Unwind Costs are specified as applying in the Pricing Supplement, Deliverable Obligations with a market value determined by the Calculation Agent on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to a pro rata share of Unwind Costs.

"**Excluded Deliverable Obligation**" means:

(a) any obligation of a Reference Entity specified as such or of a type described in the Pricing Supplement;

(b) any principal only component of a Bond from which some or all of the interest components have been stripped; and

(c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

"**Excluded Obligation**" means:

(a) any obligation of a Reference Entity specified as such or of a type described in the Pricing Supplement;

(b) if "Financial Reference Entity Terms" is specified as applicable in 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 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.

"**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:

  (i) 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

  (ii) 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.

"**Exhaustion Point**" means the percentage specified as such in the Pricing Supplement;

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

(a) the Credit Observation End Date (for the purposes of this definition of Extension Date, the "**Scheduled Termination Date**");

(b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applying in the Pricing Supplement, and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Credit Observation End Date; and

(c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable in 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, with respect to any Credit Linked Notes for which Auction Settlement is specified as the applicable Settlement Method in the Pricing Supplement, the fallback settlement method specified in the Pricing Supplement.

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

"**Final Price**" means the price of the relevant Valuation Obligation(s), as the case may be, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, determined in accordance with the Valuation Method specified in the Pricing Supplement or, where applicable, Credit Linked Condition 10. The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Noteholders at the specified office of the Principal Paying Agent (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

"**First-to-Default Credit Linked Notes**" means Credit Linked Notes indicated as such in the Pricing Supplement where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities, as specified in the Pricing Supplement.

"**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 Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount.

"**Fully Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered as a requirement for consent for purposes of this definition of "Fully Transferable Obligation".

"**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) below.

"**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:

  (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);

  (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

  (iii) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or

  (iv) a change in the ranking in priority of payment of any Obligation, 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 applying in the Pricing Supplement, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date or relevant Interest Payment Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled 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 the Pricing Supplement or, if no period is specified in the Pricing Supplement, thirty (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 the Pricing Supplement, such deemed Grace Period shall expire no later than the Scheduled 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 T2 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 applying in the Pricing Supplement; and

(b) a Potential Failure to Pay occurs on or prior to the Credit Observation End Date or relevant Interest Payment Date,

the date falling 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 the Pricing Supplement, Grace Period Extension shall not apply.

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

"**Hedging Arrangements**" means any transaction(s), asset(s) or trading position(s) the Issuer and/or any of its Affiliates or agents may enter into or hold from time to time (including, if applicable, on a portfolio basis) to hedge directly or indirectly and whether in whole or in part the credit or other price risk of the Issuer issuing and performing its obligations with respect to the Credit Linked Notes.

"**Hedge Disruption Event**" means in the opinion of the Calculation Agent any event (including, without limitation, any delay in settlement of any Auction) as a result of which the Issuer and/or any of its Affiliates (a) has not received the relevant Deliverable Obligations under the terms of the Issuer's Hedging Arrangements (if any) and/or (b) cannot maintain, adjust, enter into or exercise rights under its Hedging Arrangements in each case in such a manner as is necessary to meet its obligations in full as these fall due solely with amounts or assets which it is entitled to receive under the Hedging Arrangements on the relevant due date(s) therefor.

"**Hedge Disruption Obligation**" means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

"**Index Credit Linked Notes**" means Credit Linked Notes indicated as such in the Pricing Supplement and comprising either Non-Tranched Index Credit Linked Notes or Tranched Index Credit Linked Notes or Basket Tranched Index Credit Linked Notes, as specified in the Pricing Supplement.

"**Index Annex**" means:

(a) in the case of iTraxx Index Credit Linked Notes, the list for the relevant Index with the relevant Annex Date, as published by the Index Publisher (which can be accessed at http://www.markit.com or any successor website thereto). The Index Annex will be deemed amended from time to time to reflect any modifications resulting from the application of the definitions of Reference Entity, Reference Obligation, Standard Reference Obligation and/or Substitute Reference Obligation; or

(b) in the case of CDX Index Credit Linked Notes, the list for the relevant Index with the Annex Date, as published by the Index Publisher (which can be accessed at http://www.markit.com or any successor website thereto). In the event of any inconsistency between the terms of the Index Annex and the terms of the corresponding Index published by the Index Sponsor, the terms of the Index Annex shall prevail.

"**Index Publisher**" means Markit Group Limited, or any replacement therefor appointed by the Index Sponsor for purposes of officially publishing the relevant Index.

"**Index Roll Effective Date**" means:

(a) in the case of iTraxx Index Credit Linked Notes, the Roll Date in respect of the Index as specified and defined in the Index Annex; or

(b) in the case of CDX Index Credit Linked Notes, the Effective Date in respect of the Index as specified and defined in the Index Annex.

"**Index Sponsor**" means:

(a) in the case of iTraxx Index Credit Linked Notes, Markit Indices Limited or any successor sponsor of the Index; or

(b) in the case of CDX Index Credit Linked Notes, Markit North America, Inc. or any successor sponsor of the Index.

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

"**iTraxx Index Credit Linked Notes**" means Notes which are either iTraxx Non-Tranched Index Credit Linked Notes or iTraxx Tranched Index Credit Linked Notes.

"**iTraxx Non-Tranched Index Credit Linked Notes**" means Index Credit Linked Notes indicated as such in the Pricing Supplement, where the Issuer purchases credit protection from Noteholders in respect of the Index.

"**iTraxx Tranched Index Credit Linked Notes**" means Tranched Index Credit Linked Notes or Basket Tranched Index Credit Linked Notes indicated as such in the Pricing Supplement, where the Issuer purchases credit protection from Noteholders in respect of a particular tranche of the Index.

"**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.

"**Linear Basket Credit Linked Notes**" means Non-Tranched Linear Basket Credit Linked Notes or Tranched Linear Basket Credit Linked Notes, as specified in the Pricing Supplement.

"**Long/Short Credit Linked Notes**" means Credit Linked Notes indicated as such in the Pricing Supplement where the Issuer both purchases and sells credit protection as specified in the Pricing Supplement.

"**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 the Pricing Supplement.

"**Market Value**" means, with respect to the Valuation 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 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 two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Valuation Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

"**Merger Event**" means that at any time during the period from (and including) the Trade Date to (but excluding) the Scheduled Maturity Date either (A) the Issuer, the Guarantor 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 or the Guarantor, a Reference Entity or (ii) where the Mergor is a Reference Entity, the Issuer or the Guarantor, or (B) (i) either of the Issuer or the Guarantor and (ii) a Reference Entity become Affiliates.

"**Minimum Quotation Amount**" means the amount specified as such in 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 Deliverable Obligation, the Limitation Date occurring on or immediately following the Credit Observation End Date.

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

In connection with the above, the final maturity date shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

"**Movement Option**" means, with respect to an M(M)R Restructuring for which a No Auction Announcement Date has occurred pursuant to paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the option of the Issuer to apply to the Credit Linked 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). If no Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, the Credit Linked Notes will be settled in accordance

with the Fallback Settlement Method. If a Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, such event will be notified to Noteholders in accordance with Condition 14.

"**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.

"**Next Currency Fixing Time**" means 4:00 p.m. (London time) on London Business Days immediately following the date on which the Notice of Physical Settlement or relevant Physical Settlement Amendment Notice or relevant Partial Cash Settlement Notice, as applicable, is effective. For the purposes of determining the Next Currency Fixing Time, "London Business Day" means a day on which banks and foreign exchange markets are generally open to settle payments in London.

"**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 Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above 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-Financial Instrument**" means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

"**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:

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

(i) (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

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

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

(ii) 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:

(i) (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

(ii) the Calculation Agent determines this is otherwise consistent with the Issuer's Hedging Arrangements,

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 Issuer's Hedging Arrangements.

"**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:

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

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

(iii) the date that is 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:

(i) 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

(ii) 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.

"**Non-Tranched Index Credit Linked Notes**" means either iTraxx Non-Tranched Index Credit Linked Notes or CDX Non-Tranched Index Credit Linked Notes, as specified in the Pricing Supplement.

"**Non-Transferable Instrument**" means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

"**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 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 fourteen (14) calendar days after the Extension Date.

"**Notice of Physical Settlement**" has the meaning given to that term in Credit Linked Condition 4.

"**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 applicable in 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 Credit Linked Condition 17.

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

"**Nth-to-Default Credit Linked Notes**" means Credit Linked Notes indicated as such in the Pricing Supplement where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities, as specified in the Pricing Supplement.

"**Obligation**" means:

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

(b) the Reference Obligation,

in each case unless it is an Excluded Obligation.

"**Method for Determining Obligations**". For the purposes of paragraph (a) of this definition of "**Obligation**", the term "Obligation" may be defined as the obligation of each Reference Entity described by the Obligation Category specified in the Pricing Supplement, and having each of the Obligation Characteristics (if any) specified in 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:

(i) "**Obligation Category**" means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the Pricing Supplement, where:

(ii) "**Payment**" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;

(c) "**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);

(d) "**Reference Obligation Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;

(e) "**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;

(f) "**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

(g) "**Bond or Loan**" means any obligation that is either a Bond or a Loan.

(h) "**Obligation Characteristics**" means any one or more of Not Subordinated, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in 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;

(i) "**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

(j) "**Prior Reference Obligation**" means, in circumstances where there is no Reference Obligation applicable to the relevant Notes, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in 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;

(k) "**Credit Linked Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the Pricing Supplement (or, if Credit Linked Specified Currency is specified in the Pricing Supplement and no currency is so specified, any Standard Specified Currency) provided that if the euro is a Credit Linked Specified Currency, "Credit Linked 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;

(l) "**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";

(m) "**Not Domestic Currency**" means any obligation that is payable in any currency other than applicable Domestic Currency provided that a Standard Specified Currency shall not constitute the Domestic Currency;

(n) "**Not Domestic Law**" means any obligation that is not governed by applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law;

(o) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and

(p) "**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.

"**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 or 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 the 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 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" Deliverable Obligation Characteristic) unless the relevant Notes are Reference Obligation Only Notes.

"**Outstanding Amount**" has the meaning given to that term in Credit Linked Condition 4.

"**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,

in each case, determined:

(i) unless otherwise specified, in accordance with the terms of the obligation in effect on either (A) the relevant PSN Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date), or (B) the relevant Valuation Date; and

(ii) 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 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 Deliverable Obligation (above), in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

"**Parallel Auction**" means "**Auction**" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

"**Parallel Auction Cancellation Date**" means "Auction Cancellation Date" as such term shall be 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.

"**Parallel Notice of Physical Settlement Date**" means "Notice of Physical Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

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

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

(i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;

(ii) provisions implementing the Subordination of the obligation;

(iii) 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);

(iv) if "Subordinated European Insurance Terms" are specified as applicable in the Pricing Supplement, any Solvency Capital Provisions; or

(v) if "Financial Reference Entity Terms" are specified as applicable in 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.

"**Physical Settlement Amendment Notice**" has the meaning given to that term in Credit Linked Condition 4.

"**Physical Settlement Period**" means, subject to Credit Linked Condition 11, the number of Business Days specified as such in the Pricing Supplement or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Entitlement, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent provided that if the Issuer has notified the Holders in accordance with Credit Linked Condition 4 that it will Deliver an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be 35 Business Days.

"**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 Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity), a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity) or if a Credit Event Resolution Request Date has occurred and the relevant Credit Derivatives Determinations Committee has not made its determination, such event will be deemed to be a Potential Credit Event. 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 Deliverable Obligation above, 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.

"**PSN Cut-off Date**" means subject, where applicable, to Credit Linked Condition 13:

(a) subject to paragraph (b) below, the later of:

(i) the thirtieth calendar day after the Credit Event Determination Date; and

(ii) the tenth calendar day after either the date of the relevant DC Credit Event Announcement or of the relevant DC Credit Event Question Dismissal, if any (or, if the relevant Credit Event is an M(M)R Restructuring, the tenth calendar day after the Non-Standard Exercise Cut-off Date); or

(b) if, in accordance with the terms of Credit Linked Condition 2 above, Credit Linked Condition 4 applies as a result of the occurrence of (a) an Auction Cancellation Date or (b) a No Auction Announcement Date and:

(i) the relevant Credit Event is not an M(M)R Restructuring, the later of:

(i) the date determined pursuant to paragraph (a)(i) above; and

(ii) the thirtieth calendar day after the Auction Cancellation Date or the No Auction Announcement Date, occurring pursuant to paragraphs (a) or (i) of the definition of No Auction Announcement Date above, as applicable; or

(ii) the relevant Credit Event is an M(M)R Restructuring either:

(i) the later of:

(1) the date determined pursuant to paragraph (a)(i) above; and

(2) the thirtieth calendar day after:

(x) a No Auction Announcement Date occurring pursuant to paragraph (a) of the definition of No Auction Announcement Date above, if any;

(y) a No Auction Announcement Date occurring pursuant to paragraph (i) of the definition of No Auction Announcement Date above, if any; or

(z) the Auction Cancellation Date, if any, as applicable; or

(ii) the later of the Parallel Notice of Physical Settlement Date (or, if more than one Parallel Notice of Physical Settlement Date should occur, the last Parallel Notice of Physical Settlement Date), and the Relevant City Business Day immediately following the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:

(1) a No Auction Announcement Date occurs pursuant to paragraph (a) of the definition of No Auction Announcement Date above and the Issuer has not exercised the Movement Option; or

(2) a No Auction Announcement Date occurs pursuant to paragraph (c)(ii) of the definition of No Auction Announcement Date above and the Issuer has not exercised the Movement Option,

provided that in the case of paragraphs (a)(ii) and (b) above, the relevant Credit Event Resolution Request Date, if any, occurred on or prior to the date described in paragraph (a)(i) above.

"**PSN Effective Date**" means the date on which an effective Calculation Agent Physical Settlement Notice or Calculation Agent Physical Settlement Amendment Notice, as the case may be, is delivered to the Issuer.

"**Public Source**" means each source of Publicly Available Information specified as such in the Pricing Supplement (or if no such source is specified in 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 information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which:

(a) 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);

(b) is information received from or published by (i) 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 (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or

(c) 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 (b) or (c) 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 (b) or (c) 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 the party receiving such information.

(d) Without limitation, Publicly Available Information need not state:

(i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned by the Reference Entity; and

(ii) that the relevant occurrence:

(i) has met the Payment Requirement or Default Requirement;

(ii) is the result of exceeding any applicable Grace Period; or

(iii) 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:

(i) by payment;

(ii) by way of Permitted Transfer;

(iii) by operation of law;

(iv) due to the existence of a Fixed Cap; or

(v) due to:

(i) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in the Pricing Supplement; or

(ii) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in 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 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 any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Valuation Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

"**Quotation Amount**" means the amount specified as such in 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 the Pricing Supplement, the Reference Entity Notional Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent 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 the Pricing Supplement. If no Quotation Dealers are specified in 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 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 purposes of determining a relevant Quotation Dealer's quotation.

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

"**Reference Entity**" means:

(a) the entity specified as such in the Pricing Supplement and any Successor to the Reference Entity either (i) identified pursuant to the definition of "Successor" on or following the Trade Date or (ii) 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 Series; or

(b) in the case of iTraxx Index Credit Linked Notes, each relevant Reference Entity specified as such in the Credit Index and listed in the Index Annex, and any Successor to a Reference Entity either (i) in respect of which ISDA publicly announces on or following the earlier of the Index Roll Effective Date and the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Successor Resolution Request Date, a Successor in accordance with the DC Rules or (ii) in the event that ISDA does not make such an announcement, identified by the Index Sponsor on or following the earlier of the Index Roll Effective Date and the Trade Date; or

(c) in the case of CDX Index Credit Linked Notes, subject as provided in paragraph (b) of the definition of "Index Annex", each relevant Reference Entity specified as such in the Credit Index and listed in the Index Annex, and any Successor to a Reference Entity either (i) in respect of which ISDA publicly announces on or following the earlier of the Index Roll Effective Date and the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Successor Resolution Request Date, a Successor in accordance with the DC Rules or (ii) in the event that ISDA does not make such an announcement, identified by the Index Sponsor on or following the earlier of the Index Roll Effective Date and the Trade Date.

"**Reference Entity Notional Amount**" in respect of a Reference Entity, means:

(a) save for Non-Tranched Index Credit Linked Notes and Non-Tranched Linear Basket Credit Linked Notes, the product of (i) the amount specified as the Reference Entity Notional Amount in the Pricing Supplement (or, if no such amount is so specified, the Aggregate Principal Amount of the Notes as of the Issue Date), subject to adjustment as provided in "Successor" and these Credit Linked Conditions and (ii) the Credit Multiplier (if any); or

(b) in the case of Non-Tranched Linear Basket Credit Linked Notes, the amount specified as the Reference Entity Notional Amount in the Pricing Supplement or, if no such amount is so specified, the product of (i) the Aggregate Principal Amount of the Notes as of the Issue Date divided by the number of Reference Entities subject to adjustment as provided in "Successor" and these Credit Linked Conditions and (ii) the Credit Multiplier (if any); or

(c) in the case of Non-Tranched Index Credit Linked Notes, an amount equal to the amount specified as the Reference Entity Notional Amount in the Pricing Supplement or, if no such amount is so specified, the product of (i) the Aggregate Principal Amount of the Notes as of the Issue Date and the Credit Multiplier (if any) multiplied by (ii) the Reference Entity Weighting for such Reference Entity multiplied by (iii) one divided by the aggregate of the Reference Entity Weightings for all Reference Entities, subject to the provisions of the definition of "Successor".

For the avoidance of doubt, the Reference Entity Notional Amount is not relevant for Tranched Linear Basket Credit Linked Notes or Tranched Index Credit Linked Notes or Basket Tranched Index Credit Linked Notes.

"**Reference Entity Weighting**" or "**REW**" means, unless otherwise specified in the Pricing Supplement, the percentage specified under "**Weighting**" opposite the relevant Reference Entity in the Index Annex.

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

(a) "Standard Reference Obligation" is specified as not applicable in the Pricing Supplement, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or

(b) (i) "Standard Reference Obligation" is specified as applicable in the Pricing Supplement (or no election is specified in the Pricing Supplement), (ii) there is no Standard Reference Obligation and a Non-Standard Reference Obligation is specified in 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 "Standard Reference Obligation" is specified as applicable in the Pricing Supplement (or no election is specified in the Pricing Supplement), the Reference Obligation is the Standard Reference Obligation and the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation and the Calculation Agent will select as a substitute Reference Obligation any Deliverable Obligation with the same level of seniority as the relevant Seniority Level, provided that, if there is no Deliverable Obligation with the same level of seniority as the relevant Seniority Level, the Calculation Agent may select any Deliverable Obligation as a substitute Reference Obligation.

In addition:

(i) the Calculation Agent may at any time (x) replace the Reference Obligation with any Deliverable Obligation with the same level of seniority as the relevant Seniority Level from time to time, provided that, if there is no Deliverable Obligation with the same level of seniority as the relevant Seniority Level, the Calculation Agent may select any Deliverable Obligation as a replacement Reference Obligation, or (y) where there is no Reference Obligation, select any Deliverable Obligation as the Reference Obligation; and

(ii) if "Standard Reference Obligation" is specified as applicable in the Pricing Supplement (or no election is specified in the Pricing Supplement) and a new obligation is placed on the SRO List in respect of the relevant Reference Entity, then the Calculation Agent may, but is not obliged to, select the new Standard Reference Obligation in respect of the Reference Entity as the Reference Obligation. The provisions of this definition may be applied by the Calculation Agent on more than one occasion and are without prejudice to the right of the Calculation Agent to determine a Substitute Reference Obligation.

Without prejudice to the paragraphs above:

(a) in the case of iTraxx Index Credit Linked Notes, the Reference Obligation will be the Reference Obligation (if any) specified as such opposite the relevant Reference Entity in the Index Annex, subject to the definition of "Substitute Reference Obligation" below and the following paragraph:

If there is no Standard Reference Obligation and the Index Sponsor publishes a replacement Reference Obligation for a Reference Entity, the Calculation Agent will select such Reference Obligation as the Reference Obligation hereunder for such Reference Entity rather than applying the provisions of the definition of "Substitute Reference Obligation" below; and

(b) in the case of CDX Index Credit Linked Notes, the Reference Obligation will be the Reference Obligation (if any) specified as such in the Index and specified opposite the Reference Entity in the Index Annex, subject as provided in paragraph (b) of the definition of "Index Annex" above and to the "Substitute Reference Obligation" provisions herein.

"**Reference Obligation Only Notes**" means any Notes in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category and the Deliverable Obligation Category in the Pricing Supplement and (b) "Standard Reference Obligation" is specified as not applicable in the Pricing Supplement.

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

(a) for which the Deliverable Obligation Terms and the Reference Obligation are (i) the same as in respect of the Credit Linked Notes (if such Deliverable Obligation Terms and Reference Obligation are specified in the Pricing Supplement) or (ii) if and to the extent the Deliverable Obligation Terms and/or the Reference Obligation are not specified, the Deliverable Obligation Terms and Reference Obligation determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;

(b) with a scheduled termination date matching the Credit Observation End Date of the Credit Linked Notes; and

(c) otherwise having such other characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Issuer's hedging arrangements and/or any credit derivative elections made in relation to the Credit Linked Notes.

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

"**Relevant Guarantee**" means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in 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 Notice of Physical Settlement or Physical Settlement Amendment Notice, 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 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 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".

"**Relevant Time**" means Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign Tokyo time).

"**Replaced Deliverable Obligation Outstanding Amount**" has the meaning given to that term in Credit Linked Condition 4.

"**Replacement Deliverable Obligation**" has the meaning given to that term in Credit Linked Condition 4.

"**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:

(i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or

(ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and

(b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

"**Repudiation/Moratorium Evaluation Date**" means, if a Potential Repudiation/Moratorium occurs on or prior to the Credit Observation End Date (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty (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 Credit Observation End Date unless the Repudiation/Moratorium Extension Condition is satisfied.

"**Repudiation/Moratorium Extension Condition**" will be 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 fourteen (14) calendar days after the Credit Observation End 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 (i) the Credit Observation End Date or relevant Interest Payment Date (determined by reference to the Relevant Time) or, (ii) if Credit Linked Condition 9(a)(y) applies, the Postponed Maturity Date (determined by reference to the Relevant Time); 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 the Pricing Supplement, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen (14) calendar days after the Credit Observation End Date.

In all cases, 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 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 Credit Observation End Date (determined by reference to the Relevant Time).

"**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 Credit Observation End 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 set out in the DC Rules, and "Resolved" and "Resolves" shall be construed 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 applicable to the relevant Credit Linked Notes 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:

(i) 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;

(ii) 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;

(iii) the occurrence of, agreement to or announcement of any of the events described in 13(a) to 13(e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

(iv) the occurrence of, agreement to or announcement of any of the events described in 13(a) to 13(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 Credit Linked Condition 15, 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 and the definition of Subordination shall be deemed to refer to the Underlying Obligor and the references to the Reference Entity in paragraphs (i) to (iv) 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 Deliverable Obligation or as applicable, Valuation Obligation, the Limitation Date occurring on or immediately following the Credit Observation End 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 Credit Observation End 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 Deliverable Obligation, or as applicable, Valuation Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation, or as applicable, Valuation Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

"**Revised Currency Rate**" means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent.

"**Scheduled Maturity Date**" has the meaning given to it in the Pricing Supplement.

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

(a) "Senior Level" or "Subordinated Level" as specified in the Pricing Supplement, or

(b) if no such seniority level is specified in 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".

"**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 the Pricing Supplement, or if no currency is specified in the Pricing Supplement, the Credit Linked Specified Currency of the Credit Linked Notes.

"**Set/Zero Recovery Price**" means the percentage specified as such in the Pricing Supplement.

"**Settlement Method**" means, if (a) Auction Settlement is specified as the applicable Settlement Method in the Pricing Supplement, Auction Settlement or (b) Cash Settlement is specified as the applicable Settlement Method in the Pricing Supplement, Cash Settlement, or (c) Physical Delivery is specified as the applicable Settlement Method in the Pricing Supplement, Physical Delivery.

"**Single Reference Entity Credit Linked Notes**" means Credit Linked Notes indicated as such in the Pricing Supplement, where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity.

"**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 Deliverable 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 relevant Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within paragraph (a) of the definition of Deliverable Obligation above 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 the Pricing Supplement, or if no such number is specified in the Pricing Supplement, two.

"**SRO List**" means the list of Standard Reference Obligations as published by ISDA on its website at 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).

"**Standard Terms**" means the standard terms (if any) which apply to the Credit Linked Notes in accordance with Credit Linked Condition 23.

"**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 relevant Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of that 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" Deliverable 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 **provided that**, in the absence of any notification to the contrary to the Holders by the Calculation Agent at any time on or prior to the date on which the Notes are due to be redeemed, the Substitute Reference Obligation which shall replace the Non-Standard Reference Obligation shall be deemed to be, on any date, the security which is identified by its ISIN under the column entitled "RED Ref. Ob." which corresponds to the name of the relevant Reference

Entity under the column entitled "RED Legal Name" which is found on Bloomberg Page "REDL" (or any successor page or service thereto) on such date.

(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 Deliverable 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) (A) 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 Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,

(2) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above;

(B) 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 Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; 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 Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or

(C) 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 Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,

(4) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above.

(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 Holders in accordance with Condition 14 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.

(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 Credit Linked 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 Credit Linked Notes to which the Non-Standard Reference Obligation relates are not Reference Obligation Only Notes:

(i) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below U.S. $ 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or

(ii) 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:

(i) subject to paragraph (vii), if one entity succeeds, either directly or indirectly, as a provider of a Relevant Guarantee, to 75% or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;

(ii) if only one entity succeeds directly as a provider of a Relevant Guarantee, to more than 25% (but less than 75%) of the Relevant Obligations of the Reference Entity, and not more than 25% of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25% of the Relevant Obligations will be the sole Successor;

(iii) if more than one entity each succeeds directly as a provider of a Relevant Guarantee, to more than 25% of the Relevant Obligations of the Reference Entity, and not more than 25% of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25% of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the Pricing Supplement will be adjusted as provided below;

(iv) if one or more entity each succeed directly as a provider of a Relevant Guarantee, to more than 25% of the Relevant Obligations of the Reference Entity, and more than 25% 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 these Terms and Conditions and/or the Pricing Supplement will be adjusted as provided below;

(v) if one or more entities succeed directly 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% 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;

(vi) if one or more entities succeed, either directly or indirectly, 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% 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 these Terms and Conditions and/or the Pricing Supplement will be adjusted as provided below); and

(vii) 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:

(i) 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 1 January 2014;

(ii) 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

(iii) 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 the Principal Paying Agent. 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.

Where pursuant to paragraphs (a)(iii)(iv)(vi), (a)(iv) or (a)(vi) or (b) above, more than one Successor has been identified, 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 Reference Entity has been succeeded by more than one Successor (which amendments may, for the avoidance of doubt, include in the case of Tranched Linear Basket Credit Linked Notes, such adjustments as the Calculation Agent determines appropriate to the numbers of Reference Entities specified as "**H**" and "**L**", having regard to any adjustments made to the notional portfolio to which the Notes relate) and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of these Terms and Conditions and/or the Pricing Supplement in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Credit Linked Notes under the provisions of the 2014 ISDA Credit Derivatives Definitions.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Holders in accordance with Condition 14 stating the adjustment to these Terms and Conditions and/or the Pricing Supplement and giving brief details of the relevant Successor event.

In respect of Credit Linked Notes which are Index Credit Linked Notes, if at any time there is a discrepancy between the Successor determined pursuant to the above and a Successor announced by the Index Sponsor, the Calculation Agent may make such amendments to the Credit Linked Notes as it determines in a commercially reasonable manner is necessary or desirable to remedy or account for such discrepancy. Any amendment made pursuant to this paragraph shall be notified to Holders in accordance with Condition 14.

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 (i) 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 (ii) 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.

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 in its sole and absolute discretion; 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 or the Entitlement (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 in its sole and absolute discretion;

"**Alternative Reference Obligation**" means any obligation of the Alternative Reference Entity selected by the Calculation Agent in its sole and absolute discretion 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 in its sole and absolute discretion by reference to such source(s) as it determines appropriate, including any international market data sources such as, but not limited to, credit rating agencies;

"**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 in its sole and absolute discretion 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 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 in its sole and absolute discretion; and

"**Successor Associated Costs**" means an amount per principal amount of the Notes (which may not be less than zero) equal to such Notes' pro rata share multiplied by the Credit Multiplier, 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 in its sole discretion.

"**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 the Pricing Supplement.

"**Tranched Index Credit Linked Notes**" means either iTraxx Tranched Index Credit Linked Notes or CDX Tranched Index Credit Linked Notes, as specified in 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 (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 Credit Linked 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 Credit Linked Conditions principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the Credit Linked Notes.

"**Trigger**" has the meaning given to it in Credit Linked Condition 1(d).

"**Triggering Reference Entity**" has the meaning given to it in Credit Linked Condition 1(d).

"**Undeliverable Obligation**" means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order, contractual restrictions, statutory restrictions or market conditions but excluding the non-receipt of any requisite consents with respect to the Delivery of Loans or non- delivery of an Asset Transfer Notice or any relevant information by a holder) it is impossible or illegal to Deliver on the Credit Settlement Date.

"**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 the amount specified in the Pricing Supplement or if "Standard Unwind Costs" are specified in the Pricing Supplement, an amount determined by the Calculation Agent equal to the aggregate sum of (without duplication) all costs (including loss of funding), fees, charges, expenses, tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption or credit settlement of the Credit Linked Notes and the related termination, settlement or re-establishment of any Hedging Arrangements.

"**Valuation Date**" means if "Single Valuation Date" is specified in the Pricing Supplement and subject to Credit Linked Condition 10, the date that is the number of Business Days specified in the Pricing Supplement (or, if the number of Business Days is not so specified, five Business Days) following 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 (i) of the definition of Non- Standard Credit Event Determination Date, the day on which the DC Credit Event Announcement occurs) (or, if Cash Settlement is applicable pursuant to the Fallback Settlement Method in accordance with paragraphs (b)(i) or (b)(ii) of Credit Linked Condition 2 (*Auction Settlement*) above, the date that is the number of Business Days specified in the Pricing Supplement or, if the number of Business Days is not so specified, five Business Days) following the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable), and if "Multiple Valuation Dates" is specified in the Pricing Supplement, each of the following dates:

(a) subject to Credit Linked Condition 11, the date that is the number of Business Days specified in the Pricing Supplement (or, if the number of Business Days is not specified, five Business Days) following the Credit Event Determination Date (or if the Credit Event Determination Date occurs pursuant to paragraph (a) of the definition of Credit Event Determination Date above or paragraph (i) of the definition of Non-Standard Credit Event Determination Date, the day on which the DC Credit Event Announcement occurs) (or if Cash Settlement is the applicable Fallback Settlement Method in accordance with paragraphs (b)(i) or (b)(ii) of Credit Linked Condition 2 (*Auction Settlement*) above, the date that is the number of Business Days specified in the Pricing Supplement (or, if the number of Business Days is not specified, five Business Days) following the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable); and

(b) each successive date that is the number of Business Days specified in 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 the Pricing Supplement, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in 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 the Pricing Supplement, Single Valuation Date shall apply.

"**Valuation Method**":

(a) The following Valuation Methods may be specified in the Pricing Supplement with only one Valuation Date:

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

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

(b) If no such Valuation Method is specified in the Pricing Supplement, the Valuation Method shall be Highest.

(c) The following Valuation Methods may be specified in the Pricing Supplement with more than one Valuation Date:

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

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

(iii) "**Average Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

(d) If no such Valuation Method is specified in 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.

Where applicable, the Pricing Supplement may specify an alternative Valuation Method which shall be applicable in respect of the relevant Credit Linked Notes.

"**Valuation Obligation**" means in respect of a Reference Entity, notwithstanding anything to the contrary in the Credit Linked Conditions, one or more obligations of such Reference Entity (either directly or as provider of a Relevant Guarantee) which is capable of being specified in a Notice of Physical Settlement (or in any Physical Settlement Amendment Notice, as applicable) if Physical Settlement were the applicable Settlement Method and/or any Asset in the related Asset Package in respect of a Prior Deliverable Obligation or Package Observable Bond, in each case, as selected by the Issuer acting in good faith and in a commercially reasonable manner on or prior to the applicable Valuation Date, provided that, for such purpose, in respect of any Asset in the related Asset Package in respect of a Prior Deliverable Obligation or Package Observable Bond, any reference to "Outstanding Principal Balance", "Due and Payable Amount" or "Outstanding Amount" in the definitions of "Final Price", "Full Quotation", "Quotation", "Quotation Amount" and "Weighted Average Quotation" shall be deemed to be a reference to the words "Outstanding Amount of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the Asset Package Credit Event". For the avoidance of doubt, the use of Deliverable Obligation terms in this definition of "Valuation Obligation" is for convenience only and is not intended to amend the selected settlement method.

"**Valuation Obligations Portfolio**" means one or more Valuation Obligations of a Reference Entity selected by the Calculation Agent in its discretion, each in an Outstanding Amount (or, as the case may be, an Outstanding Amount of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the Asset Package Credit Event) selected by the Calculation Agent acting in good faith and in a commercially reasonable manner (and references to "Quotation Amount" shall be construed accordingly), provided that the aggregate of such Outstanding Amounts (or in each case the equivalent in the Credit Linked Specified Currency thereof (converted at the foreign exchange rate prevailing on any date from (and including) the Event Determination Date to (and including) the Valuation Date, as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner)), shall not exceed the relevant Reference Entity Notional Amount.

"**Valuation Time**" means the time specified as such in the Pricing Supplement or, if no time is so specified, 11.00 a.m. in the principal trading market for the Valuation Obligation.

"**Voting Shares**" means the 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 Valuation 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 aggregate are approximately equal to the Quotation Amount.

"**Zero/Set Recovery Notes**" means Notes in respect of which the applicable Settlement Method in the Pricing Supplement is specified as "Not applicable: Zero/Set Recovery Notes".

14. Credit Event Notice after Restructuring Credit Event

Unless otherwise specified in the Pricing Supplement, this Credit Linked Condition 14 will apply where "Mod R" or "Mod Mod R" is specified as applicable in the Pricing Supplement (whether by application of the Standard Terms or otherwise), and notwithstanding anything to the contrary in these Terms and Conditions:

The Calculation Agent may deliver multiple Credit Event Notices in respect of such M(M)R Restructuring, each such Credit Event Notice setting forth an amount of the relevant Reference Entity Notional Amount to which such Restructuring Credit Event applies (the "**Partial Redemption Amount**") that may be less than the Aggregate Principal Amount of those Credit Linked Notes outstanding immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Redemption Amount only and in respect of Credit Linked Notes respect of which Credit Linked Redemption is applicable and which may be redeemed prior to their scheduled maturity, save where: (i) Maturity Credit Redemption applies; or (ii) the Notes are Tranched Linear Basket Credit Linked Notes or Tranched Index Credit Linked Notes or Basket Tranched Credit Linked Notes or Long/Short Credit Linked Notes; or (iii) the Notes are Non-Tranched Linear Basket Credit Linked Notes or Non- Tranched Index Credit Linked Notes where Credit Payment on Maturity applies, each such Credit Linked Note shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).

(a) For the avoidance of doubt (A) the principal amount of each Credit Linked Note not so redeemed in part shall remain outstanding and interest shall accrue on the principal amount outstanding of such Credit Linked Note as provided in Credit Linked Condition 5 (adjusted in such manner as the Calculation Agent determines to be appropriate), (B) the Credit Linked Conditions and related provisions shall apply to such principal amount outstanding of such Credit Linked 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 Credit Linked Condition 14 and (y) the effective date of such adjustment(s).

(b) If the provisions of this Credit Linked Condition (c) apply in respect of the Credit Linked Notes, on redemption of part of each such Credit Linked Note the relevant Credit Linked Note or, if the Credit Linked Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such part redemption.

(c) In addition, in the case of First-to-Default Credit Linked Notes:

Once a Credit Event Determination Date has occurred in respect of the First Reference Entity, where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity.

(d) In addition, in the case of Nth-to-Default Credit Linked Notes:

Once a Credit Event Determination Date has occurred in respect of the Triggering Reference Entity, where the Credit event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity.

(e) In addition, in the case of Linear Basket Credit Linked Notes, Index Credit Linked Notes or Long/Short Credit Linked Notes that reference any of a Non-Tranched Linear Basket Exposure, Tranched Linear Basket Exposure, Non-Tranched Index Exposure, Tranched Index Exposure or Basket Tranched Index Exposure:

Once a Credit Event Determination Date has occurred in respect of a Reference Entity in the Basket, where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of such Reference Entity.

15. Provisions relating to Multiple Holder Obligation

If this Credit Linked Condition 15 is specified as applicable in the Pricing Supplement (whether by application of the Standard Terms or otherwise), then, notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (a) to (e) of the definition of "**Restructuring**" shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

"**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) is (A) a Bond and/or (B) an Obligation 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.

16. Provisions taken from the ISDA supplement titled "Additional Provisions for Monoline Insurer Reference Entities (September 2014)"

If this Credit Linked Condition 16 is specified as applicable in the Pricing Supplement (whether by application of the Standard Terms or otherwise), the following provisions will apply:

(a) *Obligation and Deliverable Obligation*. Paragraph (a) of the definition of "Obligation" in Credit Linked Condition 13 and paragraph (a) of the definition of "Deliverable Obligation" in Credit Linked Condition 13 are hereby amended by adding "or Qualifying Policy" after "as provider of a Qualifying Affiliate Guarantee".

(b) *Interpretation of Provisions*. In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (ii) of the definition of "Deliverable Obligation" in Credit Linked Condition 13 will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:

(i) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "**obligation**" and "**obligor**" as used in these Credit Linked Conditions in respect of such an Insured Instrument shall be construed accordingly;

(ii) 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;

(iii) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the Pricing Supplement;

(iv) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in 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; and

(v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "Outstanding Principal Balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the "Qualifying Policy" guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

(c) *Deliver*. For the purposes of the definition of "Deliver" in Credit Linked Condition 13, "**Deliver**" with respect to an obligation that is a "Qualifying Policy" means to Deliver both the Insured Instrument and the benefit of the "Qualifying Policy" (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related "Qualifying Policy"), and "**Delivery**" and "**Delivered**" will be construed accordingly.

(d) *Provisions for Determining a Successor*. The paragraph commencing "For the purposes of this definition of "Successor" in the definition of "Successor" in Credit Linked Condition 13 is hereby amended by adding "or insurer" after "or guarantor".

(e) Restructuring

(i) 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 Credit Linked Condition 13 are hereby amended to read as follows:

"(i) 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";

(ii) 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";

(iii) 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";

(iv) 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

(v) any change in the currency or composition of any payment of Instrument Payments that are guaranteed or insured by the "Qualifying Policy" to any currency (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 as a whole)."

(ii) Paragraph (c) of the definition of "Restructuring" in Credit Linked Condition 13 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" after "Reference Entity".

(iii) The definition of "Restructuring" in Credit Linked Condition 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 Credit Linked Condition 15 is specified as applying in the Pricing Supplement, for the purposes of the Credit Linked 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 (c) inclusive in this definition of "Restructuring" shall continue to refer to the Reference Entity."

(f) *Fully Transferable Obligation and Conditionally Transferable Obligation*. In the event that M(M)R Restructuring is specified as applicable in 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 term "final maturity date", as such term is used in Credit Linked Condition 4 and 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.

(g) *Other Provisions*. For purposes of paragraph (a) of the definition of "Deliverable Obligation" and the definitions of "Credit Event" and "Deliver" in Credit Linked Condition 13 references to the "Underlying Obligation" and the "Underlying Obligor" shall be deemed to include "Insured Instruments" and the "Insured Obligor", respectively.

(h) Additional Definitions.

(i) "**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 Credit Linked Condition 16) (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).

(ii) "**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").

(iii) "**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.

17. Calculation Agent Notices

Any notice to be delivered by the Calculation Agent to the Issuer or the Guarantor, as applicable, pursuant to these Credit Linked 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 Calculation Agent City 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 Credit Linked 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.

18. Provisions taken from the ISDA supplement titled "Additional Provisions for LPN Reference Entities" (published on 15 September 2014)

(a) If this Credit Linked Condition 18 is specified as applicable in the Pricing Supplement, notwithstanding anything to the contrary in the Credit Linked Conditions, the following provisions will apply: provisions relating to Multiple Holder Obligation will be deemed to be Not Applicable with respect to any Reference Obligation (and any Underlying Loan);

(b) each Reference Obligation will be an Obligation, notwithstanding anything to the contrary in the Credit Linked Conditions including, but not limited to the definition of "Obligation" in Credit Linked Condition 13, and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity;

(c) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in the Credit Linked Conditions including, but not limited to the definition of "Deliverable Obligation" in Credit Linked Condition 13 and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity.

For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation.

The Not Subordinated Obligation Characteristic and Deliverable Obligation Characteristic shall be construed by reference to the Prior Reference Obligation;

(d) the definition of Reference Obligation shall be deleted and the following substituted therefor:

(i) "**Reference Obligation**" means, as of the Trade Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the Pricing Supplement or set forth on the relevant LPN Reference Obligations List (each a "**Markit Published LPN Reference Obligation**"), as published by Markit Group Limited, or any successor thereto, as of the Trade Date, any Additional LPN and each Additional Obligation; and

(ii) the following additional definitions shall apply:

"**Additional LPN**" means any bond issued in the form of a loan participation note (a "**LPN**") by an entity (the "**LPN Issuer**") for the sole purpose of providing funds for the LPN Issuer to (a) finance a loan to the Reference Entity (the "Underlying Loan") or (b) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the "Underlying Finance Instrument"), provided that (i) either (x) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity or (y) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics (ii) the LPN satisfies the following Deliverable Obligation Characteristics: Transferable, Not Bearer, Credit Linked Specified Currency – Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs.

"**Additional Obligation**" means each of the obligations listed as an Additional Obligation of the Reference Entity in the Pricing Supplement or set forth on the relevant LPN Reference Obligations List (each a "**Markit Published LPN Reference Obligation**"), as published by Markit Group Limited, or any successor thereto, as of the Trade Date.

"**First Ranking Interest**" means a charge, security interest (or other type of interest having similar effect) (an "**Interest**"), which is expressed as being "**first ranking**", "**first priority**", or similar ("**First Ranking**") in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any related insolvency jurisdiction of the LPN Issuer).

"**LPN Reference Obligation**" means each Reference Obligation other than any Additional Obligation.

For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation constituting a Reference Obligation.

Each LPN Reference Obligation is issued for the sole purpose of providing funds for the Issuer to finance a loan to the Reference Entity. For the purposes of the Credit Linked Conditions each such loan shall be an Underlying Loan.

19. Amendment of Credit Linked Conditions

The Calculation Agent may from time to time amend any provision of these Credit Linked Conditions (i) to incorporate and/or reflect (x) 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 Credit Linked Condition 19 shall be notified to the Noteholders in accordance with Condition 14.

20. 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 above occurs with respect to the Reference Obligation, then:

(a) interest (if any) shall cease to accrue on the Credit Linked 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 Credit Linked Notes; and

(b) each principal amount of Credit Linked Notes equal to the Calculation Amount set out in the Pricing Supplement will be redeemed by the Issuer at its relevant Reference Obligation Only Termination Amount specified in, or determined in the manner specified in, the Pricing Supplement in the Credit Linked Specified Currency on the Maturity Date, which for the

purposes of this Credit Linked Condition 20 (*Early redemption of Reference Obligation Only Notes following a Substitution Event*) shall be the day falling five (5) Business Days following the relevant Substitution Event Date.

21. 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 Credit Linked 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 Conditions or these Credit Linked 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.

22. Physical Delivery

(a) Terms used in this Credit Linked Condition 22 but not defined in the Conditions shall be as defined in the relevant global Note. If any Credit Linked Note, other than a Credit Linked Note represented by a U.S. Global Note Certificate, is to be redeemed by Delivery of the Entitlement, in order to obtain Delivery of the Entitlement in respect of such Credit Linked Note:

(X) if such Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable) in a form acceptable thereto, with a copy to the Principal Paying Agent and the Calculation Agent no later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form described below;

(Y) if such Note is in definitive form, the Registrar or any Paying Agent, with a copy to the Principal Paying Agent no later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice, a copy of which may be obtained from the specified office of the Registrar or any Paying Agent; and

(b) ***Notification of Deliverable Obligations***

The Issuer shall give notice to Noteholders prior to the relevant Credit Settlement Date of the Deliverable Obligations comprising the Entitlement that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Entitlement, irrespective of their market value.

(c) ***Determinations and Delivery Expenses***

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made, in the case of Notes represented by a Global Note or an International Global Note Certificate, by Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of Notes represented by U.S. Global Note Certificates or Notes in definitive form, by the relevant Paying Agent or the Registrar, in each case, in consultation with the Principal Paying Agent (as applicable), and shall be conclusive and binding on the Issuer, the Paying Agent(s) and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Paying Agent (in the case of Notes other than Book-Entry Notes) immediately after being delivered or sent as provided in paragraph (a) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, in the case of Notes represented by a Global Note, Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of Note in definitive form, by the relevant Paying Agent or the Registrar, in each case in consultation with the Principal Paying Agent (as applicable), it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearance System, the Registrar or a Paying Agent, or the Issuer, as the case may be, as provided above. After delivery of an

Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

All costs, taxes, duties and/or expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other costs, duties or taxes (together with any interest, additions to tax or penalties applicable thereto and any interest in respect of such additions or penalties) which the Calculation Agent determines may be or would be, or would have been incurred (i) in connection with the redemption of the Notes and/or the Delivery or transfer of the Entitlement in respect of such Notes and (ii) by the Issuer or any Affiliate had such entity unwound or varied any Hedging Arrangements in respect of the Note ("**Delivery Expenses**") shall be for the account of the relevant Noteholder and no Entitlement will be Deliverable until the relevant Delivery Expenses have been met or otherwise accounted for to the satisfaction of the Issuer.

(d) ***Delivery***

(i) Subject to:

(A) an Asset Transfer Notice having been duly delivered as provided above on or prior to the Cut-Off Date; and

(B) all Delivery Expenses having been paid or otherwise accounted for to the satisfaction of the Issuer by the relevant Noteholder,

the Issuer shall, at the risk of the relevant Noteholder, Deliver or procure the Delivery of the Entitlement of each Note, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice on the Credit Settlement Date. Where the Asset Transfer Notice stipulates that the Entitlement should be Delivered to a specified clearing system, the Issuer's or the Guarantor's obligation to Deliver such Entitlement will be discharged by Delivery to, or to the order of, the relevant clearing system and each of the persons shown in the records of the relevant clearing system as the account holder must look solely to the relevant clearing system for his share of any Entitlement so Delivered.

(ii) If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Paying Agent or the Issuer, as applicable, on or prior to the Cut-Off Date, then:

(A) the Issuer may elect, in its sole discretion to Deliver or procure the Delivery of the aggregate Entitlements for all such affected Notes, at the risk of the relevant Noteholder, to, or to the order of, any relevant Clearance System(s) in which the Notes are held and its obligation to Deliver any such Entitlement so Delivered shall be discharged thereby. Each of the persons shown in the records of the relevant Clearance System as the holder of a particular amount of the Notes must look solely to the relevant Clearance System for his share of each such Entitlement so Delivered to, or to the order of, such Clearance System. For the purposes of paragraph (iv) below, each Clearance System will be deemed to be a single Noteholder and each Clearance System will be requested to divide and deliver such Entitlements in accordance with its rules; or

(B) the Entitlement(s) will be Delivered as soon as practicable after the Scheduled Credit Settlement Date (in which case, such date of Delivery shall be deemed to be the Credit Settlement Date) at the risk of such Noteholder in the manner provided below, provided that if, in respect of a Note, an Asset Transfer Notice is not delivered to each relevant party prior to the close of business in each place of reception on the day falling 180 calendar days after the Cut-Off Date, the obligations of the Issuer and the Guarantor in respect of such Note shall be discharged and neither the Issuer nor the Guarantor shall have any liability in respect thereof. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Credit Settlement Date falling after the date fixed for redemption and no liability in respect thereof shall attach to the Issuer.

(iii) To the extent that the Issuer is not satisfied that the Delivery Expenses have been or will be paid in full by the relevant Noteholder on or prior to the relevant Credit Settlement Date, the Issuer

may, in its sole discretion, elect to reduce the Entitlement(s) to be Delivered to that Noteholder by an amount(s) which by market value (determined at the time of reduction by reference to such valuation sources as the Issuer determines appropriate) in aggregate is at least equal to the aggregate Delivery Expenses that it determines, in its sole discretion, have not been paid or otherwise accounted for (the Entitlement as so reduced, the "**Reduced Entitlement**"). Where the Issuer elects to make such a reduction, in accordance with this Credit Linked Condition 22(d)(iii) the Issuer's obligation to Deliver the Entitlement(s) shall be discharged in full by Delivery of the Reduced Entitlement(s) in accordance with the provisions of this Credit Linked Condition 22(d). The provisions of these Credit Linked Conditions shall apply *mutatis mutandis* to any such Delivery of the Reduced Entitlement.

(iv) For the purpose of determining the Entitlements in respect of the Notes, Notes held by the same Noteholder will be aggregated. The aggregate Entitlement(s) to be delivered in respect of each such aggregated holding will be rounded down to the nearest whole unit of the relevant Deliverable Obligation (or, where there is more than one type of Deliverable Obligation, each of the Deliverable Obligations), as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Deliverable Obligation or of each of the Deliverable Obligations, as the case may be, will not be delivered but in lieu thereof the Issuer shall pay to the Noteholders in respect of their respective holding an additional amount in the Specified Currency equal to the fair market value of such fraction(s) in such manner as shall be determined by the Calculation Agent in good faith and in a commercially reasonable manner and notified to Noteholders in accordance with Condition 14 (*Notices)*.

(v) Delivery of the Entitlement in respect of the Notes is subject to all applicable laws, regulations and practices in force on the Credit Settlement Date and none of the Issuer, the Guarantor or any of their Affiliates or agents and the Paying Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor or any of their Affiliates or agents and the Paying Agents shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg or DTC in relation to the performance of their duties in relation to the Notes.

(e) ***General***

After Delivery of an Entitlement in respect of a Note and for the Intervening Period, none of the Issuer, the Guarantor, the Calculation Agent and any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder or any subsequent beneficial owner of such Note any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the securities, obligations or Deliverable Obligations included in such Entitlement, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities, obligations or Deliverable Obligations included in such Entitlement or (iii) be under any liability to a Noteholder or any subsequent beneficial owner of such Note in respect of any loss or damage which such Noteholder, or subsequent beneficial owner, may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities, obligations or Deliverable Obligations included in such Entitlement.

(f) ***Undeliverable Obligations and Hedge Disruption Obligations***

In relation to each Deliverable Obligation constituting the Entitlement, the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation in accordance with this Credit Linked Condition 22 on the Credit Settlement Date, provided that if all or some of the Deliverable Obligations included in the Entitlement in respect of a Note are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver or, if applicable, shall attempt to Deliver where possible all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, up to and including (i) the 30th Business Day following the Credit Settlement Date or (ii) such earlier date as the Calculation Agent may select and notify to the Noteholders in accordance with Condition 14 (*Notices)* taking into account the terms of any Hedging Arrangements (the "**Final Delivery Date**"), provided further that if all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date the provisions of Credit Linked Condition 10 (Partial Cash Settlement) shall apply.

(g) ***Notes represented by a U.S. Global Note Certificate***

If any Note represented by a U.S. Global Note Certificate is to be redeemed by Delivery of an Entitlement, the relevant provisions relating to such Delivery shall be set out in the applicable Pricing Supplement.

23. Standard Terms

If Standard Terms are specified as applicable in the Pricing Supplement, the provisions set out in SCHEDULE 1 to these Credit Linked Conditions in respect of the Standard Terms specified in the Pricing Supplement shall apply.

24. 2019 Narrowly Tailored Credit Event Provisions

If this Credit Linked Condition 24 is specified as applicable in the Pricing Supplement (whether by application of the Standard Terms or otherwise), the following provisions will apply:

(a) The definition of "Failure to Pay" in Credit Linked Condition 13 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 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. If "Credit Deterioration Requirement" is specified as applicable in the 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. In the event that the Calculation Agent makes any such determination, it may take into account the guidance note set out in paragraph 3 (*Interpretive Guidanc*e) of the ISDA 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions (published on July 15, 2019).".

(b) The definition of "Outstanding Principal Balance" in Credit Linked Condition 13 shall be deleted and replaced with the following:

""**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,

in each case, determined:

(i) unless otherwise specified, in accordance with the terms of the obligation in effect on either (A) the relevant PSN Effective Date (or, if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date), or (B) the relevant Valuation Date; and

(ii) 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 (ii) 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.

If "Fallback Discounting" is specified as applicable in the Pricing Supplement (whether by application of the Standard Terms or otherwise), then, notwithstanding the above, if (i) the Outstanding Principal Balance of an obligation is not reduced or discounted under paragraph (ii) 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.".

SCHEDULE 1

Part 1 – Corporate Standard Terms

Standard Terms	Standard North American Corporate	Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate	Standard Subordinated European Insurance Corporate	Standard Emerging European Corporate	Standard Emerging European Corporate LPN	Standard Australia Corporate & Standard Australia Financial Corporate	Standard New Zealand Corporate or Standard New Zealand Financial Corporate	Standard Japan Corporate or Standard Japan Financial Corporate	Standard Singapore Corporate or Standard Singapore Financial Corporate	Standard Latin American Corporate B	Standard Latin American Corporate BL	Standard Asia Corporate or Standard Asia Financial Corporate	Standard Sukuk Corporate
Calculation Agent City	New York	London	London	London	London	London	London	Tokyo	London	New York	New York	London	London
All Guarantees	Not Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
Credit Event	Bankruptcy Failure to Pay	Bankruptcy Failure to Pay Restructuring	Bankruptcy Failure to Pay Restructuring	Bankruptcy Failure to Pay Grace Period	Bankruptcy Failure to Pay Grace Period	Bankruptcy Failure to Pay Restructuring	Bankruptcy Failure to Pay Restructuring	Bankruptcy Failure to Pay Payment Requiremen	Bankruptcy Failure to Pay Restructuring	Bankruptcy Failure to Pay Grace Period	Bankruptcy Failure to Pay Grace Period	Bankruptcy Failure to Pay Restructuring	Bankruptcy Failure to Pay Grace Period

Standard Terms	Standard North American Corporate	Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate	Standard Subordinated European Insurance Corporate	Standard Emerging European Corporate	Standard Emerging European Corporate LPN	Standard Australia Corporate & Standard Australia Financial Corporate	Standard New Zealand Corporate or Standard New Zealand Financial Corporate	Standard Japan Corporate or Standard Japan Financial Corporate	Standard Singapore Corporate or Standard Singapore Financial Corporate	Standard Latin American Corporate B	Standard Latin American Corporate BL	Standard Asia Corporate or Standard Asia Financial Corporate	Standard Sukuk Corporate
	Restructuring, if specified as applicable in the Pricing Supplement Mod R Applicable	Mod Mod R Applicable If the Transaction Type is a Financial Transaction Type: Governmental Intervention		Extension: Applicable Obligation Acceleration Repudiation / Moratorium Restructuring Multiple Holder Obligation: Applicable	Extension: Applicable Obligation Acceleration Repudiation / Moratorium Restructuring Multiple Holder Obligation: Applicable	Mod R Applicable If the Transaction Type is a Financial Transaction Type: Governmental Intervention	Mod R Applicable If the Transaction Type is a Financial Transaction Type: Governmental Intervention	t: Japanese Payment Requirement Restructuring Multiple Holder Obligation: Not Applicable Default Requirement: Japanese	If the Transaction Type is a Financial Transaction Type: Governmental Intervention	Extension: Applicable Obligation Acceleration Repudiation / Moratorium Restructuring Multiple Holder Obligation:	Extension: Applicable Obligation Acceleration Repudiation / Moratorium Restructuring	If the Transaction Type is a Financial Transaction Type: Governmental Intervention	Extension: Applicable Obligation Acceleration Repudiation / Moratorium Restructuring

Standard Terms	Standard North American Corporate	Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate	Standard Subordinated European Insurance Corporate	Standard Emerging European Corporate	Standard Emerging European Corporate LPN	Standard Australia Corporate & Standard Australia Financial Corporate	Standard New Zealand Corporate or Standard New Zealand Financial Corporate	Standard Japan Corporate or Standard Japan Financial Corporate	Standard Singapore Corporate or Standard Singapore Financial Corporate	Standard Latin American Corporate B	Standard Latin American Corporate BL	Standard Asia Corporate or Standard Asia Financial Corporate	Standard Sukuk Corporate
				for Loans and Not Applicable for Bonds	for Loans and Not Applicable for Bonds			Default Requirement Credit Linked Condition 14: Not Applicable If the Transaction Type is a Financial Transaction Type:		Not Applicable			

Standard Terms	**Standard North American Corporate**	**Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate**	**Standard Subordinated European Insurance Corporate**	**Standard Emerging European Corporate**	**Standard Emerging European Corporate LPN**	**Standard Australia Corporate & Standard Australia Financial Corporate**	**Standard New Zealand Corporate or Standard New Zealand Financial Corporate**	**Standard Japan Corporate or Standard Japan Financial Corporate**	**Standard Singapore Corporate or Standard Singapore Financial Corporate**	**Standard Latin American Corporate B**	**Standard Latin American Corporate BL**	**Standard Asia Corporate or Standard Asia Financial Corporate**	**Standard Sukuk Corporate**
								Governmental Intervention					
Obligation Category	Borrowed Money	Borrowed Money	Borrowed Money	Bond or Loan	Bond or Loan	Borrowed Money	Borrowed Money	Borrowed Money	Bond or Loan	Bond	Bond or Loan	Bond or Loan	Bond or Loan
Obligation Characteristics	None	None	None	Not Subordinated Not Domestic Currency	Not Subordinated Not Domestic Currency	None	None	Not Subordinated	Not Subordinated Credit Linked Specified Currency: Standard Specified	Not Subordinated Not Domestic Currency	Not Subordinated Not Sovereign Lender	Not Subordinated Not Sovereign Lender	Not Subordinated Not Domestic Law

Standard Terms	**Standard North American Corporate**	**Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate**	**Standard Subordinated European Insurance Corporate**	**Standard Emerging European Corporate**	**Standard Emerging European Corporate LPN**	**Standard Australia Corporate & Standard Australia Financial Corporate**	**Standard New Zealand Corporate or Standard New Zealand Financial Corporate**	**Standard Japan Corporate or Standard Japan Financial Corporate**	**Standard Singapore Corporate or Standard Singapore Financial Corporate**	**Standard Latin American Corporate B**	**Standard Latin American Corporate BL**	**Standard Asia Corporate or Standard Asia Financial Corporate**	**Standard Sukuk Corporate**
				Not Domestic Law Not Domestic Issuance	Not Domestic Law Not Domestic Issuance				Currencies & Domestic Currency Not Sovereign Lender	Not Domestic Law Not Domestic Issuance	Not Domestic Currency Not Domestic Law Not Domestic Issuance	Not Domestic Currency Not Domestic Law Not Domestic Issuance	Not Domestic Currency Not Domestic Issuance
Settlement Method	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement

Standard Terms	Standard North American Corporate	Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate	Standard Subordinated European Insurance Corporate	Standard Emerging European Corporate	Standard Emerging European Corporate LPN	Standard Australia Corporate & Standard Australia Financial Corporate	Standard New Zealand Corporate or Standard New Zealand Financial Corporate	Standard Japan Corporate or Standard Japan Financial Corporate	Standard Singapore Corporate or Standard Singapore Financial Corporate	Standard Latin American Corporate B	Standard Latin American Corporate BL	Standard Asia Corporate or Standard Asia Financial Corporate	Standard Sukuk Corporate
Fallback Settlement Method	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement
Physical Settlement Period	As per definition of "Physical Settlement Period" in Credit Linked Condition 13 capped at 30	30 Business Days	30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 13	As per definition of "Physical Settlement Period" in Credit Linked Condition 13	30 Business Days	30 Business Days	30 Business Days	30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 13	As per definition of "Physical Settlement Period" in Credit Linked Condition 13	30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 13

Standard Terms	Standard North American Corporate	Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate	Standard Subordinated European Insurance Corporate	Standard Emerging European Corporate	Standard Emerging European Corporate LPN	Standard Australia Corporate & Standard Australia Financial Corporate	Standard New Zealand Corporate or Standard New Zealand Financial Corporate	Standard Japan Corporate or Standard Japan Financial Corporate	Standard Singapore Corporate or Standard Singapore Financial Corporate	Standard Latin American Corporate B	Standard Latin American Corporate BL	Standard Asia Corporate or Standard Asia Financial Corporate	Standard Sukuk Corporate
	Business Days												
Deliverable Obligation Category	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond	Bond or Loan	Bond or Loan	Bond or Loan
Deliverable Obligation Characteristics	Not Subordinated Credit Linked Specified Currency	Not Subordinated Credit Linked Specified Currency	Not Subordinated Credit Linked Specified Currency	Not Subordinated Credit Linked Specified Currency	Not Subordinated Credit Linked Specified Currency	Not Subordinated Credit Linked Specified Currency: Standard Specified	Not Subordinated Credit Linked Specified Currency: Standard Specified	Not Subordinated Credit Linked Specified Currency	Not Subordinated Credit Linked Specified Currency: Standard Specified	Not Subordinated Credit Linked Specified Currency	Not Subordinated Credit Linked Specified Currency	Not Subordinated Credit Linked Specified Currency	Not Subordinated Credit Linked Specified Currency

Standard Terms	Standard North American Corporate	Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate	Standard Subordinated European Insurance Corporate	Standard Emerging European Corporate	Standard Emerging European Corporate LPN	Standard Australia Corporate & Standard Australia Financial Corporate	Standard New Zealand Corporate or Standard New Zealand Financial Corporate	Standard Japan Corporate or Standard Japan Financial Corporate	Standard Singapore Corporate or Standard Singapore Financial Corporate	Standard Latin American Corporate B	Standard Latin American Corporate BL	Standard Asia Corporate or Standard Asia Financial Corporate	Standard Sukuk Corporate
	Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Domestic Law Not Domestic Issuance Assignable Loan Consent Required Loan Transferable	Not Domestic Law Not Domestic Issuance Assignable Loan Consent Required Loan Transferable	Currencies & Domestic Currency Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Currencies & Domestic Currency Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Currencies & Domestic Currency Not Sovereign Lender Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Domestic Law Not Domestic Issuance Transferable Not Bearer	Not Sovereign Lender Not Domestic Law Not Domestic Issuance Assignable Loan	Not Sovereign Lender Not Domestic Law Not Domestic Issuance Assignable Loan	Not Domestic Law Not Domestic Issuance Transferable Not Bearer Assignable Loan

Standard Terms	**Standard North American Corporate**	**Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate**	**Standard Subordinated European Insurance Corporate**	**Standard Emerging European Corporate**	**Standard Emerging European Corporate LPN**	**Standard Australia Corporate & Standard Australia Financial Corporate**	**Standard New Zealand Corporate or Standard New Zealand Financial Corporate**	**Standard Japan Corporate or Standard Japan Financial Corporate**	**Standard Singapore Corporate or Standard Singapore Financial Corporate**	**Standard Latin American Corporate B**	**Standard Latin American Corporate BL**	**Standard Asia Corporate or Standard Asia Financial Corporate**	**Standard Sukuk Corporate**
				Not Bearer	Not Bearer						Consent Required Loan Transferable Not Bearer	Transferable Maximum Maturity: 30 years Not Bearer	Consent Required Loan
Financial Reference Entity Terms	Not Applicable	If the Transaction Type is a Financial Transaction Type, Applicable, otherwise,	Not Applicable	Not Applicable	Not Applicable	If the Transaction Type is a Financial Transaction Type, Applicable, otherwise,	If the Transaction Type is a Financial Transaction Type, Applicable, otherwise,	If the Transaction Type is a Financial Transaction Type, Applicable, otherwise,	If the Transaction Type is a Financial Transaction Type, Applicable, otherwise,	Not Applicable	Not Applicable	If the Transaction Type is a Financial Transaction Type, Applicable, otherwise,	Not Applicable

Standard Terms	Standard North American Corporate	Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate	Standard Subordinated European Insurance Corporate	Standard Emerging European Corporate	Standard Emerging European Corporate LPN	Standard Australia Corporate & Standard Australia Financial Corporate	Standard New Zealand Corporate or Standard New Zealand Financial Corporate	Standard Japan Corporate or Standard Japan Financial Corporate	Standard Singapore Corporate or Standard Singapore Financial Corporate	Standard Latin American Corporate B	Standard Latin American Corporate BL	Standard Asia Corporate or Standard Asia Financial Corporate	Standard Sukuk Corporate
		Not Applicable				Not Applicable	Not Applicable	Not Applicable	Not Applicable			Not Applicable	
Subordinated European Insurance Terms	Not Applicable	Not Applicable	Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Sovereign No Asset Package Delivery	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Additional Provisions for LPN Reference	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Standard Terms	Standard North American Corporate	Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate	Standard Subordinated European Insurance Corporate	Standard Emerging European Corporate	Standard Emerging European Corporate LPN	Standard Australia Corporate & Standard Australia Financial Corporate	Standard New Zealand Corporate or Standard New Zealand Financial Corporate	Standard Japan Corporate or Standard Japan Financial Corporate	Standard Singapore Corporate or Standard Singapore Financial Corporate	Standard Latin American Corporate B	Standard Latin American Corporate BL	Standard Asia Corporate or Standard Asia Financial Corporate	Standard Sukuk Corporate
Entities (15 September 2014)													
Provisions for Monoline Insurance Entities	Not Applicable unless otherwise specified as applicable in the relevant Transaction Terms	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Standard Terms	Standard North American Corporate	Standard European Corporate, Standard European Financial Corporate, Standard European COCO Financial Corporate, Standard European Non Preferred Financial Corporate & Standard European Limited Recourse Corporate	Standard Subordinated European Insurance Corporate	Standard Emerging European Corporate	Standard Emerging European Corporate LPN	Standard Australia Corporate & Standard Australia Financial Corporate	Standard New Zealand Corporate or Standard New Zealand Financial Corporate	Standard Japan Corporate or Standard Japan Financial Corporate	Standard Singapore Corporate or Standard Singapore Financial Corporate	Standard Latin American Corporate B	Standard Latin American Corporate BL	Standard Asia Corporate or Standard Asia Financial Corporate	Standard Sukuk Corporate
2019 Narrowly Tailored Credit Event	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
Fallback Discounting	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
Credit Deterioration Requirement	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable

Part 2 – Sovereign Standard Terms

Standard Terms	Standard Asia Sovereign	Standard Emerging European & Middle Eastern Sovereign	Standard Australia Sovereign	Standard New Zealand Sovereign	Standard Japan Sovereign	Standard Singapore Sovereign	Standard Latin America Sovereign	Standard Western European Sovereign	Standard Sukuk Sovereign
All Guarantees	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
Calculation Agent City	London	London	London	London	Tokyo	London	New York	London	London
Credit Event	Failure to Pay Repudiation/ Moratorium Restructuring	Failure to Pay Grace Period Extension Applicable Obligation Acceleration Repudiation Moratorium Restructuring Multiple Holder Obligation: Not Applicable	Failure to Pay Repudiation/ Moratorium Restructuring Mod R Applicable	Failure to Pay Repudiation/ Moratorium Restructuring Mod R Applicable	Failure to Pay Payment Requirement: Japanese Payment Requirement Repudiation/ Moratorium Restructuring Multiple Holder Obligation: Not Applicable Default Requirement: Japanese Default Requirement Credit Linked Condition 14: Not Applicable	Failure to Pay Repudiation/ Moratorium Restructuring	Failure to Pay Grace Period Extension Applicable Obligation Acceleration Repudiation Moratorium Restructuring Multiple Holder Obligation: Not Applicable	Failure to Pay Repudiation/ Moratorium Restructuring	Failure to Pay Grace Period Extension Applicable Obligation Acceleration Repudiation Moratorium Restructuring Multiple Holder Obligation: Not Applicable
Obligation Category	Bond or Loan	Bond	Borrowed Money	Borrowed Money	Borrowed Money	Bond or Loan	Bond	Borrowed Money	Bond

Standard Terms	Standard Asia Sovereign	Standard Emerging European & Middle Eastern Sovereign	Standard Australia Sovereign	Standard New Zealand Sovereign	Standard Japan Sovereign	Standard Singapore Sovereign	Standard Latin America Sovereign	Standard Western European Sovereign	Standard Sukuk Sovereign
Obligation Characteristics	Not Subordinated Not Sovereign Lender Not Domestic Law Not Domestic Issuance Not Domestic Currency	Not Subordinated Not Domestic Law Not Domestic Issuance Not Domestic Currency	None	None	None	Not Subordinated Credit Linked Specified Currency: Standard Specified Currencies & Domestic Currency Not Sovereign Lender	Not Subordinated Not Domestic Law Not Domestic Issuance Not Domestic Currency	None	Not Subordinated Not Domestic Law Not Domestic Issuance Not Domestic Currency
Settlement Method	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement	Auction Settlement
Fallback Settlement Method	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement	Physical Settlement
Physical Settlement Period	30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 13	30 Business Days	30 Business Days	30 Business Days	30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 13	30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 13
Deliverable Obligation Category	Bond or Loan	Bond	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond	Bond or Loan	Bond

Standard Terms	Standard Asia Sovereign	Standard Emerging European & Middle Eastern Sovereign	Standard Australia Sovereign	Standard New Zealand Sovereign	Standard Japan Sovereign	Standard Singapore Sovereign	Standard Latin America Sovereign	Standard Western European Sovereign	Standard Sukuk Sovereign
Deliverable Obligation Characteristics	Not Subordinated Credit Linked Specified Currency Not Sovereign Lender Not Domestic Law Not Domestic Issuance Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Domestic Law Not Domestic Issuance Transferable Not Bearer	Not Subordinated Credit Linked Specified Currency: Standard Specified Currency & Domestic Currency Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency: Standard Specified Currency & Domestic Currency Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Credit Linked Specified Currency Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency: Standard Specified Currency & Domestic Currency Not Sovereign Lender Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Domestic Law Not Domestic Issuance Transferable Not Bearer	Credit Linked Specified Currency Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Domestic Law Not Domestic Issuance Transferable Not Bearer
Financial Reference Entity Terms	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Subordinated European Insurance Terms	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Sovereign No Asset Package Delivery	Not Applicable	Not Applicable if the Reference Entity is the	Not Applicable	Not Applicable	Not Applicable	Applicable	Not Applicable if the Republic of Argentina or	Not Applicable	Applicable

Standard Terms	Standard Asia Sovereign	Standard Emerging European & Middle Eastern Sovereign	Standard Australia Sovereign	Standard New Zealand Sovereign	Standard Japan Sovereign	Standard Singapore Sovereign	Standard Latin America Sovereign	Standard Western European Sovereign	Standard Sukuk Sovereign
		Republic of Ukraine, otherwise Applicable					the Republic of Ecuador otherwise Applicable		
Additional Provisions for LPN Reference Entities (15 September 2014)s	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Provisions for Monoline Insurance Entities	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2019 Narrowly Tailored Credit Event	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Fallback Discounting	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Credit Deterioration Requirement	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

SCHEDULE 2

CREDIT INDEX DISCLAIMERS

Index Credit Linked Notes are linked to a Credit Index.

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ANNEX 6
ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED NOTES

*If specified as applicable in the Pricing Supplement, the terms and conditions applicable to Foreign Exchange (FX) Rate Linked Notes shall comprise the Conditions and the additional terms and conditions for Foreign Exchange (FX) Rate Linked Notes set out below (the "**Foreign Exchange (FX) Rate Linked Note Conditions**"), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Pricing Supplement and subject to completion in the Pricing Supplement. In the event of any inconsistency between the Conditions and the Foreign Exchange (FX) Rate Linked Note Conditions, the Foreign Exchange (FX) Rate Linked Note Conditions shall prevail. In the event of any inconsistency between the Foreign Exchange (FX) Rate Linked Conditions and the Payout Conditions, the Payout Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Foreign Exchange (FX) Rate Linked Note Conditions and (ii) the Pricing Supplement, the Pricing Supplement shall prevail*.

1. Non-EM Valuation and Disruption Provisions

The provisions of this Foreign Exchange (FX) Rate Linked Condition 1 apply unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of a Subject Currency in the Pricing Supplement.

(a) **Disruption Events**

The occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be a "**Disruption Event**":

(i) Price Source Disruption;

(ii) Illiquidity Disruption;

(iii) Dual Exchange Rate;

(iv) General Inconvertibility;

(v) General Non-Transferability;

(vi) Material Change in Circumstance;

(vii) Nationalisation; or

(viii) Renminbi Currency Event, where this is specified as applicable in the Pricing Supplement; and/or

any other event that, in the opinion of the Calculation Agent, is analogous to any of (i) to (viii) above (inclusive).

The Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 14 (*Notices)* of the occurrence of a Disrupted Day on any day that, but for the occurrence of the Disrupted Day, would have been an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be. Where a relevant event or circumstance would constitute both a Renminbi Currency Event and one or more of the other Disruption Events above then the Renminbi Currency Event will be deemed not to have occurred.

(b) **Consequences of a Disruption Event**

Upon a Disruption Event occurring or continuing on any Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day (or, if different, the day on which prices for that date would, in the ordinary course, be published by the relevant Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply the applicable Disruption Fallback in determining the consequences of the Disruption Event.

"**Disruption Fallback**" means a source or method that may give rise to an alternative basis for determining the Settlement Price when a Disruption Event occurs or exists on a day that is an Averaging

Date, Settlement Price Date, Knock-In Determination Day or Knock-out Determination Day (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the Price Source). The Calculation Agent shall take the relevant actions specified in either (i), (ii) or (iii) below:

(i) if an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, the Calculation Agent will determine that the relevant Averaging Date or Settlement Price Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (in the case of the Strike Date or Valuation Date) or Valid Date (in the case of an Averaging Date, Observation Date, Knock-in Determination Day or Knock-out Determination Day), unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, is a Disrupted Day in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be (irrespective, in the case of an Averaging Date, Observation Date, Knock-in Determination Day or Knock-out Determination Day, of whether that last consecutive Scheduled Trading Day is already an Averaging Date, Observation Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that in good faith it deems relevant; or

(ii) if an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day but is not the Redemption Valuation Date, if Delayed Redemption on the Occurrence of a Disruption Event is specified as being not applicable in the Pricing Supplement, on giving notice to Noteholders in accordance with Condition 14 (*Notices)*, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 (*Notices)*; or

(iii) if an Averaging Date, any Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day but is not the Redemption Valuation Date, if Delayed Redemption on the Occurrence of a Disruption Event is specified as being applicable in the Pricing Supplement, the Calculation Agent shall calculate the fair market value of each Note less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Foreign Exchange (FX) Disruption Amount**") as soon as practicable following the occurrence of the Disruption Event (the "**Calculated Foreign Exchange (FX) Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Foreign Exchange (FX) Disruption Amount plus interest accrued on the Calculated Foreign Exchange (FX) Disruption Amount on a daily basis from and including the Calculated Foreign Exchange (FX) Disruption Amount Determination Date to but excluding the Maturity Date, each such daily accrual rate being at a rate equal to Issuer's funding cost on or about the relevant day or (y) if greater, its principal amount.

(c) **Postponement of payment or settlement days**

Where any Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day is postponed as a consequence of the provisions of this Foreign Exchange (FX) Rate Linked Condition 1, then the corresponding date for payment shall fall on the later of (a) the date for such payment otherwise determined in accordance with the Pricing Supplement and (b) the day falling on the Number of Postponement Settlement Days specified in the Pricing Supplement (or, if none are so specified, two Business Days) after the last occurring Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock out Determination Day, as the case may be.

2. EM Currency Valuation and Disruption Provisions

The provisions of this Foreign Exchange (FX) Rate Linked Condition 2 apply where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of a Subject Currency in the Pricing Supplement.

(a) **EM Disruption Events**

If so specified in the Pricing Supplement, the occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be an "**EM Disruption Event**":

(i) Price Source Disruption;

(ii) Illiquidity Disruption;

(iii) Dual Exchange Rate;

(iv) General Inconvertibility;

(v) General Non-Transferability;

(vi) Material Change in Circumstance;

(vii) Nationalisation;

(viii) Price Materiality;

(ix) Renminbi Currency Event, where this is specified as applicable in the Pricing Supplement; and/or

any other event that, in the opinion of the Calculation Agent, is analogous to any of (i) to (ix) above (inclusive).

The Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 14 (*Notices)* of the occurrence of a Disrupted Day on any day that, but for the occurrence of the Disrupted Day, would have been an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be. Where a relevant event or circumstance would constitute both a Renminbi Currency Event and one or more of the other EM Disruption Events above then the Renminbi Currency Event will be deemed not to have occurred.

(b) **Consequences of an EM Disruption Event**

Upon an EM Disruption Event occurring or continuing on any Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be (or, if different, the day on which prices for that date would, in the ordinary course, be published by the relevant EM FX Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply in determining the consequences of the EM Disruption Event: (a) EM Calculation Agent Determination where the applicable EM Disruption Event is other than Price Source Disruption or Price Materiality; and (b) the applicable EM Disruption Fallback where the applicable EM Disruption Event is a Price Source Disruption or Price Materiality.

(c) **Unscheduled Holiday**

If the Calculation Agent determines that a date that would otherwise have been a Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day is an Unscheduled Holiday in respect of a Subject Currency, then such date shall be the immediately succeeding Scheduled Trading Day after the occurrence of the Unscheduled Holiday, subject as provided above, and provided that if such Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, has not occurred on or before the EM Maximum Days of Postponement following the originally designated Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, then the next Scheduled Trading Day after such period that would have been a Scheduled Trading Day but for the Unscheduled Holiday shall be deemed to be the relevant date for valuation and the Settlement Price shall be determined

by the Calculation Agent on such day in its sole discretion acting in good faith having taken into account relevant market practice and by reference to such additional source(s) as it deems appropriate.

(d) **Cumulative Events**

If "Cumulative Events" is specified as applicable in the Pricing Supplement in respect of a Settlement Currency then, in no event shall the total number of consecutive calendar days during which a Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day is deferred due to either (i) an Unscheduled Holiday or (ii) an EM Valuation Postponement (or a combination of both (i) and (ii)) exceed the EM Maximum Cumulative Days of Postponement in the aggregate. If a Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, is postponed by the number of calendar days equal to the EM Maximum Cumulative Days of Postponement and at the end of such period (i) an Unscheduled Holiday shall have occurred or be continuing on the day immediately following such period (the "**Final Day**"), then such Final Day shall be deemed to be the Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, and (ii) if a Price Source Disruption shall have occurred or be continuing on the Final Day, then Valuation Postponement shall not apply and the Settlement Price shall be determined in accordance with the next applicable EM Disruption Fallback.

(e) **Postponement of payment or settlement days**

Where any Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day is postponed as a consequence of the provisions of this Foreign Exchange (FX) Rate Linked Condition 2, then the corresponding date for payment shall fall on the later of (a) the date for such payment otherwise determined in accordance with the Pricing Supplement and (b) the day falling on the EM Number of Postponement Settlement Days specified in the Pricing Supplement (or, if none are so specified, two Business Days) after the last occurring Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. Knock-in Event and Knock-out Event

(a) This Foreign Exchange (FX) Rate Linked Condition 3 is applicable only:

(i) if "Knock-in Event" is specified as applicable in the Pricing Supplement, in which case any payment under the Notes which is expressed in the Conditions to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event; or

(ii) if "Knock-out Event" is specified as applicable in the Pricing Supplement, in which case any payment under the Notes which is expressed in the Conditions to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

(b) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Pricing Supplement is the Valuation Time or, as the case may be, EM Valuation Time and if a Disruption Event or an EM Disruption Event would otherwise have occurred on any Knock-in Determination Day or Knock-out Determination Day, then, unless otherwise specified in the Pricing Supplement, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

(c) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Pricing Supplement is any time or period of time other than the Valuation Time or, as the case may be, EM Valuation Time during the regular trading hours for the Base Currency, Subject Currency and/or Subject Currencies and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time at which a Knock-in Event or Knock-out Event would otherwise have occurred, a Disruption Event or an EM Disruption Event occurs or exists, then, unless otherwise specified in the Pricing Supplement, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

4. Automatic Early Redemption Event

If "AER Value Automatic Early Redemption Event" is specified as applicable in the Pricing Supplement, then, unless previously redeemed or purchased and cancelled, if (i) on any Automatic Early Redemption

Valuation Date or (ii) in respect of an Automatic Early Redemption Valuation Period, as specified in the Pricing Supplement, an Automatic Early Redemption Event occurs, all but not some only of the Notes will be automatically redeemed on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or the last day of the relevant Automatic Early Redemption Period, as applicable, and the Issuer shall redeem each Note at an amount equal to the relevant Automatic Early Redemption Amount.

5. Consequences of an Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Condition 14 (*Notices)*. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note, taking into account the Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 (*Notices)*.

6. Definitions

"**Additional Disruption Event**" means any of Change in Law, Hedging Disruption or Increased Cost of Hedging, in each case if specified in the Pricing Supplement.

"**AER Value**" has the meaning given to it in the Pricing Supplement, being a term defined in Payout Condition 4.2.

"**AER Value Automatic Early Redemption Event**" means the AER Value is:

(i) greater than;

(ii) greater than or equal to;

(iii) less than; or

(iv) less than or equal to,

the Automatic Early Redemption Level, (i), (ii), (iii) or (iv) applying as specified in the Pricing Supplement.

"**Automatic Early Redemption Amount**" means, in respect of each principal amount of Notes equal to the Calculation Amount, an amount equal to the Automatic Early Redemption Payout set out in the relevant Pricing Supplement.

"**Automatic Early Redemption Date**" means each date specified as such in the Pricing Supplement, or if such date is not a Business Day, the next following Business Day and no Noteholder shall be entitled to any interest or further payment in respect of any such delay.

"**Automatic Early Redemption Level**" means the price, level, amount, percentage or value specified as such in the Pricing Supplement, subject to adjustment in accordance with the provisions set forth in Foreign Exchange (FX) Rate Linked Condition 1 and Foreign Exchange (FX) Rate Linked Condition 2.

"**Automatic Early Redemption Payout**" is as specified in the relevant Pricing Supplement.

"**Automatic Early Redemption Valuation Date**" means each date specified as such in the Pricing Supplement or, if such date is not a Scheduled Trading Day, (a) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Pricing Supplement, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, or (b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Pricing Supplement, the immediately preceding Scheduled Trading Day for such Subject Currency and, in the event of an Unscheduled Holiday, subject to adjustment as set out in Foreign Exchange (FX) Rate Linked Note Condition 2(c) above, unless, in the opinion of the Calculation Agent, the resultant day determined in accordance with

this sub-paragraph (b) is a Disrupted Day. If any such day is a Disrupted Day, then the Automatic Early Redemption Valuation Date shall be delayed in accordance with the corresponding provisions of the definition of Valuation Date which shall apply *mutatis mutandis* as if references in such provisions to Valuation Date were to Automatic Early Redemption Valuation Date.

"**Automatic Early Redemption Valuation Period**" means the period specified as such in the relevant Pricing Supplement.

"**Automatic Early Redemption Valuation Time**" has the meaning given to it in the relevant Pricing Supplement.

"**Averaging Date**" means the dates specified as such in the Pricing Supplement or, if any such day is not a Scheduled Trading Day, (a) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Pricing Supplement, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Note Condition 1(b) shall apply, or (b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Pricing Supplement, the immediately preceding Scheduled Trading Day for such Subject Currency and, in the event of an Unscheduled Holiday, subject to adjustment as set out in Foreign Exchange (FX) Rate Linked Note Condition 2(c) above, unless, in the opinion of the Calculation Agent, the resultant day determined in accordance with this sub-paragraph (b) is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Note Condition 2(b) shall apply.

"**Base Currency**" means the currency specified as such in the Pricing Supplement.

"**Change in Law**" means that, on or after the Trade Date (as specified in the Pricing Supplement) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes.

"**Dual Exchange Rate**" means that any of the Base Currency, Subject Currency and/or Subject Currencies, splits into dual or multiple currency exchange rates.

"**Disrupted Day**" means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event or EM Disruption Event has occurred.

"**EM Disruption Fallback**" means a source or method that may give rise to an alternative basis for determining the Settlement Price when an EM Disruption Event occurs or exists on a day that is an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the EM FX Price Source) being, in respect of a Subject Currency, any of EM Calculation Agent Determination, EM First Fallback Reference Price, EM Second Fallback Reference Price and EM Valuation Postponement, as so specified in the Pricing Supplement for such Subject Currency. Where more than one EM Disruption Fallback is so specified then such EM Disruption Fallbacks shall apply in the order in which they are specified in the Pricing Supplement until the Settlement Price can be determined for such exchange rate relating to that Settlement Currency for such Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day.

Where:

(a) "**EM Calculation Agent Determination**" means that the Calculation Agent shall determine the Settlement Price taking into consideration all information that it deems relevant.

(b) "**EM First Fallback Reference Price**" means that the Calculation Agent shall determine the Settlement Price by reference to the applicable First Fallback Reference Price and, for which purpose, references in the definition of Settlement Price to "EM FX Price Source", "EM Valuation Time" and "EM Number of Settlement Days" shall be construed, respectively, to be to "First Fallback EM FX Price Source", "First Fallback Valuation Time" and "First Fallback

EM Number of Settlement Days" (in each case, where such terms shall have the meanings given to them in the Pricing Supplement).

(c) "**EM Second Fallback Reference Price**" means that the Calculation Agent shall determine the Settlement Price by reference to the applicable Second Fallback Reference Price and, for which purpose, references in the definition of Settlement Price to "EM FX Price Source", "EM Valuation Time" and "EM Number of Settlement Days" shall be construed, respectively, to be to "Second Fallback EM FX Price Source", "Second Fallback Valuation Time" and "Second Fallback EM Number of Settlement Days" (in each case, where such terms shall have the meanings given to them in the Pricing Supplement).

(d) "**EM Valuation Postponement**" means that the Settlement Price shall be determined on the immediately succeeding Scheduled Trading Day which is not a Disrupted Day unless the Calculation Agent determines that no such Scheduled Trading Day which is not a Disrupted Day has occurred on or before the day falling the EM Maximum Days of Postponement following the originally designated Averaging Date, Valuation Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be. In such event, the Settlement Price shall be determined on the next Scheduled Trading Day after the EM Maximum Days of Postponement (notwithstanding the fact that day may be a Disrupted Day) in accordance with the next applicable EM Disruption Fallback.

"**EM FX Price Source**" means, in respect of a Subject Currency, the price source(s) specified as such in the Pricing Supplement (or any successor to such price source(s) as determined by the Calculation Agent).

"**EM Maximum Cumulative Days of Postponement**" means the number of days specified as such in the Pricing Supplement or, if no such number is specified, 30 calendar days.

"**EM Maximum Days of Postponement**" means the number of days specified as such in the Pricing Supplement or, if no such number is specified, 30 calendar days.

"**EM Number of Settlement Days**" means, in respect of a Subject Currency, the number of days on which commercial banks are open (or, but for the occurrence of an EM Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the or each Settlement Day Centre specified as such in the Pricing Supplement (each, an "**EM Settlement Day**"). Where no such number or zero is so specified, then such rate shall be for settlement on the same day.

"**EM Price Materiality Percentage**" means the percentage specified as such in the Pricing Supplement or, if no such percentage is specified, 3%.

"**EM Primary Rate**" means, in respect of a Subject Currency, the rate specified as such for such Subject Currency in the Pricing Supplement.

"**EM Secondary Rate**" means, in respect of a Subject Currency, the rate specified as such for such Subject Currency in the Pricing Supplement.

"**EM Valuation Time**" means, unless otherwise specified in the Pricing Supplement, the time at which the EM FX Price Source publishes the relevant rate or rates from which the Settlement Price is calculated.

"**General Inconvertibility**" means the occurrence of any event that generally makes it impossible to convert a Subject Currency into the Base Currency in a Subject Currency Jurisdiction through customary legal channels.

"**General Non-Transferability**" means the occurrence of any event that generally makes it impossible to deliver (A) the Base Currency from accounts inside a Subject Currency Jurisdiction to accounts outside a Subject Currency Jurisdiction or (B) the Subject Currency between accounts inside a Subject Currency Jurisdiction or to a party that is a non-resident of a Subject Currency Jurisdiction.

"**Governmental Authority**" means (i) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental

authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank), in each case in any relevant jurisdiction.

"**Hedging Disruption**" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"**Illiquidity Disruption**" means the occurrence of any event in respect of any of the Base Currency, Subject Currency and/or Subject Currencies whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent to hedge its obligations under the Notes (in one or more transaction(s)) on the relevant Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day (or, if different, the day on which rates for such Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day would, in the ordinary course, be published or announced by the relevant Price Source or EM FX Price Source).

"**Increased Cost of Hedging**" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"**Knock-in Determination Day**" means the date(s) specified as such in the Pricing Supplement, or otherwise each Scheduled Trading Day during the Knock-in Determination Period.

"**Knock-in Determination Period**" means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

"**Knock-in Event**" means the Knock-in Value is (A):

(i) greater than;

(ii) greater than or equal to;

(iii) less than; or

(iv) less than or equal to,

the Knock-in Level or (B) within the Knock-in Range, (x) on a Knock-in Determination Day, or (y) in respect of any Knock-in Determination Period, as specified in the Pricing Supplement.

"**Knock-in Level**" means the FX Knock-in Level or the price, level, amount, percentage or value specified as such or otherwise determined in the relevant Pricing Supplement, subject to adjustment in accordance with the provisions set forth in Foreign Exchange (FX) Rate Linked Condition 1(a) and Foreign Exchange (FX) Rate Linked Condition 1(b).

"**Knock-in Period Beginning Date**" means the date specified as such in the Pricing Supplement or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-in Period Ending Date**" means the date specified as such in the Pricing Supplement or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-in Range**" means the range of levels, prices, amounts, percentages or values specified as such or otherwise determined in the relevant Pricing Supplement, subject to adjustment from time to time in accordance with the provisions set forth in Foreign Exchange (FX) Linked Condition 1 (*Non-EM Valuation and Disruption Provisions*) or, as the case may be, Foreign Exchange (FX) Linked Condition 2 (*EM Currency Valuation and Disruption Provisions*).

"**Knock-in Valuation Time**" means the time or period of time on any Knock-in Determination Day specified as such in the Pricing Supplement or in the event that the Pricing Supplement does not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time or, as the case may be, EM Valuation Time.

"**Knock-in Value**" has the meaning given to it in the Pricing Supplement, being a term defined in Payout Condition 4.2.

"**Knock-out Determination Day**" means the date(s) specified as such in the Pricing Supplement, or otherwise each Scheduled Trading Day during the Knock-out Determination Period.

"**Knock-out Determination Period**" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

"**Knock-out Event**" means the Knock-out Value is (A):

(i) greater than;

(ii) greater than or equal to;

(iii) less than; or

(iv) less than or equal to,

the Knock-out Level or (B) within the Knock-out Range, (x) on a Knock-out Determination Day or (y) in respect of any Knock-out Determination Period, as specified in the Pricing Supplement.

"**Knock-out Level**" means the price, level, amount, percentage or value specified as such or otherwise determined in the Pricing Supplement, subject to adjustment in accordance with Foreign Exchange (FX) Linked Rate Condition 1(a) and Foreign Exchange (FX) Rate Linked Condition 1(b).

"**Knock-out Period Beginning Date**" means the date specified as such in the Pricing Supplement or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-out Period Ending Date**" means the date specified as such in the Pricing Supplement or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Pricing Supplement and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Knock-out Range**" means the range of levels, prices, amounts, percentages or values specified as such or otherwise determined in the relevant Pricing Supplement, subject to adjustment from time to time in accordance with the provisions set forth in Foreign Exchange (FX) Linked Condition 1 (*Non-EM Valuation and Disruption Provisions*) or, as the case may be, Foreign Exchange (FX) Linked Condition 2 (*EM Currency Valuation and Disruption Provisions*).

"**Knock-out Valuation Time**" means the time or period of time on any Knock-out Determination Day specified as such in the Pricing Supplement or in the event that the Pricing Supplement does not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time or, as the case may be, EM Valuation Time.

"**Knock-out Value**" means the price, level, amount, percentage or value specified as such or otherwise determined in the Pricing Supplement, subject to adjustment in accordance with Foreign Exchange (FX) Linked Rate Condition 1(a) and Foreign Exchange (FX) Rate Linked Condition 1(b).

"**Material Change in Circumstance**" means the occurrence of any event (other than those events specified as Disruption Events or, as the case may be, EM Disruption Events) in the Subject Currency Jurisdiction beyond the control of the parties to a hedging arrangement in respect of the Notes which makes it impossible (A) for a party to fulfil its obligations under the hedging arrangement or (B) generally to fulfil obligations similar to such party's obligations under that hedging arrangement.

"**Nationalisation**" means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives a party to a hedging arrangement in respect of the Notes of all or substantially all of its assets in the Subject Currency Jurisdiction.

"**Observation Date**" means the dates specified as such in the Pricing Supplement or, if any such day is not a Scheduled Trading Day, (a) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Pricing Supplement, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is the Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Note Condition 1(b) shall apply, or (b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Pricing Supplement, the immediately preceding Scheduled Trading Day for such Subject Currency and, in the event of an Unscheduled Holiday, subject to adjustment as set out in Foreign Exchange (FX) Rate Linked Note Condition 2(c) above, unless, in the opinion of the Calculation Agent, the resultant day determined in accordance with this sub-paragraph (b) is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Note Condition 2(b) shall apply.

"**Price Materiality**" means that, in the determination of the Calculation Agent, the EM Primary Rate differs from any EM Secondary Rate by at least the EM Price Materiality Percentage or if there are insufficient responses on the relevant Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day to any survey used to calculate any such rate, then the EM Price Materiality Percentage will be deemed to be met.

"**Price Source**" means the published source, information vendor or provider containing or reporting the rate or rates from which the Settlement Price is calculated as specified in the Pricing Supplement.

"**Price Source Disruption**" means that it becomes impossible to obtain the rate or rates from which the Settlement Price is calculated.

"**Relevant Screen Page**" means the relevant page specified as such in the Pricing Supplement or any successor to such page or service acceptable to the Calculation Agent.

"**Scheduled Trading Day**" means:

(a) where EM Foreign Exchange (FX) Rate Provisions are specified as not applicable in respect of a Subject Currency, a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centre of each of the Base Currency and the Subject Currency or Subject Currencies. In the case of euro, for these purposes, the principal financial centre shall be deemed to mean each of Frankfurt and Brussels; and

(b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of a Subject Currency, a day on which commercial banks are open (or, but for the occurrence of an EM Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the or each EM Scheduled Trading Day Jurisdiction specified in the Pricing Supplement provided that where the Subject Currency is BRL, then notwithstanding the foregoing, if the Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day falls on a date that, as the Trade Date, is not a scheduled day on which commercial banks are open (or, but for the occurrence of an EM Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in New York City (an "**NYC Business Day**"), then no adjustment to such date shall be made on account of the fact that such date is not an NYC Business Day.

"**Settlement Price**" means, subject as referred to in Foreign Exchange (FX) Rate Linked Notes Condition 1 or Foreign Exchange (FX) Rate Linked Notes Condition 2 above, as the case may be:

(a) in the case of Foreign Exchange (FX) Rate Linked Notes relating to a basket of Subject Currencies and in respect of a Subject Currency:

(i) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Pricing Supplement, the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on (a) if Averaging is not specified in the Pricing Supplement, the relevant Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day or (b) if Averaging is specified in the Pricing Supplement, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on the relevant Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting; or

(ii) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Pricing Supplement, the rate of exchange appearing on the EM FX Price Source at the EM Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on (a) if Averaging is not specified in the Pricing Supplement, the relevant Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day or (b) if Averaging is specified in the Pricing Supplement, an Averaging Date, for the exchange of such Subject Currency per one unit of the Base Currency for settlement on the EM Number of Settlement Days, multiplied by the relevant Weighting; and

(b) in the case of Foreign Exchange (FX) Rate Linked Notes relating to a single Subject Currency:

(i) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Pricing Supplement, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on (a) if Averaging is not specified in the Pricing Supplement, the relevant Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day or (b) if Averaging is specified in the Pricing Supplement, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on the relevant Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent); or

(ii) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Pricing Supplement, the rate of exchange appearing on the EM FX Price Source at the EM Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on (a) if Averaging is not specified in the Pricing Supplement, the relevant Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day or (b) if Averaging is specified

in the Pricing Supplement, an Averaging Date, for the exchange of such Subject Currency per one unit of the Base Currency for settlement on the EM Number of Settlement Days.

"**Settlement Price Date**" means the Automatic Early Redemption Valuation Date, Strike Date, Observation Date or Valuation Date, as the case may be.

"**Specified Maximum Days of Disruption**" means the number of days specified in the Pricing Supplement, or if not so specified, five Scheduled Trading Days.

"**Strike Date**" means the Strike Date specified in the Pricing Supplement or, if such day is not a Scheduled Trading Day, (a) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Pricing Supplement, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Note Condition 1(b) (*Consequences of a Disruption Event*), or (b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Pricing Supplement, the immediately preceding Scheduled Trading Day for such Subject Currency and, in the event of an Unscheduled Holiday, subject to adjustment as set out in Foreign Exchange (FX) Rate Linked Note Condition 2(c) above, unless, in the opinion of the Calculation Agent, the resultant day determined in accordance with this sub-paragraph (b) is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Note Condition 2(b) shall apply.

"**Strike Day**" means each date specified as such in the relevant Pricing Supplement.

"**Strike Period**" means the period specified as the Strike Period in the Pricing Supplement.

"**Subject Currency**" means the currency(ies) specified as such in the Pricing Supplement (together, "**Subject Currencies**").

"**Subject Currency Jurisdiction**" means each country for which the relevant Subject Currency is the lawful currency.

"**Unscheduled Holiday**" means a day that is not a Scheduled Trading Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in the principal financial centre of the Subject Currency two Scheduled Trading Days prior to the relevant scheduled Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day.

"**Valid Date**" means, in respect of an Averaging Date or an Observation Date or Knock-in Determination Day or Knock-out Determination Day, a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date or Observation Date or Knock-in Determination Day or Knock-out Determination Day, respectively, does not occur.

"**Valuation Date**" means any Coupon Valuation Date and/or Redemption Valuation Date, as the case may be, specified in the Pricing Supplement or, if such day is not a Scheduled Trading Day, (a) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Pricing Supplement, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Note Condition 1(b) shall apply, or (b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Pricing Supplement, the immediately preceding Scheduled Trading Day for such Subject Currency and, in the event of an Unscheduled Holiday, subject to adjustment as set out in Foreign Exchange (FX) Rate Linked Note Condition 2(c) above, unless, in the opinion of the Calculation Agent, the resultant day determined in accordance with this sub-paragraph (b) day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Note Condition 2(b) shall apply.

"**Valuation Time**" means, unless otherwise specified in the Pricing Supplement, the time at which the Price Source publishes the relevant rate or rates from which the Settlement Price is calculated.

"**Weighting**" means, in relation to a Subject Currency, the percentage specified as such in the Pricing Supplement.

ANNEX 7
ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

*If specified as applicable in the Pricing Supplement, the terms and conditions applicable to payouts shall comprise the Conditions and the additional terms and conditions for payouts set out below (the "**Payout Conditions**"), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Pricing Supplement and subject to completion in the Pricing Supplement. In the event of any inconsistency between (i) the Conditions and/or any other Annex and (ii) the Payout Conditions, the Payout Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or any other Annex and/or the Payout Conditions and (ii) the Pricing Supplement, the Pricing Supplement shall prevail.*

1. Reference Item Linked Notes

(a) Use of Payout Conditions

These Payout Conditions set out the methodology for determining various payouts and product features in respect of the Notes. The applicable text shown in Payout Conditions 2, 3 and 4 below will be extracted, included and completed at the paragraph indicated in the Pricing Supplement on the basis that (i) applicable text (including, where appropriate, section headings and terms defined in Payout Condition 4 which are required to be completed) from the relevant Payout Condition will be set out at the paragraph indicated in the Pricing Supplement and (ii) inapplicable text (and any terms defined in Payout Condition 4 which are not required to be completed) need not be included. For the avoidance of doubt, a Rate of Interest or a Final Payout may equal the sum of two or more payouts. In addition, where Payout Condition 8 (UVR Inflation-Adjusted Notes), Payout Condition 9 (UDI Inflation-Adjusted Notes) or Payout Condition 10 (UF Inflation-Adjusted Notes) applies, the words "adjusted by the relevant Inflation Adjusted Rate" may be added where appropriate together with the appropriate text shown in Payout Conditions 2, 3 and 4 below.

(b) Use of Terms

Terms in these Payout Conditions or in the Pricing Supplement may be attributed a numerical or letter suffix value when included in the Pricing Supplement. Without limitation, the suffix can be denoted as "j", "k", "m", "q", "n", "t", "i", "A", "B", "C" or "1", "2", "3" etc. and the term may be completed on the basis of the number or numbers represented by "j", "k", "m", "q", "n", "t", "i", "A", "B", "C" or "1", "2", "3" etc. as chosen at the time of an issue of Notes. Moreover suffixes may be placed in series as necessary, such as "A(1)", "B(1)", "C(1)" etc. When applicable and in order to improve the reading and intelligibility of the formula(e) in the Pricing Supplement, the applicable suffixes may be included, completed and the relation between the term and the suffix will be explained and may be presented as a table, if necessary, in the Pricing Supplement. A term in Payout Condition 4 may be included in the relevant Pricing Supplement section more than once if there is more than one number represented by the term "n", "t" or "i". Conjunctions (e.g. or, and, but) and punctuation may also be included where appropriate. Suffixes may denote that a relevant term relates to an asset, item or date associated with that suffix.

The constituent parts of any formula(e) or term(s) used in these Payout Conditions and that are to be specified in the Pricing Supplement may be replaced in the Pricing Supplement by the prescribed amount, level, or percentage or other value or term (the "**Variable Data**"). If a Variable Data has a value of either zero or one, or is not applicable in respect of the relevant formula(e), then the related formula(e) may be simplified, for the purpose of improving the reading and intelligibility in the formula(e) in Pricing Supplement, by deleting such Variable Data.

(c) Note types

The Pricing Supplement will specify the Interest Basis applicable in respect of a Note. Such Notes are, where the Interest Basis is: Equity Linked, an "**Equity Linked Interest Note**"; Inflation Linked, an "**Inflation Linked Interest Note**"; Reference Item Rate Linked, a "**Reference Item Rate Linked Interest Note**"; Fund Linked, a "**Fund Linked Interest Note**"; ETF Linked, a "**ETF Linked Interest Note**"; Credit Linked, a "**Credit Linked Interest Note**"; Foreign Exchange (FX) Rate Linked, a "**Foreign Exchange (FX) Rate Linked Interest Note**"; EUA Contract Linked, an "**EUA Contract Linked Interest Note**", or a combination of an Equity Linked Interest Note and ETF Linked Interest

Note (each, a "**Reference Item Linked Interest Note**"). The Notes can also bear no interest in which case the Notes may be Zero Coupon Notes, if so specified in the Pricing Supplement.

The Pricing Supplement will specify the Redemption/Payment Basis applicable in respect of a Note. Such Notes are, where the Redemption/Payment Basis is: Equity Linked, an "**Equity Linked Redemption Note**"; Inflation Linked, an "**Inflation Linked Redemption Note**"; Reference Item Rate Linked, a "**Reference Item Rate Linked Redemption Note**"; ETF Linked, a "**ETF Linked Redemption Note**"; Fund Linked, a "**Fund Linked Redemption Note**"; Credit Linked, a "**Credit Linked Redemption Note**"; Foreign Exchange (FX) Rate Linked, a "**Foreign Exchange (FX) Rate Linked Redemption Note**"; EUA Contract Linked, an "**EUA Contract Linked Redemption Note**" or a combination of an Equity Linked Redemption Note and ETF Linked Redemption Note (each, a "**Reference Item Linked Redemption Note**").

2. Interest Rates Payout Formula(e) and Final Payouts for Reference Item Linked Notes

2.1 Interest Rate Payout Formula(e)

For insertion and completion into Paragraph 18(vi) (Rate of Interest) in the Pricing Supplement. Note: where a Rate of Interest is a fixed or floating rate, paragraph 19 or 20 as applicable, in the Pricing Supplement should be completed.

(i) "**Rate of Interest (i)**"

Rate(i)

(ii) "**Rate of Interest (ii)**"

$$\text{Leverage(i)} * \text{Rate(i)} + \text{Spread(i)}$$

(iii) "**Rate of Interest (iii)**"

$$\text{Leverage(i)} * \text{Reference Spread(i)} + \text{Spread(i)}$$

(iv) "**Rate of Interest (iv)**"

$$\text{Previous Interest(i)} + \text{Leverage(i)} * \text{Reference Item Rate(i)} + \text{Spread(i)}$$

(v) "**Rate of Interest (v)**"

$$\text{Leverage(i)} * (\text{Coupon Value(i)} + \text{Spread(i)}) + \text{Constant Percentage(i)}$$

(vi) "**Rate of Interest (vi)**"

$$\text{Constant Percentage (i)} + \text{Max}[\text{Floor Percentage; Leverage}^{*} (\text{Coupon Value(i)} - \text{Strike Percentage})]$$

(vii) "**Rate of Interest (vii)**"

$$\text{Constant Percentage(i)} + \text{Min}\left[\text{Cap Percentage; Max}\left[\text{Floor Percentage; Leverage}^{*}(\text{Coupon Value(i)}) - \text{Strike Percentage}\right]\right]$$

(viii) "**Rate of Interest (viii)**" "**Range Accrual A**"

$$Leverage(i) * \left(Rate(i) + Spread(i)\right) * {}^{n}/_{N}$$

(ix) "**Rate of Interest (ix)**" "**Digital One Barrier**":

(A) If the Coupon Barrier Condition [1] is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]

[Constant Percentage[1]] [*select and insert the Interest Payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"; for the avoidance of doubt the selected interest payout formula for this paragraph (A) may be different from the interest payout formula for paragraph (B)*];

(B) Otherwise:

[zero][Constant Percentage [2]] [*select and insert the Interest Payout formula from one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"; for the avoidance of doubt the selected interest payout formula for this paragraph (B) may be different from the interest payout formula for paragraph (A)*].

(x) "**Rate of Interest (x)**" "**Podium**":

(A) If Coupon Barrier Condition [1] is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]

[Constant Percentage 1] [*select and insert the Interest Payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*]; or

(B) If Coupon Barrier Condition [2] is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period] and Coupon Barrier Condition [1] is not satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]:

[Constant Percentage 2] [*select and insert the Interest Payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"; for the avoidance of doubt the selected interest payout formula for this paragraph (B) may be different from the interest payout formula for paragraph (A)*];

(C) Otherwise:

[zero] [Constant Percentage 3] [*(select and insert the interest payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"; for the avoidance of doubt the selected interest payout formula for this paragraph (C) may be different from the interest payout formulae for (A) and (B) respectively*].

(*The above provisions of paragraph (B) may be duplicated in case more than two Coupon Barriers apply*)

(xi) "**Rate of Interest (xi)**" "**Memory Coupon**"

(A) If the Barrier Count Condition is satisfied in respect of a ST Coupon Valuation Date:

$$\mathrm{Rate(i)} + \mathrm{SumRate(i)};$$ or

(B) Otherwise, [zero][Constant Percentage [1]][*select and insert the Interest Payout formula from any one of the "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*] .

(xii) "**Rate of Interest (xii)**" "**Counter**"

$$\mathrm{Rate(i)} * \mathrm{n}$$

(xiii) "**Rate of Interest (xiii) – Variable Counter**"

$$\mathrm{Rate(n)}$$

(xiv) "**Rate of Interest (xiv)**" "**Call with Individual Caps**"

$$Max\left[MinCoupon(i); \sum_{k=1}^{K}(RIWeighting(k) * Max[FloorPercentage(i); Min[CapPercentage(i); CouponValue(i,k)]]) - StrikePercentage(i)\right] + ConstantPercentage(i)$$

(xv) "**Rate of Interest (xv)**" "**Cappuccino**"

$$Max\left[MinCoupon(i); \sum_{k=1}^{K}(RIWeighting(k) * Max[FloorPercentage(i); CappuccinoBarrierValue(i,k)]) - StrikePercentage(i)\right] + ConstantPercentage(i)$$

(xvi) "**Rate of Interest (xvi)**" "**Fixed Best**"

$$Max\left[MinCoupon(i); \sum_{k=1}^{K}(RIWeighting(k) * Max[FloorPercentage(i); ModifiedValue(i,k)]) - StrikePercentage(i)\right]$$

(xvii) "**Rate of Interest (xvii)**" "**Cliquet**"

$$Max\left[\sum_{i=1}^{T}(Max\,[FloorPercentage(i); Min[CapPercentage(i);\ CouponValue(i)]]) - StrikePercentage,\ FloorPercentage1\right]$$

(xviii) "**Rate of Interest (xviii)**" "**Cliquet Digital**"

(A) If Cliquet Digital Performance is greater than Constant Percentage 1:

Cliquet Digital Performance; or

(B) If Cliquet Digital Performance is greater than or equal to Constant Percentage 2 and is less than or equal to Constant Percentage 1:

Constant Percentage 1; or

(C) If Cliquet Digital Performance is less than Constant Percentage 2:

Constant Percentage 2.

(xix) "**Rate of Interest (xix)**" "**Cliquet Digital Lock in**"

$$Max\left[FloorLockin; \sum_{i=1}^{T}(Max[FloorPercentage(i); Min[CapPercentage(i);\ CouponValue(i)]]) - StrikePercentage; FloorPercentage1\right]$$

(xx) "**Rate of Interest (xx)**" "**Digital Coupon One Condition**"

(A) If the Digital Coupon Condition 1 is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]:

Rate A(i); or

(B) if the Digital Coupon Condition 1 is not satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]:

Rate B(i).

(xxi) "**Rate of Interest (xxi)**" "**Digital Coupon Two Conditions**"

(A) If the Digital Coupon Condition 1 is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]:

Rate A(i); or

(B) If the Digital Coupon Condition 1 is not satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period], but the Digital Coupon Condition 2 is satisfied in respect of such [ST Coupon Valuation Date][ST Coupon Valuation Period]:

Rate B(i); or

(C) Otherwise:

Rate C(i).

(xxii) "**Rate of Interest (xxii)**" – "**TARN**"

(A) In respect of each Interest Period other than the Target Final Interest Period [and provided that an Automatic Early Redemption Event has not occurred]:

[*select and insert the interest payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*]; [and]

(B) in respect of the Target Final Interest Period [and provided that an Automatic Early Redemption Event has not occurred]:

Final Interest Rate[; and

(C) In respect of the Interest Period in which an Automatic Early Redemption Event occurs:

Final AER Interest Rate].

For the purposes of paragraph (B) [and (C)] above and notwithstanding anything to the contrary in the Conditions, the Day Count Fraction for the purposes of calculating the Interest Amount for the Target Final Interest Period [or the Interest Period in which an Automatic Early Redemption Event occurs] in accordance with Condition 5(b)(x) (*Calculation of Interest Amount*) shall be 1.

(xxiii) "**Rate of Interest (xxiii)**" – "**Ratchet**"

Min [Cap Percentage; Max [Previous Interest(i); Rate(i)]

(xxiv) "**Rate of Interest (xxiv)**" – "**Booster**"

(insert the following if a cap is applicable)

Constant Percentage + Min [Cap Percentage; Max [Floor Percentage, Booster Number * Constant Percentage 2]]

(*insert the following if a cap is not applicable*)

Constant Percentage + Max [Floor Percentage, Booster Number * Constant Percentage 2]

(xxv) "**Rate of Interest (xxv)**

Coupon Value (i)

(xxvi) "**Rate of Interest (xxvi)**" – "**Call Option Interest Rate**":

(A) in respect of the first Interest Payment Date:

[*specify percentage*];

(B) in respect of any Interest Payment Date (other than the first Interest Payment Date and the Final Interest Payment Date) in respect of which the Issuer Call is exercised, the percentage specified in the table below in respect of such Interest Payment Date:

Interest Payment Date	**Percentage**
[*specify*]	[*specify*]%
[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]

(C) in respect of any Interest Payment Date (other than the first Interest Payment Date and the Final Interest Payment Date) in respect of which the Issuer Call is not exercised, [*specify percentage*]; or

(D) in respect of the Final Interest Payment Date:

[*select and insert the Interest Payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"].*

(xxvii) "**Rate of Interest (xxvii)**" – "**Put Option Interest Rate**":

(A) in respect of the first Interest Payment Date:

[*specify percentage*];

(B) in respect of any Interest Payment Date (other than the first Interest Payment Date and the Final Interest Payment Date) in respect of which the Noteholder Put is exercised, the percentage specified in the table below in respect of such Interest Payment Date:

Interest Payment Date	**Percentage**
[*specify*]	[*specify*]%
[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]

(C) in respect of any Interest Payment Date (other than the first Interest Payment Date and the Final Interest Payment Date) in respect of which the Noteholder Put is not exercised, [*specify percentage*]; or

(D) in respect of the Final Interest Payment Date:

[*select and insert the Interest Payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"].*

(xxviii) "**Rate of Interest (xxviii) – Lock in**"

(A) If Coupon Barrier Condition 1 is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period][then in respect of the related Interest Payment Date][and provided that [(B)] [or] [(C)] below [is][are] not also satisfied in respect of such [ST Coupon Valuation Date][ST Coupon Valuation Period]]:

[zero][Constant Percentage 1][Rate(i)+SumRate(i)][*select and insert the interest payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)"* (*inclusive*), *"Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*]

[and in respect of each subsequent Interest Payment Date]:

[zero][Constant Percentage 1][*select and insert the interest payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)"* (*inclusive*), *"Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*][; or]

[Otherwise:

[zero][Constant Percentage [1][2][3][4]][*select and insert the interest payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)"* (*inclusive*), *"Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*][Rate(i)+SumRate(i)].

(B) [Not applicable] If Coupon Barrier Condition [2] is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period][then (A) above will not apply] and [in respect of the related Interest Payment Date][and each subsequent Interest Payment Date][and provided that [(C)] below [is] not also satisfied in respect of such [ST Coupon Valuation Date][ST Coupon Valuation Period]]:

[zero][Constant Percentage [1][2][3][4]][*select and insert the interest payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)"* (*inclusive*), *"Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*][Rate(i)+SumRate(i)][*; for the avoidance of doubt the selected final payout formula for this paragraph may be different from the final payout formula for the above paragraph*].

(C) [Not applicable] If Coupon Barrier Condition [3] is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period][then (A) and (B) above will not apply] [in respect of the related Interest Payment Date][and each subsequent Interest Payment Date]:

[zero][Constant Percentage 1][*select and insert the Interest Payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)"* (*inclusive*), *"Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*][Rate(i)+SumRate(i)][*; for the avoidance of doubt the selected final payout formula for this paragraph may be different from the final payout formulae for (A) and (B) respectively*].

[(D) [Provided] [further] [that if no Lock in has occurred] [the Rate of Interest in respect of the Final Interest Payment Date will be [zero][Constant Percentage 4][*select and insert the Interest Payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*][Rate(i)+SumRate(i)][*; for the avoidance of doubt the selected final payout formula for this paragraph (D) may be different from the final payout formulae for (A), (B) and (C) respectively*].

(xxix) "**Rate of Interest (xxix) – Himalaya**"

Max [0%; Min [Cap Percentage; Performance Final]]

(xxx) "**Rate of Interest (xxx)**"

(A) (i) If the Barrier Count Condition is satisfied in respect of a ST Coupon Valuation Date, the relevant Fixed Best Percentage * Constant Percentage; or otherwise

(ii) zero; plus

(B) [*select and insert the interest payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*][Rate(i)+SumRate(i)].

(xxxi) "**Rate of Interest (xxxi) – Switchable**"

(A) If the Switch Condition is satisfied:

[Constant Percentage 1] [*select and insert the interest payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*] [Rate(i) * n] [Min [Cap Percentage; Max [Floor Percentage; Leverage * RI Value]]]; or

(B) If the Switch Condition is not satisfied:

[zero] [Constant Percentage 2] [*select and insert the interest payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (viii)" (inclusive), "Rate of Interest (xxv)" or "Rate of Interest (xxxvi)"*] [Rate(i) * n] [Min [Cap Percentage; Max [Floor Percentage; Leverage * RI Value]]].

(xxxii) "**Rate of Interest (xxxii)**" "**Digital Barrier**":

(1) In respect of every Interest Payment Date prior to the final Interest Payment Date specified in item 18(i):

(A) If the Coupon Barrier Condition is satisfied in respect of a ST Coupon Valuation Date (n):

Constant Percentage 1; or

(B) Otherwise:

zero; and

(2) in respect of the final Interest Payment Date specified in item 18(i):

(A) If Coupon Barrier Condition 1 is satisfied in respect of a ST Coupon Valuation Date:

Constant Percentage 1; or

(B) Otherwise [if no Interest Amount has been payable since the Issue Date] [Constant Percentage 2][or][if an Interest Amount has been payable since the Issue Date]:

Constant Percentage [3].

(xxxiii) "**Rate of Interest (xxxiii)**" "**Alternate Currency**":

In each case notwithstanding any other provision of the Conditions or this Pricing Supplement, the Interest Amount in respect of each Calculation Agent will be determined as follows and payable in the relevant currency specified below:

(A) If the Coupon Barrier Condition is satisfied in respect of a ST Coupon Valuation Date:

[insert currency amount per Calculation Amount*Constant Percentage 1[*Day Count Fraction]] [*specify amount and currency*]; or

(B) Otherwise:

[insert currency amount per Calculation Amount*Constant Percentage 2[*Day Count Fraction]] [*specify amount and currency*].

(xxxiv) "**Rate of Interest (xxxiv)**" "**Growth and Income**":

In respect of an Interest Payment Date and the related ST Coupon Valuation Date:

(A) (i) If the Coupon Barrier Condition is satisfied in respect of such ST Coupon Valuation Date [including the Final ST Coupon Valuation Date][excluding the Final ST Coupon Valuation Date]

Constant Percentage; or

(ii) Otherwise [and in any event in relation to the Final ST Coupon Valuation Date]:

Zero[.][; plus

(B) In respect of the Final ST Coupon Valuation Date only:

[Min[Cap Percentage;] Max[Floor Percentage; Coupon Value(i) – Calculated Coupon Percentage]]

(xxxv) "**Rate of Interest (xxxv)**"

Max [Floor Percentage 1;Min [Cap Percentage 1; [Constant Percentage 1+] (Leverage 1 * (Max [Floor Percentage 2; Min [Cap Percentage 2; Coupon Value(i))]] [+]/[-] [Leverage 2 *] (Max [Floor Percentage 3; Min [Cap Percentage 3; Coupon Value(ii))]])]]

(xxxvi) "**Rate of Interest (xxxvi)**" "**Dropback**":

(A) if no Trigger Condition has ever been satisfied:

$$\boldsymbol{Constant\ Percentage} * \left(\frac{\boldsymbol{Interest\ Period\ Days}}{\boldsymbol{DC}}\right) * \boldsymbol{Initial\ Allocation\ Percentage}$$; or

(B) if a Trigger Condition has ever been satisfied, the sum of (A)(i) where the relevant Interest Payment Date coincides with the Maturity Date, a percentage equal to the greater of (x) the Uncapped Dropback Value minus the Capped Dropback Value and (y) zero or (ii) in relation to any Interest Payment Date prior to the Maturity Date, zero and (B) a percentage determined by reference to the follow:

$$Constant\ Percentage\ \times \frac{\sum_{i=1}^{TC(i)} \text{Total Days(i)}\ \times\ \text{Coupon Adjusted Ratio(i)}}{\text{DC}}$$

(xxxvii) "**Rate of Interest (xxxvii)**" "**Call Swaption**"

$$Leverage(i) * DV01 * max[Coupon\ Value(i) + Spread(i) - Strike\ Percentage; 0\%]$$

(xxxviii) "**Rate of Interest (xxxviii)**" "**Put Swaption**"

$$Leverage(i) * DV01 * max\left[Strike\ Percentage - \left(Coupon\ Value(i) + Spread(i)\right); 0\%\right]$$

(xxxix) "**Rate of Interest (xxxix)**" "**Convexity A**"

$$Min\left[Cap\ Percentage; Max[Floor\ Percentage; Leverage(i) * (Coupon\ Value(i) - Strike\ Percentage)^2 + Spread(i)]\right]$$

(xl) "**Rate of Interest (xl)**" "**Convexity B**"

$$Min\left[Cap\ Percentage; Max[Floor\ Percentage; Constant\ Percentage - Leverage\ 1(i) * Coupon\ Value(i) + Leverage\ 2(i) * Coupon\ Value(ii)]\right]$$

(xli) "**Rate of Interest (xli)**" "**Range Accrual B**"

$$Leverage\ (i) * \left(Rate(i) + Spread\ (i)\right) * Max\left[0; \frac{2n - N}{N}\right]$$

(xlii) "**Rate of Interest (xlii)**" "**Range Accrual C**"

$$Max\left[(Constant\ Percentage\ 1 * \left(\frac{n}{N}\right) - \left(Constant\ Percentage\ 2 * \left(\frac{N-n}{N}\right)\right); 0\ per\ cent\right]$$

(xliii) "**Rate of Interest (xliii)**" "**Napoleon**"

$$\boldsymbol{Max}\left[\sum_{\mathbf{i=1}}^{\mathbf{T}}(\mathbf{Max}\,[\mathbf{Floor\ Percentage(i)}; \mathbf{Min}\left[\mathbf{Cap\ Percentage(i)}; \mathbf{Leverage\ 1} * \left(\mathbf{Leverage\ 2} * \left(\mathbf{Coupon\ Value(i)} - \mathbf{Strike\ Percentage(i)}\right) + \mathbf{Leverage\ 3} * \left(\mathbf{Coupon\ Value(ii)} - \mathbf{Strike\ Percentage(ii)}\right)\right)\right]]; \mathbf{Global\ Floor\ Percentage}\right]$$

2.2 Final Payouts Formula(e)

For completion and insertion into Paragraph 36 (*Final Payout*) (or other relevant paragraph) of the applicable Pricing Supplement:

(i) "**Redemption (i)**"

FR Value

(ii) "**Redemption (ii)**"

Constant Percentage + (Leverage * (Strike Percentage - FR Value)) * RI FX Rate

(iii) "**Redemption (iii)**"

Constant Percentage + (Leverage * Max [Floor Percentage; Additional Leverage * (Cap Percentage – (FR Value – Strike Percentage))]) * RI FX Rate

(iv) "**Redemption (iv)**"

(v) Constant Percentage + (Leverage * (Min [Call Cap Percentage; Max [Cap Floor Percentage; Call Leverage * (FR Value – Strike Percentage) + Call Spread Percentage]])) * RI FX Rate

(vi) "**Redemption (v)**"

Constant Percentage + (Leverage * (Min [Put Cap Percentage; Max [Put Floor Percentage; Put Strike Percentage – Put Leverage * (FR Value – Strike Percentage)]])) * RI FX Rate

(vii) "**Redemption (vi)**"

Constant Percentage + (Leverage * (Min [Call Cap Percentage; Max [Call Floor Percentage; Call Leverage * FR Value + Call Strike Percentage)]])) * RI FX Rate + (Additional Leverage * (Min [Put Cap Percentage; Max [Put Floor Percentage; Put Strike Percentage – Put Leverage * FR Value]])) * RI FX Rate

(viii) "**Redemption (vii)**" "**Booster**"

Constant Percentage 1 + (Constant Percentage 2 + Booster Number * Constant Percentage 3) * FR Value

(ix) "**Redemption (viii)**" "**Digital**":

(A) If Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:

[Constant Percentage 1][100%][*select and insert the final payout formula from any one of "Redemption (i)" to "Redemption (vii) - Booster" (inclusive)*]; or

(B) Otherwise [if no Interest Amount has been payable since the Issue Date, Constant Percentage 2] [if an Interest Amount has been payable since the Issue Date:]

[Constant Percentage [2/3]][*select and insert the final payout formula from any one of "Redemption (i)" to "Redemption (vii) - Booster" (inclusive); for the avoidance of doubt the selected final payout formula for this paragraph (B) may be different from the final payout formula for paragraph (A)*].

(x) "**Redemption (ix) – Digital with Knock-in**"

(A) If Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and no Knock-in Event has occurred:

[Constant Percentage 1][100%][*select and insert the final payout formula from any one of "Redemption (i)" to "Redemption (vii) - Booster" (inclusive)*]; or

(B) Otherwise:

[Constant Percentage 2][*select and insert the final payout formula from any one of "Redemption (i)" to "Redemption (vii) - Booster" (inclusive); for the avoidance of doubt the selected final payout formula for this paragraph (B) may be different from the final payout formula for paragraph (A)*].

(xi) "**Redemption (x)**" "**Podium**":

(A) If Final Redemption Condition 1 is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:

[Constant Percentage 1][100%][*select and insert the final payout formula from any one of "Redemption (i)" to "Redemption (vii) - Booster" (inclusive)*]; or

(B) If Final Redemption Condition [2] is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and Final Redemption Condition [1] is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]

[Constant Percentage 2][100%][*select and insert the final payout formula from any one of "Redemption (i)" to "Redemption (vii) - Booster" (inclusive); for the avoidance of doubt the selected final payout formula for this paragraph (B) may be different from the final payout formula for paragraph (A)*]; or

(C) Otherwise:

[Constant Percentage 3][100%][*select and insert the final payout formula from any one of "Redemption (i)" to "Redemption (vii) - Booster" (inclusive); for the avoidance of doubt the selected final payout formula for this paragraph (C) may be different from the final payout formula for any of the preceding paragraphs*].

(The above provisions of (B) may be duplicated in case more than two Final Redemption Condition Levels apply).

(xii) "**Redemption (xi)**" "**Reverse Knock-in Standard**"

(A) If no Knock-in Event has occurred:

[Constant Percentage 1]; or

(B) If a Knock-in Event has occurred:

[Min [Constant Percentage 2; FR Value]].

(xiii) "**Redemption (xii)**" "**Reverse Knock-in**"

(A) If no Knock-in Event has occurred:

[Constant Percentage 1]; or

(B) If a Knock-in Event has occurred:

[Max [Constant Percentage 2 + Leverage * Option; 0]][no Final Redemption Amount will be payable and Physical Delivery will apply].

(xiv) "**Redemption (xiii)**" "**Knock-in Standard**"

(A) If Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:

[100% + FR Additional Rate][no Final Redemption Amount will be payable and Physical Delivery will apply]; or

(B) If Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and no Knock-in Event has occurred:

[100% + Coupon Airbag Percentage][no Final Redemption Amount will be payable and Physical Delivery will apply]; or

(C) If Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and a Knock-in Event has occurred:

[Min [Constant Percentage; FR Value]].

(xv) "**Redemption (xiv)**" "**Twin Win**"

(Insert the following if a cap is not applicable)

(A) If a Knock-out Event has occurred:

[Constant Percentage 1 + (Max [Floor Percentage; Lever Down * FR Value]) * RI FX Rate][no Final Redemption Amount will be payable and Physical Delivery will apply]; or

(B) If no Knock-out Event has occurred:

[Constant Percentage 2 + (Lever Up 1 * Max [Strike Percentage - FR Value; Floor Percentage 1]) * RI FX Rate + (Lever Up 2 * Max [FR Value - Strike Percentage 1; Floor Percentage 2]) * RI FX Rate][no Final Redemption Amount will be payable and Physical Delivery will apply]

(Insert the following if a cap is applicable)

(A) If a Knock-out Event has occurred:

[Constant Percentage [1][2][3][4] + (Max [Floor Percentage; Lever Down * FR Value]) * RI FX Rate] [no Final Redemption Amount will be payable and Physical Delivery will apply]; or

(B) If no Knock-out Event has occurred:

[Constant Percentage [1][2][3][4] + (Lever Up 1 * Max [Strike Percentage – FR Value; Floor Percentage 1]) * RI FX Rate + (Lever Up 2 * Min [Cap Percentage; Max [FR Value – Strike Percentage 1; Floor Percentage 2]]) * RI FX Rate] [no Final Redemption Amount will be payable and Physical Delivery will apply].

(xvi) "**Redemption (xv)**" "**Himalaya** "

$$ConstantPercentage1 + Leverage^{*}Max\left[\frac{1}{TotalM}^{*}\sum_{i=1}^{M}Max[BestLockValue(i) - StrikePercentage(i);\ Local\ Floor\ Percentage(i)];0\right]$$

(xvii) "**Redemption (xvi)**" "**Memory**"

$$\text{Constant Percentage} + \text{SumRate(n)}$$

(xviii) "**Redemption (xvii) – Lock in**"

(A) If Lock in has occurred:

[100%][*select and insert the final payout formula from any one of "Redemption (i) to "Redemption (vii) - Booster" (inclusive)*]; or

(B) If Lock in has not occurred:

[100%][*select and insert the final payout formula from any one of "Redemption (i) to "Redemption (vii) - Booster" (inclusive)*].

(xix) "**Redemption (xviii)**"

(A) If the Barrier Count Condition is satisfied in respect of a ST Coupon Valuation Date:

Constant Percentage [1]; or

(B) otherwise:

Constant Percentage [2] * Worst Value

(xx) "**Redemption (xix)**" "**Switchable**"

(A) If the Switch Condition is satisfied:

[Constant Percentage 1] [*select and insert the final payout formula from any one of "Redemption (i)" to "Redemption (vii) – Booster" (inclusive); for the avoidance of doubt the selected final payout formula for this paragraph may be different from the final payout formula for the below paragraph*]; or

(B) If the Switch Condition is not satisfied:

[Constant Percentage 2] [*select and insert the final payout formula from any one of "Redemption (i)" to "Redemption (vii) – Booster" (inclusive); for the avoidance of doubt the selected final payout formula for this paragraph may be different from the final payout formula for the below paragraph*].

(xxi) "**Redemption (xx)**" "**Alternate Currency**"

(A) If the Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date] [ST Redemption Valuation Period]:

[Calculation Amount*Constant Percentage 1] [*specify amount and currency*]; or

(B) Otherwise:

[Calculation Amount*Constant Percentage 2] [*specify amount and currency*].

(xxii) "**Redemption (xxi)**" "**Leveraged FX**"

Max [CA + (LA – FRA); 0]

Where:

"**CA**" means the Calculation Amount;

"**LA**" means the Leverage Amount of [*insert amount in Specified Currency*]; and

"**RA**" means the FX Reference Amount.

(xxiii) "**Redemption (xxii)**" "**Dropback**"

Capped Dropback Value

3. Automatic Early Redemption Amounts

If Automatic Early Redemption is specified as applicable in the Pricing Supplement and an Automatic Early Redemption Event occurs, then:

For insertion into Paragraph 3 (*Automatic Early Redemption Amounts*) (or other relevant Paragraph) of the applicable Pricing Supplement.

(i) If ST Automatic Early Redemption is specified in the Pricing Supplement, the following formula shall be inserted and completed in Automatic Early Redemption Payout:

$$\text{Calculation Amount} * (\text{AER Percentage} + \text{AER Additional Rate})$$; or

(ii) If Target Automatic Early Redemption is specified in the Pricing Supplement, the following formula shall be inserted and completed in the Automatic Early Redemption Payout:

Calculation Amount* (100%[+Final Interest Rate]).

4. Definitions

4.1 General Definitions

"**Additional Leverage**" means [*specify percentage*].

"**AER Additional Rate**" means, in respect of a [ST ER Valuation Date] or [ST ER Valuation Period], [the AER Rate][AER Rate DCF][AER Rate MT].

"**AER Percentage**" means [*specify percentage*].

"**AER Rate**" means [*specify rate*].

"**AER Rate DCF**" means a percentage calculated as the product of the AER Rate and the applicable Day Count Fraction.

"**AER Rate MT**" means the product of (a) [*specify rate*] and (b) the number of [Interest Periods][ST Valuation Dates][Automatic Early Redemption Valuation Dates] from the Issue Date to [and including][but excluding] the [Interest Period in which the relevant Automatic Early Redemption Valuation Date falls][the date of the relevant Automatic Early Redemption Valuation Date].

"**AER Reference Item Rate**" means [*specify floating rate*].

"**AER Value**" means [*specify value from Payout Condition 4.2*].

"**Allocation Percentage**" means, in respect of a Redemption Valuation Date, a percentage calculated as:

$Initial\ Allocation\ Percentage - \sum_{i=1}^{TC} Investment\ Amount(i)$.

"**Barrier Percentage Strike Price**" means [*specify percentage*].

"**Basket**" means: (a) if the relevant Reference Items are Share Indices, the Share Index Basket (as defined in the Equity Linked Conditions) as specified in the Pricing Supplement; (b) if the relevant Reference Items are Shares, the Share Basket (as defined in the Equity Linked Conditions) as specified in the Pricing Supplement; (c) if the relevant Reference Items are Inflation Indices, a basket composed of each Inflation

Index specified in the Pricing Supplement; (d) if the relevant Reference Items are ETFs, the ETF Basket (as defined in the ETF Linked Conditions) as specified in the Pricing Supplement; (e) if the relevant Reference Items are Fund Shares, the Fund Basket (as defined in the Fund Linked Conditions) as specified in the Pricing Supplement; (f) if the Reference Items are EUA Contracts, the Basket of EUA Contracts (as defined in the EUA Contract Linked Conditions) as specified in the Pricing Supplement; (g) if the relevant Reference Items are Subject Currencies, a basket composed of each Subject Currency specified in the Pricing Supplement; or (h) in the case of Reference Items which are a combination of Shares, ETF Shares and/or Share Indices, where applicable, a Cross Asset Basket, in each case subject to Weightings if specified in the Pricing Supplement.

"**Best Lock Value(i)**" means, in respect of a [ST Valuation Date] [or ST Valuation Period], the highest RI Value on such [ST Valuation Date] [ST Valuation Period] of the Reference Item(s) in Himalaya Basket(i).

"**Booster Level**" means [*specify percentage*].

"**Booster Number**" means the number of times that the Booster Condition is satisfied.

"**Booster Value**" means, in respect of a ST Valuation Date or ST Valuation Period, [*specify defined term from Payout Condition 4.2*)].

"**Call Cap Percentage**" means [*specify percentage*].

"**Call Constant Percentage**" means [*specify percentage*].

"**Call Floor Percentage**" means [*specify percentage*].

"**Call Leverage**" means [*specify percentage*].

"**Call Rate**" means:

$$\text{Constant Percentage(i)} + \text{Leverage(i)} * \text{Max}\left[\text{Coupon Value(i)} - \text{Strike Percentage(i)} + \text{Spread(i)}; \text{Floor Percentage(i)}\right]$$

"**Call Spread Rate**" means:

$$\text{Constant Percentage(i)} + \text{Leverage(i)} * \text{Min}\left[\text{Max}\left[\text{Coupon Value(i)} - \text{Strike Percentage(i)} + \text{Spread(i)}; \text{Floor Percentage(i)}\right]; \text{Cap Percentage(i)}\right]$$

"**Call Spread Percentage**" means [*specify percentage*].

"**Call Strike Percentage**" means [*specify percentage*].

"**Capped Dropback Value**" means the lesser of (x) the Uncapped Dropback Value and (y) 100%.

"**Cap Percentage[1][2][3][4]**" means [*specify percentage*].

"**Cappuccino Barrier Value**" means:

(a) if in respect of a ST Valuation Date the Cappuccino Barrier Condition is satisfied, Cap Percentage(i); and

(b) otherwise, Coupon Barrier Value(i,k).

"**Cliquet Digital Performance**" means, in respect of a [ST Valuation Date][ST Valuation Period]:

$$\sum_{i=1}^{t} Max[FloorPercentage(i); Min[CapPercentage(i); CouponValue(i)]]$$

"**CMS Valuation Date**" means [*insert or describe dates, including any Business Day adjustment*].

"**Constant Percentage[1][2][3][4]**" means [*specify percentage*].

"**Coupon Adjusted Ratio(i)**" means, in respect of a Trigger Condition, the relevant percentage specified in the table set out in the definition of Trigger Barrier Level(i) next to the relevant Trigger Barrier Level(i), in respect of which the relevant Trigger Condition has been satisfied.

"**Coupon Airbag Percentage**" means [*specify percentage*].

"**Coupon Barrier[1][2][3][4][5]**" means [*specify amount, percentage or number*].

"**Coupon Barrier Value**" means, in respect of a [ST Coupon Valuation Date] [ST Coupon Valuation Period], [and in respect of [each][of] Reference Item (k[=[*specify*]) to (k[=[*specify*]])], [*specify defined term from Payout Condition 4.2*].

"**Coupon Lock in**" means:

$$\underset{t=1}{\overset{T}{Max}}\left[\sum_{i=1}^{t} Max[FloorPercentage(i); Min[CapPercentage(i); CouponValue(i)]]\right]$$

"**Coupon Value[(i)][(ii)]**" means, in respect of a ST Coupon Valuation Date or ST Coupon Valuation Period, [*specify defined term from Payout Condition 4.2*].

"**Cross Asset Basket**" means a basket of Shares, ETF Shares and/or Share Indices, as specified in the Pricing Supplement.

"**Current Coupon Rate**" means the Rate of Interest which would have applied to the Current Interest Period had an Automatic Early Redemption Event not occurred.

"**Current Day Count Fraction**" means the Day Count Fraction which would have applied to the Current Interest Period or the Final Interest Period, as applicable had an Automatic Early Redemption Event not occured.

"**Current Interest Period**" means, in respect of an Automatic Early Redemption Valuation Date, the Interest Period during which such Automatic Early Redemption Valuation Date falls.

"**DC**" means [*specify number*].

"**EDS**" means Max [Floor Percentage; Min [Constant Percentage 3 – nEDS × Loss Percentage; 0]].

"**EDS Barrier Percentage**" means [*specify percentage*].

"**Final AER Interest Rate**" means [*insert one of the following*:] [*specify*] [zero]

[*If capped and guaranteed:*] [Target Coupon Percentage less Paid Coupon Percentage.]

[*If not capped or guaranteed:*] [the Current Coupon Rate multiplied by the Current Day Count Fraction.]

[*If capped only:*] [Min [Current Coupon Rate * Current Day Count Fraction; Target Coupon Percentage less Paid Coupon Percentage].]

[*If guaranteed only:*] [Max [Current Coupon Rate * Current Day Count Fraction; Target Coupon Percentage less Paid Coupon Percentage].]

"**Final Coupon Rate**" means [*specify defined term from Payout Condition 4.2*].

"**Final Interest Rate**" means [*insert one of the following*][*specify*][zero]

[*If capped and guaranteed:*] [the AER Percentage][Target Coupon Percentage] less Paid Coupon Percentage.]

[*If not capped or guaranteed:*] [the Final Coupon Rate multiplied by the Current Day Count Fraction.]

[*If capped only:*] [Min [Final Coupon Rate * Current Day Count Fraction; [AER Percentage] [Target Coupon Percentage] less Paid Coupon Percentage].]

[*If guaranteed only:*] [Max [Final Coupon Rate * Current Day Count Fraction; [AER Percentage] [Target Coupon Percentage] less Paid Coupon Percentage].]

"**Final Redemption Condition Level [1][2][3][4]**" means [*specify amount or percentage or number*].

"**Final Redemption Value**" means, in respect of a [ST Valuation Date][ST Valuation Period][*specify defined term from Payout Condition 4.2*].

"**Fixed Best Percentage**" means [*specify percentage*].

"**Floor Lock in**" means Constant Percentage [1] multiplied by the integer number resulting from the quotient of the Coupon Lock in and Constant Percentage [1].

"**Floor Percentage [1][2][3][4]**" means [*specify percentage*].

"**Forward**" means FR Value – Strike Percentage.

"**FR Additional Rate**" means [FR Rate][FR MT up Rate][FR Rate DCF][FR Rate MT].

"**FR Cap Percentage**" means [*specify percentage*].

"**FR Condition Level**" means [*specify percentage, amount or number*].

"**FR Constant Percentage**" means [*specify percentage*].

"**FR Floor Percentage**" means [*specify percentage*].

"**FR Leverage**" means [*specify percentage*].

"**FR MT up Rate**" means:

(a) [*insert if cap is applicable*][Min [Max [FR Floor Percentage; FR Leverage * (FR Value – FR Strike Percentage) + FR Spread]; FR Cap Percentage] + FR Constant Percentage].]

(b) [*insert if cap is not applicable*] [Max [FR Floor Percentage; FR Leverage * (FR Value – FR Strike Percentage) + FR Spread + FR Constant Percentage].]

"**FR Rate**" means [*specify rate*].

"**FR Rate DCF**" means a percentage calculated as the product of the FR Rate and the applicable Day Count Fraction.

"**FR Rate MT**" means the product of (a) [*specify rate*] and (b) the number of [Interest Periods][ST Valuation Dates] from and including the Issue Date to [and including][but excluding] the [Interest Period in which the relevant ST Valuation Date falls][date of the relevant ST Valuation Date].

"**FR Spread**" means [*specify percentage*].

"**FR Strike Percentage**" means [*specify percentage*].

"**FR Value**" means, in respect of a [ST FR Valuation Date] [ST Valuation Date] [ST FR Valuation Period], [*specify defined term from Payout Condition 4.2*].

"**FX**" is the relevant RI FX Level(i) on the relevant ST Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

"**Global Floor Percentage [1][2][3][4]"** means [*specify percentage*].

"**Himalaya Basket(i)**" means, in respect of a ST Valuation Date(i), a Basket comprising each Reference Item in Himalaya Basket(i-1) but excluding the Reference Item in relation to Best Lock Value(i-1).

"**Initial Allocation Percentage**" means [*specify percentage*].

"**Interest Determination Date**" means, in respect of an Interest Payment Date, [*insert, or describe dates, including any Business Day adjustment*].

"**Interest Period Days**" means, in respect of an Interest Payment Date, the number of calendar days in the related Interest Period.

"**Investment Amount(i)**" means, in respect of a Trigger Condition Date, the percentage specified in the table set out in the definition of Trigger Barrier Level(i) next to the Trigger Barrier Level(i) in respect of which the Trigger Condition has been satisfied on such Trigger Condition Date.

"**K**" means [*specify number*], being the total number of Reference Items in the Basket.

"**Lever Down**" means [*specify percentage*].

"**Leverage [1]|[2]|[3]|[4]**" means [*specify percentage or number*].

"**Lever Up [1]|[2]**" means [*specify percentage*].

"**Local Floor Percentage**" means [*specify percentage*].

"**Lock in**" will have occurred if "**(xxviii) "Rate of interest (xxviii) – Lock in**" (A) has been satisfied provided that (B) or (C) are not also satisfied".

"**Loss Percentage**" means [*specify percentage*].

"**M**" means a series of ST Valuation Dates or ST Valuation Periods.

"**Max**" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"**Min**" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

"**Min Coupon**" means [*specify percentage*].

"**Modified Value(i,k)**" means:

(a) if the Coupon Value(i,k) is one of the nfixed greatest value in the basket of the Reference Items, the Fixed Best Percentage; and

(b) otherwise, Coupon Value(i,k).

"**n**" means:

(a) in respect of "Rate of Interest (xii) – Counter"[, [*specify percentage or number*];] [:

(i) unless an Optional Redemption Date has occurred, in respect of the Interest Payment Date falling on or around [*specify date*], [*specify percentage or number*];

(ii) otherwise, in respect of the relevant Optional Redemption Date only, the [percentage] [number] set out in the table below in respect of such Optional Redemption Date:

(iii)	**N**	**(iv)**	**Optional Redemption Date [falling on or around]**
(v)	[*specify percentage or number*]	(vi)	[*specify date(s)*]]
(vii)			

(b) in respect of "Rate of Interest (xiii) – Variable Counter", in respect of a ST Coupon Valuation Date, the number calculated as: the number of ST Coupon Valuation Dates (in the period from

the Issue Date to and including such ST Coupon Valuation Date) on which the Barrier Count Condition is satisfied;

(c) in respect of "Rate of Interest (viii) – Range Accrual A", "Rate of Interest (xli) – Range Accrual B" or "Rate of Interest (xlii) – Range Accrual C"", in respect of a ST Coupon Valuation Date, the number of Range Accrual Days in the relevant Range Period on which the [Range Accrual Coupon Condition][Range Accrual Countdown Condition] is satisfied; and

(d) in respect of "Rate of Interest (xxxi) – Switchable", a number calculated as the number of ST Coupon Valuation Dates occurring in the period from, but excluding, the Issue Date to, and including, the ST Coupon Valuation Date in respect of which the Switch Condition is satisfied.

"**N**" means:

(a) in respect of "Rate of Interest (xiv) – Variable Counter" and in respect of "Rate of Interest (xvii) – Podium", [*specify number*] being the maximum number of times that the Barrier Count Condition may be satisfied from [and including] the Issue Date to [but excluding] the Maturity Date; and

(b) in respect of "Rate of Interest (ix) Range Accrual A", "Rate of Interest (xli) – Range Accrual B" or "Rate of Interest (xlii) – Range Accrual C", for each ST Coupon Valuation Date, the total number of Range Accrual Days in the relevant Range Period.

"**nEDS**" means the number of Reference Items in the Basket in respect of which the FR Value is [less than or equal to][less than] EDS Barrier Percentage.

"**nfixed**" means [*specify number*].

"**Option**" means [Put][Put Spread][EDS][Forward].

"**Paid Coupon Percentage**" means, in respect of an Automatic Early Redemption Valuation Date or a Target Determination Date, the sum of the values calculated for each Interest Period as the product of (i) the Rate of Interest and (ii) the Day Count Fraction, for each Interest Period preceding the Current Interest Period (in the case of an Automatic Early Redemption Valuation Date) or the Target Final Interest Period (in the case of a Target Determination Date).

"**Previous Interest**" means, in respect of a ST Coupon Valuation Date, the Rate of Interest determined on the ST Coupon Valuation Date immediately preceding such ST Coupon Valuation Date or, in respect of the first ST Coupon Valuation Date, zero.

"**Put**" means Max [Strike Percentage – FR Value; 0].

"**Put Cap Percentage**" means [*specify percentage*].

"**Put Constant Percentage**" means [*specify percentage*].

"**Put Floor Percentage**" means [*specify percentage*].

"**Put Leverage**" means [*specify percentage*].

"**Put Spread**" means Min [Max [Strike Percentage – FR Value; 0]; Cap Percentage].

"**Put Strike Percentage**" means [*specify percentage*].

"**RA Barrier [1][2][3][4]**" means in respect of a Reference Item, [*specify percentage*].

"**RA Barrier Value**" means, [*specify value from Payout Condition 4.2*][in respect of an ST Coupon Valuation Date and a Reference Item, the [*specify defined term from Payout Condition 4.2*][the Reference Spread].

"**Ranking**" means, in respect of a ST Valuation Date, the ordinal positioning of each Reference Item by RI Value from lowest RI Value to greatest RI Value in respect of such ST Valuation Date.

"**Rate[(i)] [A][B][C]**" means, in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period], [*specify fixed rate*]*[specify floating rate determined on the basis set out in item 20 of the Pricing Supplement*][[+/-][*specify margin*]%][the Call Rate][the Call Spread Rate][Inflation Rate].

"**Rate(n)**" (from n=1 to n=N) means:

(a) in respect of "Rate of Interest (xiv) –Variable Counter" on any ST Coupon Valuation Date, the rate specified in the Pricing Supplement and associated with the number of times that Barrier Count Condition is satisfied on the relevant ST Coupon Valuation Date; and

(b) in respect of "Redemption (xvii) – Memory" on any ST Coupon Valuation Date, the rate specified in the Pricing Supplement and associated with the number of Reference Items in the Basket for which the Podium Condition is satisfied on the relevant ST Coupon Valuation Date.

"**Reference Item [1][2]….[N]**" means the asset or reference basis specified as such in the Pricing Supplement.

"**Reference Item Rate [i][1][2]**" means, in respect of a ST Valuation Date, a ST Coupon Valuation Date or a ST Coupon Valuation Period, the relevant Rate of Interest or Rate determined pursuant to Condition 5(b). For this purpose, references in Condition 5(b) to the applicable Rate of Interest or Rate being determined for each Interest Period shall be construed to be to such Rate of Interest or Rate being determined for the applicable ST Valuation Date, ST Coupon Valuation Date or, as the case may be, ST Coupon Valuation Period. The publication requirements set out in Condition 5(b)(xii) shall not apply where the Rate of Interest is a Reference Item Rate or Rate only.

"**Reference Spread [i][1][2]**" means Reference Item Rate [1][2] minus Reference Item Rate [1][2].[*NB Complete Reference Item Rates 1 and 2 to reflect ISDA Determination for relevant CMS rates. Repeat for further Reference Spread(s) as necessary*]

"**RI Weighting**" means, in respect of a Reference Item, [*specify number, amount or percentage*].

"**Spread**" means [*specify percentage*].

"**Strike Percentage [1][2]**" means [*specify percentage*].

"**SumRate(i)**" means, in respect of each ST Coupon Valuation Date, the sum of all previous Rates for each ST Coupon Valuation Date since (but not including) the last occurring date on which the relevant Barrier Count Condition was satisfied (or if none the Issue Date).

"**SumRate(n)**" means the sum of the Rate(n) determined on the [ST FR Valuation Date][ST Valuation Date].

"**T**" means: [*specify number*], being the total number of ST Coupon Valuation Dates from and including the Issue Date to but excluding the Maturity Date as specified in the Pricing Supplement.

"**TC**" means the number of Trigger Conditions that have been satisfied during the ST DB Valuation Period, with each such Trigger Condition being satisfied in respect of a Trigger Barrier Level(i), as set out in the table in the definition of Trigger Barrier Level(i).

"**TC(i)**" means, in respect of a ST Coupon Valuation Period, the number of Trigger Conditions that have been satisfied during the period from (but excluding) the Strike Date to (and including) the ST Coupon Valuation Period End Date in respect of such ST Coupon Valuation Period.

"**Target Coupon Percentage**" means [*specify percentage*].

"**Total Days(i)**" means, in respect of a ST Coupon Valuation Period and a Trigger Condition, (i) the total number of calendar days during the period from (but excluding) the ST Coupon Valuation Period Start Date to (and including) the Trigger Condition Date in respect of such Trigger Condition and such ST Coupon Valuation Period, or (ii) if a Trigger Condition has been satisfied in respect of any prior ST Coupon Valuation Period, then Total Days(i) in respect of such Trigger Condition will be equal to zero for the current ST Coupon Valuation Period.

"**Total M**" means: [*specify number*], being the total number of [ST Valuation Dates][ST Valuation Periods] for the Notes.

"**Trigger Barrier(i)**" means, in respect of a [ST DB Valuation Period][ST Coupon Valuation Period] and a [ST DB Valuation Date][ST Coupon Valuation Date], the first Trigger Barrier Level(i) in the table set out in the definition of Trigger Barrier Level(i) in respect of which the Trigger Condition has not already been satisfied in respect of such [ST DB Valuation Date][ST Coupon Valuation Date] or any previous [ST DB Valuation Date][ST Coupon Valuation Date] in the [ST DB Valuation Period][ST Coupon Valuation Period].

"**Trigger Barrier Level(i)**" means each percentage specified as such in the table below and, where the context so requires, such relevant percentage in respect of which the relevant Trigger Condition has been satisfied:

Trigger Condition(i)	**Trigger Barrier Level(i)**	**[Coupon Adjusted Ratio(i)]**	**[Investment Amount(i)]**
[*specify number of Trigger Conditions from 1 to n*]	[*specify percentage*]	[*specify percentage*]	[*specify percentage*]

"**Uncapped Dropback Value**" means:

$$Allocation\ Percentage + \sum_{i=1}^{TC}(\text{Investment Amount (i) x (Constant Percentage} + \text{Dropback Perfomance}))$$

"**Weighting**" means [*specify in relation to each Reference Item comprising the Basket*].

4.2 Value Definitions

"**ABS Value**" means, in respect of a [ST Valuation Date][ST Valuation Period], the absolute value of the [Basket Closing Value [A][B]][Performance][Performance Difference][Basket Performance][Worst Performance][Basket Value [A][B]][Restrike Performance][Average Restrike Performance][Worst Restrike Performance][Best Restrike Performance][Average Best Restrike Performance][Average Worst Restrike Performance].

"**Accumulated Coupon**" means, in respect of an Automatic Early Redemption Valuation Date, the sum of the values calculated for each Interest Period preceding and including the Current Interest Period, as the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case, for such Interest Period.

"**Average Basket Value**" means, in respect of a ST Valuation Period, the arithmetic average of the Basket Values [A][B] on each ST Valuation Date in such ST Valuation Period.

"**Average Best Restrike Performance**" means, in respect of a ST Valuation Period, the arithmetic average of the Best Restrike Performance on each ST Valuation Date in such ST Valuation Period.

"**Average Best Value**" means, in respect of a ST Valuation Period, the arithmetic average of the Best Values on each ST Valuation Date in such ST Valuation Period.

"**Average Rainbow Value**" means, in respect of a ST Valuation Period, the arithmetic average of the Rainbow Values on each ST Valuation Date in such ST Valuation Period.

"**Average Restrike Performance**" means, in respect of a Reference Item and a ST Valuation Period, the arithmetic average of the Restrike Performance for such Reference Item on each ST Valuation Date in such ST Valuation Period.

"**Average RI Value**" means, in respect of a Reference Item and a ST Valuation Period, the arithmetic average of the RI Values for such Reference Item on each ST Valuation Date in such ST Valuation Period.

"**Average Worst Value**" means, in respect of a ST Valuation Period, the arithmetic average of the Worst Values on each ST Valuation Date in such ST Valuation Period.

"**Average Worst Restrike Performance**" means, in respect of a ST Valuation Period, the arithmetic average of the Worst Restrike Performance on each ST Valuation Date in such ST Valuation Period

"**Barrier Initial Average Price**" means an amount equal to the product of (x) the arithmetic average of the RI Closing Values for a Reference Item on each Strike Day in the Strike Period and (y) the Barrier Percentage Strike Price.

"**Barrier Initial Price**" means a price equal to the product of (x) the RI Closing Value for a Reference Item on the Strike Date and (y) the Barrier Percentage Strike Price.

"**Barrier Initial Maximum Price**" means a price equal to the product of (x) the greatest RI Closing Value for a Reference Item on any Strike Day in the Strike Period and (y) the Barrier Percentage Strike Price.

"**Barrier Initial Minimum Price**" means an amount equal to the product of (x) the lowest RI Closing Value for such Reference Item on any Strike Day in the Strike Period and (y) the Barrier Percentage Strike Price.

"**Basket Closing Value [A][B]**" means, in respect of a ST Valuation Date and in respect of Reference Item(s) [from (k[=[*specify*]]) to (k[=[*specify*]])], the sum of the values calculated for each Reference Item in the Basket as (a) the RI Closing Value for such Reference Item in respect of such ST Valuation Date multiplied by (b) the relevant Weighting.

"Best Performance [A][B]" means, in respect of a ST Valuation Date, the Performance for the Reference Item(s) [from (k[=[specify]]) to (k[=[specify]])] with the highest or equal highest Performance for any Reference Item in the Basket in respect of such ST Valuation Date.

"**Best Restrike Performance [A][B]**" means, in respect of a ST Valuation Date, the Restrike Performance for the Reference Item(s) [from (k[=[specify]]) to (k[=[specify]])] with the highest or equal highest Restrike Performance for any Reference Item in the Basket in respect of such ST Valuation Date.

"**Basket Performance [A][B]**" means in respect of a ST Valuation Date and in respect of Reference Item(s) [from (k[=[*specify*]]) to (k[=[*specify*]])], (a) the Basket Value [A][B] in respect of such ST Valuation Date minus (b) [100%][Strike Percentage].

"**Basket Value [A][B]**" means, in respect of a ST Valuation Date and in respect of Reference Item(s) [from (k[=[*specify*]]) to (k[=[*specify*]])], the sum of the values calculated for each Reference Item in the Basket as (a) the RI Value for such Reference Item in respect of such ST Valuation Date multiplied by (b) the relevant Weighting.

"**Basket Intraday Value**" means, in respect of a ST Valuation Date [and any time at which a value for all the Reference Items in the Basket is calculated], the sum of the values calculated for each Reference Item in the Basket at such time as (a) the RI Intraday Value for such Reference Item is calculated in respect of such ST Valuation Date multiplied by (b) the relevant RI Weighting.

"**Best Intraday Value**" means, in respect of a ST Valuation Date, the RI Intraday Value for the Reference Item(s) with the highest or equal highest RI Intraday Value for any Reference Item in the Basket in respect of such ST Valuation Date.

"**Best Value**" means, in respect of a ST Valuation Date, the RI Value for the Reference Item(s) with the highest or equal highest RI Value for any Reference Item in the Basket in respect of such ST Valuation Date.

"**Calculated Coupon Percentage**" means, in respect of any ST Coupon Valuation Date, the sum of the values calculated for each prior ST Coupon Valuation Date (if any) as the Rate of Interest, where applicable multiplied by the Day Count Fraction.

"**CMS1010 Performance**" means, in respect of a ST Valuation Date (a)(i) the CMS1010 Value in respect of such day [plus][minus][multiplied by][divided by] (ii) the CMS1010 Value in respect of the immediately preceding ST Valuation Date or, if none, the Strike Date (b) less 100%.

"**CMS1010 Value**" means in respect of a ST Valuation Date:

$$\frac{Max\left[DV01_{20y}\,,\;\; 1.25 * DV01_{10y}\right] * CMS20 - DV01_{10y} * CMS10}{Max\left[DV01_{20y}\,,\;\; 1.25 * DV01_{10y}\right] - DV01_{10y}}$$

where:

"**CMS10**" means Rate [2] in respect of such ST Valuation Date;

"**CMS20**" means Rate [1] in respect of such ST Valuation Date;

"**$DV01_{20y}$**" means, in respect of such ST Valuation Date:

$$[1 - (1 + CMS20)^{-20}]/CMS20$$

"**$DV01_{10y}$**" means, in respect of such ST Valuation Date:

$$[1 - (1 + CMS10)^{-10}]/CMS10$$

"**Dropback Performance**" means, in respect of the Redemption Valuation Date, an amount expressed as a percentage calculated in accordance with the following formula:

$$\frac{\text{(Dropback Value Final} - \text{[Trigger Barrier Level (i)][Dropback Value (i)][RI Initial Value])}}{\text{[Trigger Barrier Level (i)][Dropback Value (i)][RI Initial Value]}}$$

Where:

1. "**Dropback Value Final**" means the Dropback Value in respect of the Redemption Valuation Date.

"**Dropback Value (i)**" means the Dropback Value in respect of the relevant Trigger Condition Date (i).

"**Dropback Value**" means RI Value.

"**DV01**" means in respect of a ST Valuation Date:

$$\frac{[1 - (1 + Reference\ Item\ Rate(i))^{-Constant\ Percentage}]}{Reference\ Item\ Rate(i)}$$

"**FX Average Level**" means the arithmetic average of the RI FX Levels for a Reference Item on each Strike Day in the Strike Period.

"**FX Closing Level**" means the RI FX Level for a Reference Item on the Strike Date.

"**FX Forward Rate**" means, in relation to any day, the forward rate in relation to a non-deliverable forward rate transaction for the exchange of [the Specified Currency][the SER Base Currency] into [the SER Base Currency][the Specified Currency] for settlement on [*insert date*] [by reference to [*insert page/source*] (or any successor [page][source] thereto], all as determined by the Calculation Agent.

"**FX Maximum Level**" means the greatest RI FX Level for a Reference Item on any Strike Day in the Strike Period.

"**FX Minimum Level**" means the lowest RI FX Level for a Reference Item on any Strike Day in the Strike Period.

"**FX Reference Amount**" means [*insert amount in SER Base Currency corresponding to one Note of the Calculation Amount*] converted into the Specified Currency at the Settlement Exchange Rate in respect of the SER Valuation Date.

"**FX Value**" means, in respect of a Reference Item and any day either: (i) the RI FX Level for such day divided by the RI FX Strike Level; or (ii) the RI FX Strike Level divided by the RI FX Level for such day, as specified in the Pricing Supplement.

"**Highest Basket Value**" means, in respect of a ST Valuation Period, the highest or equal highest Basket Value [A][B] on any ST Valuation Date in such ST Valuation Period.

"**Highest Best Intraday Value**" means, in respect of a ST Valuation Period, the highest or equal highest Best Intraday Value on any ST Valuation Date in such ST Valuation Period.

"**Highest Best Value**" means, in respect of a ST Valuation Period, the highest or equal highest Best Value on any ST Valuation Date in such ST Valuation Period.

"**Highest Rainbow Value**" means, in respect of a ST Valuation Period, the highest or equal highest Rainbow Value on any ST Valuation Date in such ST Valuation Period.

"**Highest RI Intraday Value**" means, in respect of a Reference Item and a ST Valuation Period, the highest or equal highest RI Intraday Value for such Reference Item on any ST Valuation Date in such ST Valuation Period.

"**Highest RI Value**" means, in respect of a Reference Item and a ST Valuation Period, the highest or equal highest RI Value for such Reference Item on any ST Valuation Date in such ST Valuation Period.

"**Highest Worst Value**" means, in respect of a ST Valuation Period, the highest or equal highest Worst Value on any ST Valuation Date in such ST Valuation Period.

"**Inflation Rate**" means, in respect of a [ST Valuation Date][ST Valuation Period][*specify defined term from Payout Condition 4.2 for a Reference Item which is an Inflation Index*].

"**Initial Average Price**" means for a Reference Item, the arithmetic average of the RI Closing Value for a Reference Item on each Strike Day in the Strike Period.

"**Initial Closing Price**" means, subject as referred to in relation to any Valuation Date, the RI Closing Value of a Reference Item on the Valuation Date.

"**Initial Maximum Price**" means the highest RI Closing Value for a Reference Item on any Strike Day in the Strike Period.

"**Initial Minimum Price**" means the lowest RI Closing Value for a Reference Item on any Strike Day in the Strike Period.

"**Intraday Level**" means, in respect of a Share Index and subject to the Equity Linked Conditions, an amount equal to the level (which shall be deemed to be an amount in the currency of the Share Index) of such Share Index as determined by the Calculation Agent at any relevant time during the regular trading session hours of the relevant Exchanges, without regard to after hours or any other trading outside of the regular trading session hours, on the relevant ST Valuation Date [multiplied by the FX Value]

"**Intraday Price**" means, in respect of: (i) a Share, an ETF or a Fund Share and subject to the Equity Linked Conditions, the ETF Linked Conditions or the Fund Linked Conditions, as applicable, an amount equal to the price of such Share or ETF or Fund Share quoted on the relevant Exchange as determined by the Calculation Agent at any relevant time during the regular trading session hours of the relevant Exchange, without regard to after hours or any other trading outside of the regular trading session hours, on the relevant ST Valuation Date [multiplied by the FX Value]; and (ii) a Subject Currency and subject to the Foreign Exchange (FX) Rate Conditions, a rate determined by reference to the definition of Settlement Price in the Foreign Exchange (FX) Conditions by the Calculation Agent and for such purpose the applicable Valuation Time shall be any relevant time on the relevant ST Valuation Date.

"**Inverse Performance**" means, in respect of a Reference Item and a ST Valuation Date, (a) the RI Inverse Value in respect of such day minus (b) [100%][Strike Percentage] [and multiplied by (c) the FX Value].

"**Lowest Basket Value**" means, in respect of a ST Valuation Period, the lowest or equal lowest Basket Value [A][B] on any ST Valuation Date in such ST Valuation Period.

"**Lowest Best Value**" means, in respect of a ST Valuation Period, the lowest or equal lowest Best Value on any ST Valuation Date in such ST Valuation Period.

"**Lowest Rainbow Value**" means, in respect of a ST Valuation Period, the lowest or equal lowest Rainbow Value on any ST Valuation Date in such ST Valuation Period.

"**Lowest RI Intraday Value**" means, in respect of a Reference Item and a ST Valuation Period, the lowest or equal lowest RI Intraday Value for such Reference Item on any ST Valuation Date in such ST Valuation Period.

"**Lowest RI Value**" means, in respect of a Reference Item and a ST Valuation Period, the lowest or equal lowest RI Value for such Reference Item for all the ST Valuation Dates in such ST Valuation Period.

"**Lowest Worst Intraday Value**" means, in respect of a ST Valuation Period, the lowest Worst Intraday Value on any ST Valuation Date in such ST Valuation Period.

"**Lowest Worst Value**" means, in respect of a ST Valuation Period, the lowest or equal lowest Worst Value on any ST Valuation Date in such ST Valuation Period.

"**M**" means [*insert value*].

"**Performance Difference**" means, in respect of a ST Valuation Date, [the Performance for Reference Item (k[=[*specify*]])][Basket Performance [A]] [Worst Performance [A]][Best Performance [A]] in respect of such ST Valuation Date minus [the Performance for Reference Item (k[=[*specify*]])][Basket Performance [B]] [Worst Performance [B]][Best Performance [B]] in respect of such ST Valuation Date.

"**Performance Difference**" means, in respect of a ST Valuation Date, [the Performance for Reference Item (k[=[*specify*]])][Basket Performance [A]] in respect of such ST Valuation Date minus [the Performance for Reference Item (k[=[*specify*]])][Basket Performance [B]] in respect of such ST Valuation Date.

"**Performance Final**" means the arithmetic average of the Periodic Performances in respect of each [ST Valuation Date] [ST Valuation Period].

"**Performing RI Strike Price**" means, in respect of a ST Valuation Date, the RI Initial Value in respect of the Reference Item in respect of such ST Valuation Date.

"**Periodic Performance**" means, in respect of a [ST Valuation Date] [ST Valuation Period] and all Reference Items, the highest [RI Average Value in respect of such ST Valuation Date] [RI Value on any ST Valuation Date in such ST Valuation Period] provided that: (i) in the case of two or more equal highest [RI Average Values] [RI Values] the Calculation Agent will select any of such equal [RI Average Values] [RI Values] as the highest [RI Average Value] [RI Value] in its discretion; and (ii) where [on a ST Valuation Date] [in relation to a ST Valuation Period] (the "[**Current ST Valuation Date] [Current ST Valuation Period**]") a Reference Item has already been the Reference Item with the highest relevant value [on any prior ST Valuation Date] [in relation to any prior ST Valuation Period] it will not be taken into account and its [RI Average Value] [RI Value] will be ignored for the purposes of determining the Periodic Performance [on that Current ST Valuation Date] [for that Current ST Valuation Period].

"**Rainbow Value**" means, in respect of a ST Valuation Date, the sum of the values calculated for each Reference Item in the Basket as (a) the Ranked Value for such Reference Item in respect of such ST Valuation Date multiplied by (b) the relevant RI Weighting.

"**Ranked Value**" means, in respect of a ST Valuation Date, the RI Value in respect of the Reference Item with the [first][second][*specify*] Ranking in respect of such ST Valuation Date.

"**Restrike Performance**" means, in respect of a Reference Item and a ST Valuation Date (a) (i) the RI Closing Value for such Reference Item in respect of such day [plus][minus][multiplied by][divided by] (ii) the RI Closing Value for such Reference Item in respect of the immediately preceding ST Valuation Date or if none, the Strike Date (b) less [100%][Strike Percentage] [, and multiplied by (c) the FX Value]

"**RI Average Value**" means, in respect of a Reference Item and a ST Valuation Date, [(1)] the arithmetic average of [(i)][(a)] the RI Closing Value for such Reference Item in respect of each [set of] Averaging Date[s] specified in relation to such ST Valuation Date [multiplied by (ii) the FX Value] [divided by (b) the RI Initial Value for such Reference Item [minus (2) [100%][Strike Percentage]]] [(expressed as a percentage)].

"**RI Closing Value [1][2]**" means, in respect of a Reference Item and a ST Valuation Date:

(a) if the relevant Reference Item is a Share Index, the Settlement Level (as defined in the Equity Linked Conditions);

(b) if the relevant Reference Item is a Share, the Settlement Price (as defined in the Equity Linked Conditions);

(c) if the relevant Reference Item is an Inflation Index, the Relevant Level (as defined in the Inflation Linked Conditions);

(d) if the relevant Reference Item is an ETF, the Settlement Price (as defined in the ETF Linked Conditions);

(e) if the relevant Reference Item is a Fund Share of an ETF, the Settlement Price (as defined in the Fund Linked Conditions);

(f) if the relevant Reference Item is a Fund, the NAV per Fund Share (as defined in the Fund Linked Conditions);

(g) if the relevant Reference Item is a Subject Currency, the Settlement Price (as defined in the Foreign Exchange (FX) Rate Linked Conditions);

(h) if the relevant Reference Item is a rate of interest or Rate, the Reference Item Rate;

(i) if the relevant Reference Item is a Reference Spread, the Reference Spread, and

(j) if the Reference Item is an EUA Contract, the Settlement Price (as defined in the EUA Contract Linked Conditions).

in each case in respect of such ST Valuation Date.

"**RI Composite Value**" means, in respect of a Reference Item and a ST Valuation Date, the [highest or equal highest of][lowest or equal lowest of][arithmetic average of] the RI Average Values in respect of such ST Valuation Date.

"**RI FX Level**" means, for the purpose of converting an amount in respect of a Reference Item into the Specified Currency on [*specify date(s)*] [*insert relevant rate and, if applicable, observation time*][(or any successor to such page or service) or if it is not reasonably practicable to determine the RI FX Level from such source, the RI FX Level will be determined by the Calculation Agent as the rate it determines would have prevailed but for such impracticability by reference to such source(s) as it deems appropriate the rate at which the Calculation Agent determines the relevant Reference Item amount could be converted into the Specified Currency (expressed as the Calculation Agent determines appropriate) at or about the time and by reference to such source(s) as the Calculation Agent deems appropriate.

"**RI FX Rate**" means (i) the RI FX Level, (ii) the FX Value or (iii) the number, as specified in the relevant Pricing Supplement.

"**RI FX Strike Level**" means, in respect of a Reference Item, [*specify rate*][FX Closing Level][FX Maximum Level][FX Minimum Level][FX Average Level].

"**RI Growing Average Value**" means, in respect of a Reference Item and a ST Valuation Date, the arithmetic average of [(a)][(i)] the RI Closing Value for such Reference Item in respect of each Averaging Date[s] specified in relation to such ST Valuation Date on which the RI Closing Value is [equal to or][higher than] the RI Closing Value in respect of the immediately preceding Averaging Date or if none, the RI Initial Value, divided by [(ii)] the relevant RI Initial Value [multiplied by (b) the FX Value].

"**RI Initial Value**" means, in respect of a Reference Item, [*specify price*] [Initial Closing Price] [Initial Maximum Price] [Initial Minimum Price][Initial Average Price] [Barrier Initial Price] [Barrier Initial Maximum Price] [Barrier Initial Minimum Price] [Barrier Initial Average Price].

"**RI Intraday Level**" means:

(a) if the relevant Reference Item is a Share Index, the Intraday Level; or

(b) if the relevant Reference Item is a Share or an ETF or a Fund Share or a Subject Currency, the Intraday Price.

"**RI Intraday Value**" means, in respect of a Reference Item and a ST Valuation Date, [(a)] (i) the RI Intraday Level for such Reference Item in respect of such ST Valuation Date (ii) divided by the relevant RI Initial Value [multiplied by (b) FX Value].

"**RI Inverse Value**" means, in respect of a Reference Item and a ST Valuation Date, [(a)] (i) the RI Initial Value divided by (ii) the [RI Closing Value][RI Average Value] for such Reference Item in respect of such ST Valuation Date [multiplied by (b) the FX Value].

"**RI Restrike Value**" means, in respect of a Reference Item and a ST Valuation Date (a) the RI Closing Value for such Reference Item in respect of such ST Valuation Date divided by (b) the RI Closing Value for such Reference Item in respect of the immediately preceding ST Valuation Date or if none, the Strike Date.

"**RI Value**" means, in respect of a Reference Item and a [ST Valuation Date][ST FR Valuation Date] [Redemption Valuation Date][ST DB Valuation Date][ST Coupon Valuation Date], [(l)][(a)] (i) the [RI Closing Value] [RI Average Value] for such Reference Item in respect of such [ST Valuation Date][ST FR Valuation Date] [Redemption Valuation Date][ST DB Valuation Date][ST Coupon Valuation Date] [minus the relevant RI Initial Value][, divided by (ii) the relevant RI Initial Value [(expressed as a percentage)][multiplied by (b) the FX Value] [minus (2) [100%][Strike Percentage]]].

"**Worst Intraday Value**" means, in respect of a ST Valuation Date, the RI Intraday Value for the Reference Item(s) with the lowest or equal lowest RI Intraday Value for any Reference Item in the Basket in respect of such ST Valuation Date.

"**Worst Inverse Value**" means, in respect of ST Valuation Date, the RI Inverse Value for the Reference Item(s) with the lowest or equal lowest RI Inverse Value for any Reference Item in the Basket in respect of such ST Valuation Date.

"**Worst Performance"** means, in respect of a ST Valuation Date, the Performance for the Reference Item(s) [from (k[=[specify]]) to (k[=[specify]])] with the lowest or equal lowest Performance for any Reference Item in the Basket in respect of such ST Valuation Date.

"**Worst Restrike Performance [A][B]**" means, in respect of a ST Valuation Date, the Restrike Performance for the Reference Item(s) [from (k[=[specify]]) to (k[=[specify]])] with the lowest or equal lowest Restrike Performance for any Reference Item in the Basket in respect of such ST Valuation Date.

"**Worst Value**" means, in respect of a ST Valuation Date, the RI Value for the Reference Item(s) with the lowest or equal lowest RI Value for any Reference Item in the Basket in respect of such ST Valuation Date.

4.3 Dates and Periods

Payments of interest and principal on the Notes may be associated with ST Valuation Dates and/or ST Valuation Periods, as the case may be, as specified in the Pricing Supplement. For the avoidance of doubt, several set of dates may be used for the determination and calculation of a particular payout.

"**Final Interest Payment Date**" means the Maturity Date.

"**Final ST Coupon Valuation Date**" means the last ST Coupon Valuation Date.

"**Range Accrual Cut-Off Date**" means [in respect of [each][a] Reference Item [(k)] and] [in respect of any [Range Period] [*specify other period*] [the][each] date specified as such in the Pricing Supplement] or, otherwise, the date falling [*specify number*] [calendar days] [Business Days] [Scheduled Trading Days [as defined in the [*specify*] Conditions] [*specify other*] before the [Range Period End Date] [*specify other*].

"**Range Accrual Day**" means [an Exchange Business Day][a Scheduled Trading Day][a Business Day][an Interest Determination Date][a calendar day][an Observation Date][*specify*].

"**Range Period**" means [*specify period*][each][the][Interest Period] [and the final date of each such period, the "**Range Period End Date**"].

"**ST Coupon Valuation Date(s)**" means each [Scheduled Trading Day][Business Day][calendar day][Observation Date][Averaging Date][Coupon Valuation Date][Strike Date][Interest Determination Date][Interest Payment Date][Determination Date][Knock-in Determination Day][Knock-out Determination Day][Settlement Level Date][Settlement Price Date][Valuation Date][Range Accrual Day][ST Valuation Date] [and] [Range Period End Date].

"**ST Coupon Valuation Period**" means [the period from and including [*specify*][the relevant ST Coupon Valuation Period Start Date] to and including [*specify*][the relevant ST Coupon Valuation Period End Date][each][the][Interest Period][Range Period].

"**ST Coupon Valuation Period End Date**" means [*specify date(s)*].

"**ST Coupon Valuation Period Start Date**" means [*specify date(s)*].

"**ST DB Valuation Date**" means [a Scheduled Trading Day][a Business Day][a calendar day][an Observation Date][*specify*].

"**ST DB Valuation Period**" means [the period from and including [*specify*] to and including [*specify*]][the period from but excluding the Strike Date to and including the Redemption Valuation Date]].

"**ST ER Valuation Date**" means each [Averaging Date][Settlement Level Date][Settlement Price Date][Determination Date][Calculation Date][Automatic Early Redemption Valuation Date][Knock-in Determination Day][Knock-out Determination Day].

"**ST ER Valuation Period**" means the period from and including [*specify*] to and including [*specify*].

"**ST FR Valuation Date**" means each [Averaging Date][Settlement Level Date][Settlement Price Date][Determination Date][Calculation Date][Automatic Early Redemption Valuation Date][Valuation Date][Knock-in Determination Day][Knock-out Determination Day][Coupon Valuation Date][Redemption Valuation Date].

"**ST FR Valuation Period**" means the period from and including [*specify*] to and including [*specify*].

"**ST Redemption Valuation Date**" means each [Averaging Date][ST Valuation Date][Redemption Valuation Date][Settlement Level Date][Settlement Price Date][Determination Date][Calculation Date][Automatic Early Redemption Valuation Date][Valuation Date][Knock-in Determination Day][Knock-out Determination Day].

"**ST Redemption Valuation Period**" means the period from and including [*specify*] to and including [*specify*].

"**ST Valuation Period**" means each [ST Coupon Valuation Period][ST ER Valuation Period][ST FR Valuation Period][ST Redemption Valuation Period][Automatic Early Redemption Valuation Period][Knock-in Determination Period][Knock-out Determination Period][ST DB Valuation Period].

"**Target Determination Date**" means [*specify date(s)*].

"**Target Final Interest Period**" means the Interest Period ending on but excluding the Maturity Date.

"**Trigger Condition Date**" means the first [ST DB Valuation Date][ST Coupon Valuation Date] in respect of which a Trigger Condition has been satisfied.

4.4 Conditional Conditions

If one or more conditions defined below are applicable for the determination and calculation of a payout formula(e), the definition shall be inserted, completed and adjusted in the Pricing Supplement in order to take into account any value definitions in Payout Condition 4.2, relevant Date(s) and or Periods, and/or other Variable Data.

"**Barrier Count Condition**" shall be satisfied if, in respect of a ST Coupon Valuation Date, the Coupon Barrier Value on such ST Coupon Valuation Date, as determined by the Calculation Agent, is [greater than][less than][equal to or greater than][less than or equal to] the Coupon Barrier.

"**Booster Condition**" shall be satisfied if, in respect of a [ST Valuation Date][ST Valuation Period], the Booster Value [on each Observation Date in respect of such [ST Valuation Date][in respect of such ST Valuation Period], as determined by the Calculation Agent, is [greater than][less than][equal to or greater than][less than or equal to] the Booster Level.

"**Cappuccino Barrier Condition**" means, in respect of a ST Valuation Date, that the Coupon Barrier Value on such ST Valuation Date, as determined by the Calculation Agent, is [greater than][less than][greater than or equal to][less than or equal to] the Coupon Barrier.

"**Coupon Barrier Condition [1]|[2]|[3]|[4]**" means, in respect of [a ST Valuation Date][a ST Coupon Valuation Date][a ST Valuation Period], that the Coupon Barrier Value in respect of such [ST Valuation Date][ST Coupon Valuation Date][ST Valuation Period], as determined by the Calculation Agent, is [greater than][less than][greater than or equal to][less than or equal to] Coupon Barrier [1][2][3][4] [[but is][or is][greater than][less than][greater than or equal to][less than or equal to] [the] Coupon Barrier [1][2][3][4]].

"**Digital Coupon Condition 1**" means:

(a) in respect of Reference Item 1, that the Coupon Barrier Value for Reference Item 1 for the relevant [ST Coupon Valuation Date][ST Coupon Valuation Period] is [(i)] [greater than][less than][equal to or greater than][less than or equal to], the Coupon Barrier 1 [and (ii) [greater than][less than][equal to or greater than][less than or equal to] the Coupon Barrier 2][*insert (ii) if a Coupon Barrier 2 is specified*][; and

(b) in respect of Reference Item 2, that the Coupon Barrier Value for Reference Item 2 for the relevant [ST Coupon Valuation Date][ST Coupon Valuation Period] is [(i)] [greater than][less than][equal to or greater than][less than or equal to] the Coupon Barrier 1 [and (ii) [greater than][less than][equal to or greater than][less than or equal to], the Coupon Barrier 2][*insert (ii) if a Coupon Barrier 2 is specified*]][*insert (b) if Reference Item 2 is specified*].

"**Digital Coupon Condition 2**" means:

(a) in respect of Reference Item 1, that the Coupon Barrier Value for Reference Item 1 for the relevant [ST Coupon Valuation Date] [ST Coupon Valuation Period] is [(i)] [greater than][less than][equal to or greater than][less than or equal to] the Coupon Barrier 3 [and (ii) [greater than][less than][equal to or greater than][less than or equal to] the Coupon Barrier 4][*insert (ii) if a Coupon Barrier 4 is specified*][; and

(b) in respect of Reference Item 2, that the Coupon Barrier Value for Reference Item 2 for the relevant [ST Coupon Valuation Date][ST Coupon Valuation Period] is [(i)] [greater than][less than][equal to or greater than][less than or equal to] the Coupon Barrier 3 [and (ii) [greater than][less than][equal to or greater than][less than or equal to], the Coupon Barrier 4][*insert (ii) if a Coupon Barrier 4 is specified*]][*insert (b) if Reference Item 2 is specified*].

"**Final Redemption Condition**" means, in respect of a [ST Valuation Date][ST Valuation Period], that the Final Redemption Value in respect of [such ST Valuation Date][such ST Valuation Period], as determined by the Calculation Agent is [greater than][less than][equal to or greater than][less than or equal to] the Final Redemption Condition Level.

"**Final Redemption Condition 1**" means, in respect of a [ST Valuation Date][ST Valuation Period], that the Final Redemption Value [on such ST Valuation Dates] [in respect of such ST Valuation Period], as determined by the Calculation Agent is [greater than][less than][equal to or greater than][less than or equal to] the Final Redemption Condition Level 1.

"**Final Redemption Condition 2**" means, in respect of a [ST Valuation Date] [ST Valuation Period] that the Final Redemption Value on such [ST Valuation Date] [in respect of such ST Valuation Period], as determined by the Calculation Agent is [greater than][less than][equal to or greater than][less than or equal to] Final Redemption Condition Level [1][, but is [greater than][less than][equal to or greater than][less than or equal to] the Final Redemption Condition Level 2.]

"**Lock in**" will have occurred if "**(xxviii) "Rate of interest (xxviii) – Lock in"** (A) has been satisfied provided that (B) or (C) are not also satisfied".

"**Optional Redemption Condition**" means that at any time on any [SER Scheduled Trading Day/NYC Business Date/Business Day/day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in [*specify cities*]] in the period from and including [*insert*] to and including [*insert date/*the SER Valuation Date] the FX Forward Rate is [equal to or] greater than [*insert rate*], as determined by the Calculation Agent.]

"**Podium Condition**" shall be satisfied if, in respect of a Reference Item and a ST Valuation Date, the Final Redemption Value for such Reference Item on such ST Valuation Date, as determined by the Calculation Agent, is [greater than][less than][greater than or equal to][less than or equal to] the Final Redemption Condition Level.

"**Range Accrual Countdown Condition**" [, subject as provided below,] will be deemed satisfied if, in respect of each Range Accrual Day [in the[relevant] Range Period [(n)]][from and including [*specify*] to [and including][but excluding] [*specify*] for [each] Reference Item (k[=[*specify*]]), the Coupon Barrier Value for each such Reference Item in respect of such Range Accrual Day is [(i)] [greater than][less than][equal to or greater than][equal to or less than] the relevant [Upper][Lower] Coupon Barrier [*specify number*][and (ii) [greater than][less than][equal to or greater than][equal to or less than] the relevant [Upper][Lower] Coupon Barrier [*specify number*]](*insert (ii) if a Coupon Barrier [specify number] is specified*) [as specified in the table below]:

(*Replicate and complete the above definition multiple times as necessary or complete the below table*)

Range Period n	**From (and including)**	**To (but excluding)**	**Applicable Reference Item (k)**	**[Lower] Coupon Barrier**	**[Upper Coupon Barrier]**
[*specify*]	[*specify date*][Interest Payment Date Falling in [*specify*]]	[*specify date*][Interest Payment Date Falling in [*specify*]]	[k=(n)] [*specify*]	[*specify*][%]	[*specify*][%]
[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]

Specific Provisions for Range Accrual Countdown Condition:

[In respect of [each] Reference Item (k) and] a Range Accrual Day [(other than a Range Accrual Stub Day)] which is not a [Business Day [for such Reference Item [(k)]]][Scheduled Trading Day or is a Disrupted Day][*specify*] for such Reference Item [(k)], the Coupon Barrier Value for such Reference Item [(k)] on such day shall be the Coupon Barrier Value for such Reference Item [(k)] on the immediately preceding [Business Day[for such Reference Item [(k)]]][Scheduled Trading Day that was not a Disrupted Day][*specify*]. [The above provisions with regard to the consequences of a Disrupted Day or a day not being a Scheduled Trading Day will prevail over consequences provided for in any applicable Annex or the Conditions.]

[In respect of [each] Reference Item (k) and the relevant Range Period, the Coupon Barrier Value in respect of such Reference Item [(k)] for each Range Accrual Day after the relevant Range Accrual Cut-Off Date to (and excluding) the Range Period End Date (each a "**Range Accrual Stub Day**") will be deemed to be the Coupon Barrier Value as of such Range Accrual Cut-off Date.]

"**Range Accrual Coupon Condition**" [subject as provided below] will be deemed satisfied if:

(a) in respect of Reference Item (k=1), that the Coupon Barrier Value for such Reference Item for the relevant Range Accrual Day [in the applicable Range Period] is [(i)] [greater than][less than][equal to or greater than][less than or equal to] the relevant Coupon Barrier 1 [and (ii) [greater than][less than][equal to or greater than][less than or equal to], the relevant Coupon Barrier 2](*insert (ii)* if a Coupon Barrier 2 is specified)[; and

(b) [in respect of Reference Item(k=n), that the Coupon Barrier Value for such Reference Item for the relevant Range Accrual Day [in the applicable Range Period [(n)][from and including [*specify*] to [and including][but excluding][[*specify*] [for [each] Reference Item (k[=[*specify*]])]] is [(i)] [greater than][less than][equal to or greater than][less than or equal to] the relevant [Upper][Lower] Coupon Barrier [*insert number*] and [(ii) [greater than][less than][equal to or greater than][less than or equal to], the relevant [Upper][Lower] Coupon Barrier [*insert number*]](*insert (ii) if a Coupon Barrier [insert number] is specified)*] [as specified in the table below](*insert this paragraph (b) if Reference Item(k=n) is specified*).

Range Period n	**From (and including)**	**To (but excluding)**	**Applicable Reference Item (k)**	**[Lower] Coupon Barrier**	**[Upper Coupon Barrier]**
[*specify*]	[*specify date*][Interest Payment Date Falling in [*specify*]]	[*specify date*][Interest Payment Date Falling in [*specify*]]	[k=(n)] [*specify*]	[*specify*][%]	[*specify*][%]
[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]

Specific Provisions for Range Accrual Coupon Condition:

[In respect of [each] Reference Item (k) and] a Range Accrual Day [(other than a Range Accrual Stub Day)] which is not a [Business Day [for such Reference Item [(k)]]][Scheduled Trading Day which is not a Disrupted Day][*specify*] for such Reference Item [(k)], the Coupon Barrier Value for such Reference Item [(k)] on such day shall be the Coupon Barrier Value for such Reference Item [(k)] on the immediately preceding [Business Day [for such Reference Item [(k)]]][Scheduled Trading Day that was not a Disrupted Day][*specify*]. [The above provisions with regard to the consequences of a Disrupted Day or a day not being a Scheduled Trading Day will prevail over consequences provided for in any applicable Annex.]

[In respect of [each] Reference Item (k) and the relevant Range Period, the Coupon Barrier Value in respect of such Reference Item [(k)] for each Range Accrual Day after the relevant Range Accrual Cut-off

Date to (but excluding) the Range Period End Date (each a "**Range Accrual Stub Day**") will be deemed to be the Coupon Barrier Value as of such Range Accrual Cut-off Date.]

(*Repeat any of the above paragraphs where relevant in relation to each Reference Item*)

"**Switch Condition**" shall be satisfied if, in respect of any ST Valuation Date, the Issuer delivers on or prior to the [●][th/st/rd] Business Day before the ST Valuation Date, or has in respect of a previous ST Valuation Date delivered, a notice to the Holders in accordance with Condition 14 (*Notices)* specifying that it is exercising the Switch Condition in respect of the Notes.

"**Trigger Condition**" shall be satisfied if, in respect of any [ST DB Valuation Date][ST Coupon Valuation Date] during the [ST DB Valuation Period][ST Coupon Valuation Period], the [Dropback Value] on such [ST DB Valuation Date][ST Coupon Valuation Date], as determined by the Calculation Agent, is [less than][greater than][less than or equal to][greater than or equal to] any Trigger Barrier(i)[, provided that if [Dropback Value] in respect of a single [ST DB Valuation Date][ST Coupon Valuation Date] satisfies more than one Trigger Barrier(i), the number of Trigger Conditions deemed satisfied in respect of such [ST DB Valuation Date][ST Coupon Valuation Date] will be equal to the number of Trigger Barriers so breached].

4.5 Enumeration Convention

Without prejudice to any other provision of these Payout Conditions and as a general rule the following suffixes in relation to the payout terms will be used. Other suffix terms may be selected and may be included in the Pricing Supplement with other definitions or provisions from the Payout Conditions:

"**i**" [from i = [*specify*] to i = [*specify*]] or "**m**" [from m = [*specify*] to m = [*specify*]] in relation to the relevant ST Valuation Date or ST Valuation Period.

"**j**" [from j = [*specify*] to j = [*specify*]] means the relevant Strike Date.

"**k**" [from k = [*specify*] to k = [*specify*]] means the relevant Reference Item.

"**q**" [from q = [*specify*] to q = [*specify*]] or "**t**" [from t = [*specify*] to t = [*specify*]] means the relevant Observation Date or ST Valuation Date.

Any of these suffixes will be inserted, completed and explained, if necessary, in the Pricing Supplement and may be tabulated, especially where two or more suffixes apply.

[each date specified as such below [*set out relevant table*]:

k	**ST Valuation Date**	**[Set(s) of] Averaging Dates**
[*specify*]	[*insert date*]	Set n: [*insert dates or describe dates. E.g. "The last [specify] Scheduled Trading Days of [month, year]] [Repeat as necessary for each set n*]
[*Repeat as necessary in each row*]	[*Repeat as necessary in each row.*]	[*Repeat as necessary in each row.*]

5. Settlement Exchange Rate Provisions

If Settlement Exchange Rate Provisions and Settlement Currency Payment are both specified as applicable in the Pricing Supplement, then notwithstanding the Notes are denominated in, and calculations made in respect of, the Specified Currency (the "**SER Subject Currency**"), all payments shall be made in the Settlement Currency (the "**Settlement Currency**" or the "**SER Base Currency**").

The Calculation Agent will determine the amount to be paid in the SER Base Currency by applying the Settlement Exchange Rate to the amount that would have been payable in the SER Subject Currency were it not for the provisions of this Payout Condition 5.

Any such payment shall be made on the date such payment would have otherwise been due provided that, if limb (b) of the definition of "Settlement Exchange Rate" below applies, such payment may be deferred in accordance with Payout Condition 5.1(e) below if the SER Valuation Date is postponed as set out herein. No additional interest or other amount shall be payable in respect of any such delay.

If Settlement Exchange Rate Provisions are specified as applicable in the Pricing Supplement but Settlement Currency Payment is specified as not applicable then instead of the above procedures the Calculation Agent will determine the Settlement Exchange Rate to be used in the determination of the Final Payout. The Maturity Date or Optional Redemption Date may also be deferred in accordance with Payout Condition 5.1(e) below if the SER Valuation Date is postponed as set out herein. No additional interest or other amount will be payable in respect of any such delay.

5.1 SER Valuation and Disruption Provisions

The provisions of this Payout Condition 5.1 apply where Settlement Exchange Rate Provisions are specified as applicable in the Pricing Supplement and limb (b) of the definition of "Settlement Exchange Rate" below applies.

(a) SER Disruption Events

If so specified in the Pricing Supplement, the occurrence of any of the following events, in respect of any SER Base Currency and/or SER Subject Currency, shall be a "**SER Disruption Event**":

(i) Price Source Disruption;

(ii) Illiquidity Disruption;

(iii) Dual Exchange Rate;

(iv) General Inconvertibility;

(v) General Non-Transferability;

(vi) Material Change in Circumstance;

(vii) Nationalisation;

(viii) Price Materiality; and/or

any other event that, in the opinion of the Calculation Agent, is analogous to any of (i) to (viii) above (inclusive).

The Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 14 (*Notices)* of the occurrence of a SER Disrupted Day on any day that, but for the occurrence of the SER Disrupted Day, would have been a SER Valuation Date.

(b) Consequences of a SER Disruption Event

Upon a SER Disruption Event occurring or continuing on any SER Valuation Date (or, if different, the day on which prices for that date would, in the ordinary course, be published by the relevant SER Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply in determining the consequences of the SER Disruption Event: (a) Calculation Agent Determination where the applicable SER Disruption Event is other than Price Source Disruption or Price Materiality; and (b) the applicable SER Disruption Fallback where the applicable SER Disruption Event is a Price Source Disruption or Price Materiality.

(c) SER Unscheduled Holiday

If the Calculation Agent determines that a date that would otherwise have been a SER Valuation Date is a SER Unscheduled Holiday in respect of the SER Subject Currency, then such date shall be the immediately succeeding SER Scheduled Trading Day after the occurrence of the SER Unscheduled Holiday, subject as provided above, and provided that if such SER Valuation Date has not occurred on or before the SER Maximum Days of Postponement then the next SER Scheduled Trading Day after such period that would have been a SER Scheduled Trading Day but for the SER Unscheduled Holiday shall be deemed to be the relevant date for valuation and the Settlement Exchange Rate shall be determined by the Calculation Agent on such day in its sole discretion acting in good faith having taken into account relevant market practice and by reference to such additional source(s) as it deems appropriate.

(d) SER Cumulative Events

If "SER Cumulative Events" is specified as applicable in the Pricing Supplement in respect of a SER Subject Currency then, in no event shall the total number of consecutive calendar days during which a SER Valuation Date is deferred due to either (i) a SER Unscheduled Holiday or (ii) a SER Valuation Postponement (or a combination of both (i) and (ii)) exceed the SER Maximum Cumulative Days of Postponement in the aggregate. If a SER Valuation Date is postponed by the number of calendar days equal to the SER Maximum Cumulative Days of Postponement and at the end of such period (i) a SER Unscheduled Holiday shall have occurred or be continuing on the day immediately following such period (the "**Final Day**"), then such Final Day shall be deemed to be the relevant SER Valuation Date and (ii) if a Price Source Disruption shall have occurred or be continuing on the Final Day, then Valuation Postponement shall not apply and the Settlement Exchange Rate shall be determined in accordance with the next applicable SER Disruption Fallback.

(e) Postponement of payment or settlement days

Where any SER Valuation Date is postponed as a consequence of the provisions of this Payout Condition 5.1, then the corresponding date for payment shall fall on the later of (a) the date for such payment otherwise determined in accordance with the Pricing Supplement and (b) the day falling the SER Number of Postponement Settlement Days specified in the Pricing Supplement (or, if none are so specified, two Business Days) after the SER Valuation Date.

5.2 Consequences of a SER Additional Disruption Event

Other than where limb (a) of the definition of "Settlement Exchange Rate" below applies, if the Calculation Agent determines that a SER Additional Disruption Event has occurred, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Condition 14 (*Notices)*. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note, taking into account the SER Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 (*Notices)*.

5.3 Definitions

"**Change in Law**" means that, on or after the Trade Date (as specified in the Pricing Supplement) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes.

"**Dual Exchange Rate**" means that any of the SER Base Currency and/or SER Subject Currency splits into dual or multiple currency exchange rates.

"**General Inconvertibility**" means the occurrence of any event that generally makes it impossible to convert a SER Subject Currency into the SER Base Currency or *vice versa* in a SER Subject Currency Jurisdiction through customary legal channels.

"**General Non-Transferability**" means the occurrence of any event that generally makes it impossible to deliver (A) the SER Base Currency from accounts inside a SER Subject Currency Jurisdiction to accounts outside a SER Subject Currency Jurisdiction or (B) the SER Subject Currency between accounts inside a SER Subject Currency Jurisdiction or to a party that is a non-resident of a SER Subject Currency Jurisdiction.

"**Governmental Authority**" means (i) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank), in each case in any relevant jurisdiction.

"**Hedging Disruption**" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"**Illiquidity Disruption**" means the occurrence of any event in respect of any of the SER Base Currency and/or SER Subject Currency whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent to hedge its obligations under the Notes (in one or more transaction(s)) on the relevant SER Valuation Date (or, if different, the day on which rates for such SER Valuation Date would, in the ordinary course, be published or announced by the relevant SER Price Source).

"**Increased Cost of Hedging**" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"**Material Change in Circumstance**" means the occurrence of any event (other than those events specified as SER Disruption Events) in the SER Subject Currency Jurisdiction beyond the control of the parties to a hedging arrangement in respect of the Notes which makes it impossible (A) for a party to fulfil its obligations under the hedging arrangement or (B) generally to fulfil obligations similar to such party's obligations under that hedging arrangement.

"**Nationalisation**" means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives a party to a hedging arrangement in respect of the Notes of all or substantially all of its assets in the SER Subject Currency Jurisdiction.

"**Price Materiality**" means that, in the determination of the Calculation Agent, the SER Primary Rate differs from any SER Secondary Rate by at least the SER Price Materiality Percentage or if there are insufficient responses on the relevant SER Valuation Date to any survey used to calculate any such rate, then the SER Price Materiality Percentage will be deemed to be met.

"**Price Source Disruption**" means that it becomes impossible to obtain the rate or rates from which the Settlement Exchange Rate is calculated.

"**Relevant Screen Page**" means the relevant page specified as such in the Pricing Supplement or any successor to such page or service acceptable to the Calculation Agent, including within the Price Source if applicable.

"**Settlement Currency**" or "**SER Base Currency**" means the currency specified as such in the Pricing Supplement.

"**Settlement Exchange Rate**" means (a) the rate specified as such in the Pricing Supplement or (b) if no such rate is specified and, subject as referred to in Payout Condition 5.1 above, (x) where Settlement Currency Payment is applicable, the rate of exchange appearing on the SER Price Source at the SER Valuation Time on the relevant SER Valuation Date for the exchange of the SER Subject Currency per one unit of the SER Base Currency or (y) where Settlement Currency Payment is not applicable, the SER Base Currency into the Specified Currency, in each case for settlement on the SER Number of Settlement Days.

"**SER Additional Disruption Event**" means any of Change in Law, Hedging Disruption or Increased Cost of Hedging, in each case if specified in the Pricing Supplement.

"**SER Disrupted Day**" means any SER Scheduled Trading Day on which the Calculation Agent determines that a SER Disruption Event has occurred.

"**SER Disruption Fallback**" means a source or method that may give rise to an alternative basis for determining the Settlement Exchange Rate when a SER Disruption Event occurs or exists on a day that is a SER Valuation Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the SER Price Source) being, in respect of a SER Subject Currency, any of Calculation Agent Determination, First Fallback Reference Price, Second Fallback Reference Price and Valuation Postponement, as so specified in the Pricing Supplement for such SER Subject Currency. Where more than one SER Disruption Fallback is so specified then such SER Disruption Fallbacks shall apply in the order in which they are specified in the Pricing Supplement until the Settlement Exchange Rate can be determined for such exchange rate relating to that SER Subject Currency for such SER Valuation Date.

Where:

"**Calculation Agent Determination**" means that the Calculation Agent shall determine the Settlement Exchange Rate taking into consideration all information that it deems relevant.

"**First Fallback Reference Price**" means that the Calculation Agent shall determine the Settlement Exchange Rate by reference to the applicable First Fallback Reference Price and, for which purpose, references in the definition of Settlement Exchange Rate to "SER Price Source", "SER Valuation Time" and "SER Number of Settlement Days" shall be construed, respectively, to be to "SER First Fallback Price Source", "SER First Fallback Valuation Time" and "SER First Fallback Number of Settlement Days" (in each case, where such terms shall have the meanings given to them in the Pricing Supplement).

"**Second Fallback Reference Price**" means that the Calculation Agent shall determine the Settlement Exchange Rate by reference to the applicable Second Fallback Reference Price and, for which purpose, references in the definition of Settlement Exchange Rate to "SER Price Source", "SER Valuation Time" and "SER Number of Settlement Days" shall be construed, respectively, to be to "SER Second Fallback Price Source", "SER Second Fallback Valuation Time" and "SER Second Fallback Number of Settlement Days" (in each case, where such terms shall have the meanings given to them in the Pricing Supplement).

"**Valuation Postponement**" means that the Settlement Exchange Rate shall be determined on the immediately succeeding SER Scheduled Trading Day which is not a SER Disrupted Day unless the Calculation Agent determines that no such SER Scheduled Trading Day which is not a SER Disrupted Day has occurred on or before the day falling the SER Maximum Days of Postponement following the originally designated SER Valuation Date, as the case may be. In such event, the Settlement Exchange Rate shall be determined on the next SER Scheduled Trading Day after the SER Maximum Days of Postponement (notwithstanding the fact that day may be a SER Disrupted Day) in accordance with the next applicable SER Disruption Fallback.

"**SER Maximum Cumulative Days of Postponement**" means the number of days specified as such in the Pricing Supplement or, if no such number is specified, 30 calendar days.

"**SER Maximum Days of Postponement**" means the number of days specified as such in the Pricing Supplement or, if no such number is specified, 30 calendar days.

"**SER Number of Settlement Days**" means, in respect of a SER Subject Currency, the number of days on which commercial banks are open (or, but for the occurrence of a SER Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the or each SER Settlement Day Centre specified as such in the Pricing Supplement (each, a "**SER Settlement Day**"). Where no such number or zero is so specified, then such rate shall be for settlement on the same day.

"**SER Price Materiality Percentage**" means the percentage specified as such in the Pricing Supplement or, if no such percentage is specified, 3%.

"**SER Price Source**" means the price source(s) specified as such in the Pricing Supplement (or any successor to such price source(s) as determined by the Calculation Agent).

"**SER Primary Rate**" means the rate specified as such in the Pricing Supplement.

"**SER Scheduled Trading Day**" means a day on which commercial banks are open (or, but for the occurrence of a SER Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the or each SER Scheduled Trading Day Jurisdiction specified in the Pricing Supplement provided that where the SER Subject Currency is BRL, then notwithstanding the foregoing, if the relevant SER Valuation Date falls on a date that, as the Trade Date, is not a scheduled day on which commercial banks are open (or, but for the occurrence of a SER Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in New York City (an "**NYC Business Day**"), then no adjustment to such date shall be made on account of the fact that such date is not an NYC Business Day.

"**SER Secondary Rate**" means the rate specified as such in the Pricing Supplement.

"**SER Subject Currency**" means the currency specified as such in the Pricing Supplement.

"**SER Subject Currency Jurisdiction**" means each country for which the SER Subject Currency is the lawful currency.

"**SER Unscheduled Holiday**" means a day that is not a SER Scheduled Trading Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in the principal financial centre of the SER Subject Currency two SER Scheduled Trading Days prior to the relevant scheduled SER Valuation Date.

"**SER Valuation Date**" means any date specified as such in the Pricing Supplement or, if such day is not a SER Scheduled Trading Day, the immediately preceding SER Scheduled Trading Day and, in the event of a SER Unscheduled Holiday, subject to adjustment as set out in Payout Condition 5.1(c) above, unless, in the opinion of the Calculation Agent, the resultant day is a SER Disrupted Day, in which case the provisions of Payout Condition 5.1(b) shall apply. Where the amount so due is the Early Redemption Amount, then the SER Valuation Date shall be deemed to be the fifth SER Scheduled Trading Day prior to the date of early redemption of the Notes.

"**SER Valuation Time**" means, unless otherwise specified in the Pricing Supplement, the time at which the SER Price Source publishes the relevant rate or rates from which the Settlement Exchange Rate is calculated.

6. FX Factor

Where the Pricing Supplement specifies that a FX Factor applies to an amount payable under the Notes, such amount will include an adjustment by reference to the relevant FX Factor, and all relevant amounts will be as determined by the Calculation Agent.

For these purposes:

"**Automatic Early Redemption Valuation Date**" has the meaning given in Foreign Exchange (FX) Rate Linked Note Condition 5 above.

"**Coupon Valuation Date**" means the date specified as such in the Pricing Supplement.

"**FX Factor**" means the FX Factor Final Level divided by the FX Factor Initial Level or, if so specified in the Pricing Supplement, the FX Factor Initial Level divided by the FX Factor Final Level.

"**FX Factor Final Averaging Date**" means each of [*insert each relevant day which may be a specified day or may be a type of date from the Payout Conditions or elsewhere in the Conditions*] [or if any such day is not a [Business Day/*insert another type of day from the Payout Conditions or elsewhere in the Conditions*] the relevant FX Factor Final Averaging Date will be the immediately [preceding/following] day which is a [Business Day/*insert another type of day from the Payout Conditions or elsewhere in the Conditions*] regardless of whether or not this would coincide with another FX Factor Final Averaging Date].

"**FX Factor Final Level**" means [the FX Factor Final Reference Level in respect of the [FX Factor Final Valuation Date][the arithmetic average of the FX Factor Final Reference Levels on each FX Factor Final Averaging Date]] [the Settlement Price for Reference Item [(k)] in respect of][[the [relevant] Coupon Valuation Date][the Redemption Valuation Date][the Automatic Early Redemption Valuation Date][the relevant Observation Date]].

"**FX Factor Final Reference Level**" means, in respect of any day, the rate for conversion of [the Specified Currency into the FX Value Reference Currency] [the FX Value Reference Currency into the Specified Currency] on such day expressed as the amount of the [Specified Currency/FX Value Reference Currency] which may be purchased with one unit of the [Specified Currency/FX Value Reference Currency] at or about [●] [a.m./p.m.] ([●] time) by reference to [such source(s) as the Calculation Agent deems appropriate] [[*specify page and service*] (or any successor to such page or service)] [or if it is not reasonably practicable to determine the FX Factor Final Reference Level from such source, the FX Factor Final Reference Level will be determined by the Calculation Agent as the rate it determines would have prevailed but for such impracticability by reference to such source(s) as it deems appropriate for the relevant conversion at or about the time on the relevant day and by reference to such source(s) which in each case the Calculation Agent deems appropriate][, all subject to the provisions of the Foreign Exchange (FX) Rate Linked Notes, for which purpose the FX Factor Final Reference Level will be deemed to be a Settlement Price].

"**FX Factor Final Valuation Date**" means [*insert day which may be a specified day or may be a type of date from the Payout Conditions or elsewhere in the Conditions*] [or if such day is not a [Business Day/*insert another type of day from the Payout Conditions or elsewhere in the Conditions*] the immediately [preceding/following] day which is a [Business Day/*insert another type of day from the Payout Conditions or elsewhere in the Conditions*]].

"**FX Factor Initial Averaging Date**" means each of [*insert each relevant day which may be a specified day or may be a type of date from the Payout Conditions or elsewhere in the Conditions*] [or if any such day is not a [Business Day/*insert another type of day from the Payout Conditions or elsewhere in the Conditions*] the relevant FX Factor Initial Averaging Date will be the immediately [preceding/following] day which is a [Business Day/*insert another type of day from the Payout Conditions or elsewhere in the Conditions*] regardless of whether or not this would coincide with another FX Factor Initial Averaging Date].

"**FX Factor Initial Level**" means [the FX Factor Initial Reference Level in respect of the FX Factor Initial Valuation Date][the arithmetic average of the FX Factor Initial Reference Levels on each FX Factor Initial Averaging Date][the Settlement Price for Reference Item [(k)] in respect of the Strike Date].

"**FX Factor Initial Reference Level**" means, in respect of any day, the rate for conversion of [the Specified Currency into the FX Value Reference Currency] [the FX Value Reference Currency into the Specified Currency] on such day expressed as the amount of the [Specified Currency/FX Value Reference Currency] which may be purchased with one unit of the [Specified Currency/FX Value Reference Currency] at or about [●] [a.m./p.m.] ([●] time) by reference to [to such source(s) as the Calculation Agent deems appropriate] [[*specify page and service*] (or any successor to such page or service)] [or if it is not reasonably practicable to determine the FX Factor Initial Reference Level from

such source, the FX Factor Initial Reference Level will be determined by the Calculation Agent as the rate it determines would have prevailed but for such impracticability by reference to such source(s) as it deems appropriate for the relevant conversion at or about the time on the relevant day and by reference to such source(s) which in each case the Calculation Agent deems appropriate][, all subject to the provisions of the Foreign Exchange (FX) Rate Linked Notes, for which purpose the FX Factor Initial Reference Level will be deemed to be a Settlement Price].

"**FX Factor Initial Valuation Date**" means [*insert day which may be a specified day or may be a type of date from the Payout Conditions or elsewhere in the Conditions*] [or if such day is not a [Business Day/*insert another type of day from the Payout Conditions or elsewhere in the Conditions*] the immediately [preceding/following] day which is a [Business Day/*insert another type of day from the Payout Conditions or elsewhere in the Conditions*]].

"**FX Value Reference Currency**" means [*specify currency*].

"**Observation Date**" has the meaning given in the Foreign Exchange (FX) Rate Linked Note Conditions.

"**Redemption Valuation Date**" means the date specified as the Redemption Valuation Date in the Pricing Supplement.

"**Settlement Price**" has the meaning given in the Foreign Exchange (FX) Rate Linked Note Conditions.

"**Strike Date**" means the Strike Date specified in the Pricing Supplement.

8. **UVR Inflation-Adjusted Notes**

If UVR Inflation-Adjusted Notes provisions are specified in the Pricing Supplement:

(a) Where the SER Subject Currency is Colombian Pesos ("**COP**") and UVR Inflation-Adjusted Notes are specified as applicable in the Pricing Supplement then all amounts of interest and principal denominated in COP (each a "**Relevant COP Amount**") will be multiplied by the relevant Inflation Adjusted Rate prior to being converted into the Settlement Currency. The Inflation Adjusted Rate for each Relevant COP Amount will be determined by reference to any payment date (a "**Related Payment Date**") for payment to Noteholders of the converted Settlement Currency amount determined by reference to the adjusted Relevant COP Amount, in each case as provided below.

(b) Definitions

"**Inflation Adjusted Rate**" means in respect of a Related Payment Date, the result of (a) the UVR Index in respect of such day divided by (b) the Initial UVR Index.

"**Initial UVR Index**" means the value specified as such in the Pricing Supplement.

"**IPC**" means, with respect to any period, the Colombian Consumer Price Index (*Indice de Precios as Consumidor*) that is published monthly and certified by the National Administrative Department of the Statistics (*Departmento Administrativo Nacional de Estadistica* or "**DANE**") or by any other authority succeeding to its functions and capacities from time to time.

"**UVR Index**" means, in respect of a Related Payment Date, Unidad de Valor Real or Unidad de Valor Constante, which, as set out in Article 3 of Law 546 of 1999 of Colombia, is the unit of adjustment of the COP based on the variation of the IPC and expressed as the amount of COP per unit of UVR Index as published and outstanding at the relevant time on the website of the Colombian Central Bank: (Banco de la República de Colombia): http://www.banrep.gov.co/es/unidad-valor-real-uvr under the heading "Unidad de valor real (UVR)", calculated by the Colombia Central Bank in accordance with Resolución Externa No. 13 de 2000.

If the UVR Index is wholly replaced or substituted entirely for another unit by the Colombian Central Bank, references to UVR Index will be to the unit replacing or substituting the UVR Index to the extent that (a) such unit is determined by the Colombian Central Bank, (b) such unit is applicable to commercial transactions and (c) such unit is published on the web site of the Colombian Central Bank or another official publication in Colombia in respect of any given date. In the event (i) UVR Index is no longer published by or available from the Colombian Central Bank, or (ii) UVR Index for a determination date

is not available on the applicable determination date, UVR Index will be determined by the Calculation Agent acting in good faith and a commercially reasonable manner. In either case the Calculation Agent may make any consequential or related adjustments required to the Conditions to reflect the relevant replacement or substitution or non-publication or non-availability as it determines appropriate acting in good faith and a commercially reasonable manner.

In addition, if any change or modification is made to the UVR Index or the arrangements for its calculation or publication which would affect the Notes, then (A) the Calculation Agent may if it determines such change or modification is material make such adjustments to the Conditions to account for such change or modification as it determines appropriate acting in good faith and a commercially reasonable manner and determine the effective date of that adjustment, or (B) if the Calculation Agent determines that no adjustment that it could make under (A) will produce a commercially reasonably result, the Calculation Agent will notify the Issuer that the relevant consequence shall be the early redemption of the Notes. If the early redemption of the Notes occurs, then the Issuer will pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes. The Calculation Agent will give notice of any such adjustment or early redemption determination in accordance with Condition 14 (*Notices)*.

"**UVR Inflation-Adjusted Notes**" means Notes denominated in Colombian Pesos which are adjusted by reference to the Inflation Adjusted Rate and in respect of which payment will be made in the Settlement Currency.

9. **UDI Inflation-Adjusted Notes**

If UDI Inflation-Adjusted Notes provisions are specified in the Pricing Supplement:

(a) Where the SER Subject Currency is Mexican peso ("**MXN**") and UDI Inflation-Adjusted Notes are specified as applicable in the Pricing Supplement then all amounts of interest and principal denominated in MXN (each a "**Relevant MXN Amount**") will be multiplied by the relevant Inflation Adjusted Rate prior to being converted into the Settlement Currency. The Inflation Adjusted Rate for each Relevant MXN Amount will be determined by reference to any payment date (a "**Related Payment Date**") for payment to Noteholders of the converted Settlement Currency amount determined by reference to the adjusted Relevant MXN Amount, in each case as provided below.

(b) Definitions

"**Inflation Adjusted Rate**" means in respect of a Related Payment Date, the result of (a) the official value of the UDI Index effective as of such day divided by (b) the Initial UDI Index.

"**Initial UDI Index**" means the value specified as such in the Pricing Supplement.

"**UDI Index**" means, in respect of a Related Payment Date, a MXN equivalent unit of account indexed to inflation on a daily basis, as measured by the change in the Mexican National Consumer Price Index (*Indice Nacional de Precios al Consumidor*) pursuant to the Decree approved by the Congress of Mexico and published in the Official Diary of the Federation (*Diario Oficial de la Federación*) on April 1, 1995, expressed as the number of MXN per one UDI, as published by Banco de México on the website of Banco de México: http://www.banxico.org.mx/ (or any successor or replacement website) on or prior to the Related Payment Date.

If the UDI Index is wholly replaced or substituted entirely for another unit by Banco de México, references to UDI Index will be to the unit replacing or substituting the UDI Index to the extent that (a) such unit is determined by Banco de México, (b) such unit is applicable to commercial transactions and (c) such unit is published on the website of Banco de México or another official publication in Mexico in respect of any given date. In the event (i) UDI Index is no longer published by or available from Banco de México, or (ii) UDI Index for a determination date is not available on the applicable determination date, UDI Index will be determined by the Calculation Agent acting in good faith and a commercially reasonable manner. In either case the Calculation Agent may make any consequential or related adjustments required to the Conditions to reflect the relevant replacement or substitution or non-publication or non-availability as it determines appropriate acting in good faith and a commercially reasonable manner.

In addition, if any change or modification is made to the UDI Index or the arrangements for its calculation or publication which would affect the Notes, then (A) the Calculation Agent may if it determines such change or modification is material make such adjustments to the Conditions to account for such change or modification as it determines appropriate acting in good faith and a commercially reasonable manner and determine the effective date of that adjustment, or (B) if the Calculation Agent determines that no adjustment that it could make under (A) will produce a commercially reasonably result, the Calculation Agent will notify the Issuer that the relevant consequence shall be the early redemption of the Notes. If the early redemption of the Notes occurs, then the Issuer will pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes. The Calculation Agent will give notice of any such adjustment or early redemption determination in accordance with Condition 14 (*Notices*).

"**UDI Inflation-Adjusted Notes**" means Notes denominated in MXN which are adjusted by reference to the Inflation Adjusted Rate and in respect of which payment will be made in the Settlement Currency.

10. **UF Inflation-Adjusted Notes**

If UF Inflation-Adjusted Notes provisions are specified in the Pricing Supplement:

(a) Where the SER Subject Currency is Chilean peso ("**CLP**") and UF Inflation-Adjusted Notes are specified as applicable in the Pricing Supplement then all amounts of interest and principal denominated in CLP (each a "**Relevant CLP Amount**") will be multiplied by the relevant Inflation Adjusted Rate prior to being converted into the Settlement Currency. The Inflation Adjusted Rate for each Relevant CLP Amount will be determined by reference to any payment date (a "**Related Payment Date**") for payment to Noteholders of the converted Settlement Currency amount determined by reference to the adjusted Relevant CLP Amount, in each case as provided below.

(b) Definitions

"**Inflation Adjusted Rate**" means in respect of a Related Payment Date, the result of (a) the official value of the UF Index effective as of such day divided by (b) the Initial UF Index.

"**Initial UF Index**" means the value specified as such in the Pricing Supplement.

"**UF Index**" means, in respect of a Related Payment Date, the CLP/UF rate, expressed as the number of CLP per one UF, for settlement on the same day reported by Banco Central de Chile, which appears on Bloomberg page CLUFUF Index on such date.

If the UF Index is wholly replaced or substituted entirely for another unit by Banco Central de Chile, references to UF Index will be to the unit replacing or substituting the UF Index to the extent that (a) such unit is determined by Banco Central de Chile, (b) such unit is applicable to commercial transactions and (c) such unit is published on the relevant Bloomberg page or another official publication in Chile in respect of any given date. In the event (i) UF Index is no longer published by or available from Banco Central de Chile, or (ii) UF Index for a determination date is not available on the applicable determination date, UF Index will be determined by the Calculation Agent acting in good faith and a commercially reasonable manner. In either case the Calculation Agent may make any consequential or related adjustments required to the Conditions to reflect the relevant replacement or substitution or non-publication or non-availability as it determines appropriate acting in good faith and a commercially reasonable manner.

In addition, if any change or modification is made to the UF Index or the arrangements for its calculation or publication which would affect the Notes, then (A) the Calculation Agent may if it determines such change or modification is material make such adjustments to the Conditions to account for such change or modification as it determines appropriate acting in good faith and a commercially reasonable manner and determine the effective date of that adjustment, or (B) if the Calculation Agent determines that no adjustment that it could make under (A) will produce a commercially reasonably result, the Calculation Agent will notify the Issuer that the relevant consequence shall be the early redemption of the Notes. If the early redemption of the Notes occurs, then the Issuer will pay to the Noteholders the Early Redemption Amount calculated by the Calculation Agent for each of the outstanding Notes. The Calculation Agent will give notice of any such adjustment or early redemption determination in accordance with Condition 14 (*Notices*).

"**UF Inflation-Adjusted Notes**" means Notes denominated in CLP which are adjusted by reference to the Inflation Adjusted Rate and in respect of which payment will be made in the Settlement Currency.

ANNEX 8
ADDITIONAL TERMS AND CONDITIONS FOR EUA CONTRACT LINKED NOTES

The terms and conditions (the "**Terms and Conditions**") applicable to EUA Contract Linked Notes shall comprise the Terms and Conditions of the Notes (the "**Conditions**") and the additional terms and conditions set out below (the "**EUA Contract Linked Conditions**"), in each case subject to completion in the Pricing Supplement. In the event of any inconsistency between the Conditions and the EUA Contract Linked Conditions, the EUA Contract Linked Conditions shall prevail In the event of any inconsistency between (i) the Conditions and/or the EUA Contract Linked Conditions and (ii) the Pricing Supplement, the Pricing Supplement shall prevail.

1. Definitions

"**Abandonment of Scheme**" means the Scheme is, as a result of official written public pronouncement by the European Community, no longer scheduled to proceed or is to be discontinued;

"**Absence of Registry Operation**" means, other than by reason of the occurrence of an Administrator Event, the absence of:

(a) the establishment of and continuing functioning of the Relevant Registry;

(b) the establishment of and continuing functioning of the EUTL;

(c) the establishment of and continuing functioning of the link between each of the Relevant Registry and the EUTL; and/or

(d) the continued functioning of the link between each of the LSTL and the EUTL;

"**Administrator Event**" means the suspension of some or all of the processes of the Relevant Registry, the EUTL or, if applicable, the LSTL, in accordance with the Registries Regulation by the relevant National Administrator or the Central Administrator (as applicable) (a) where that Relevant Registry is not operated and maintained in accordance with the provisions of the Registries Regulation, or any other applicable law, (b) for the purpose of carrying out scheduled or emergency maintenance, (c) where there has been or following reasonable suspicion of, a breach of security which threatens the integrity of the registries system (including any back up facilities) or (d) where the mutual recognition of EU Allowances under a relevant Linking Agreement has been suspended in accordance with the terms of such Linking Agreement;

"**Basket Component**" means any EUA Contract comprised in a Basket of EUA Contracts;

"**Basket of EUA Contracts**" means a basket comprising two or more EUA Contracts;

"**Central Administrator**" means the person designated by the EU Commission to operate and maintain the EUTL pursuant to Article 20(1) of the Emissions Directive;

"**Delivery Date**" means, in respect of an EUA Contract Reference Price, the relevant date or month for delivery of the underlying EUA Contract (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

(a) if the Notes are not Rolling Futures Contract Notes:

  (i) if a date is, or a month and year are, specified in the Pricing Supplement, that date or that month and year;

  (ii) if a Nearby Month is specified in the Pricing Supplement, the month of expiration of the relevant Futures Contract; and

  (iii) if a method is specified in the Pricing Supplement for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

(b) if the Notes are Rolling Futures Contract Notes, the delivery date for a futures contract selected by the Calculation Agent acting in good faith and in a commercially reasonable manner on the Futures Rollover Date or if none the Issue Date.

"**Disappearance of EUA Contract Reference Price**" means (a) the permanent discontinuation of trading, in the relevant Futures Contract or EUA Contract on the relevant Exchange or (b) the disappearance of, or of trading in, the relevant Futures Contract or EUA Contract Component or (c) the disappearance or permanent discontinuance or unavailability of a EUA Contract Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or EUA Contract;

"**Emissions Directive**" means Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, as amended from time to time;

"**EUA Contract**" means, subject to adjustment in accordance with this Annex, the EUA Contract(s) or Futures Contract(s) specified in the Pricing Supplement, and related expressions shall be construed accordingly;

"**EUA Contract Business Day**" means:

(a) in respect of a EUA Contract:

(i) where the EUA Contract Reference Price for the relevant EUA Contract is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or

(ii) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price for the relevant EUA Contract; or

(b) in the case of a Basket of EUA Contracts, a day on which the EUA Contract Reference Price in respect of all of the Basket Components is scheduled to be published or announced in accordance with (i) and (ii) above;

"**EUA Contract Disrupted Day**" means any day on which a Market Disruption Event has occurred;

"**EUA Contract Fallback Value**" means:

(a) in respect of any EUA Contract, the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its EUA Contract Reference Price for the relevant Pricing Date of the relevant EUA Contract, provided that if only three such quotations are so provided, the EUA Contract Fallback Value shall be the EUA Contract Reference Price remaining after disregarding the EUA Contract Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent; or

(b) in respect of any Basket of EUA Contracts, the price for such Basket of EUA Contracts in respect of the relevant Pricing Date determined by the Calculation Agent using the price or level for each Basket Component determined as follows:

(i) in respect of each Basket Component, which is not affected by the Market Disruption Event, the closing price or level or settlement price, as applicable, of such Basket Component on such Pricing Date; and

(ii) in respect of each Basket Component, which is affected by the Market Disruption Event (each an "**Affected Item**"), the closing price or level or settlement price, as applicable, for such Affected Item on the first succeeding EUA Contract Business Day that is not a EUA Contract Disrupted Day, unless each of the number of consecutive EUA Contract Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date is a EUA Contract Disrupted Day. In that case, (i) the last such consecutive Pricing Date shall be deemed to be the Pricing Date for the Affected Item, notwithstanding the fact that such day is a EUA Contract

Disrupted Day, and (ii) the Calculation Agent shall determine the price or level of such Affected Item based upon the price at which the Issuer is able to sell or otherwise realise any hedge positions in respect of the Notes during the period of five EUA Contract Business Days following the last such consecutive EUA Contract Business Day;

"**EUA Contract Reference Price**" means the EUA Contract Reference Price specified in the Pricing Supplement;

"**EU Allowance**" or "**EUA**" means an allowance to emit one tonne of carbon dioxide (CO2) equivalent during a specified period which is valid for meeting emissions related commitment obligations under the Scheme and including allowances stemming from emission trading systems that are linked with the EU ETS pursuant to Article 25 of the Emissions Directive relating to a specified compliance period which may be either the Third Compliance Period or the Fourth Compliance Period depending on the underlying of the EUA Contract Reference Price;

"**EU ETS**" has the meaning given to it in the Emissions Directive;

"**EUTL**" means the independent transaction log provided for in Article 20(1) of the Emissions Directive, the operation of which is further detailed in Article 5 of the Registries Regulation;

"**Exchange**" means the exchange or principal trading market for such EUA Contract specified in the Pricing Supplement or in the EUA Contract Reference Price;

"**Final Pricing Date**" or "**Final Interest Pricing Date**" means the date specified as such in the Pricing Supplement. References in these Conditions to "Final Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Final Interest Pricing Date";

"**Fourth Compliance Period**" means the period starting on 1 January 2021 and ending on 31 December 2030;

"**Futures Contract**" means, in respect of a EUA Contract Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the EUA Contract referred to in that EUA Contract Reference Price;

"**Futures Rollover Date**" means either:

(a) the date specified as such in the Pricing Supplement; or

(b) the date selected by the Calculation Agent acting in good faith and in a commercially reasonable manner within the period ("**Futures Rollover Period**") specified in the Pricing Supplement.

"**Hedge Provider**" means the party (being, inter alios, the Issuer, the Guarantor (if applicable), the Calculation Agent, any Affiliate of the Issuer, the Guarantor (if applicable) or the Calculation Agent or any third party) from time to time who directly or indirectly hedges the Issuer's obligations in respect of the Notes or where no such party hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of EU Allowances, or enter or be deemed to enter into any agreement to purchase, or pay an amount linked to the performance of, such number of EU Allowances as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the Notes;

"**Holding Account**" means a form of digital record maintained in a Registry (pursuant to and in accordance with the Registries Regulation) that is able to be used to record the allocation (if applicable), holding and transfer of EU Allowances that are to be delivered in respect of any hedging arrangements entered into by the Hedge Provider pursuant to and in accordance with the Scheme;

"**Hypothetical Investor**" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation), which may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their Affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"**Initial Pricing Date**" means the date specified as such in the Pricing Supplement;

"**Intraday Price**" means the Relevant Price of such EUA Contract at such time on such day, as determined by the Calculation Agent, subject as provided in EUA Contract Linked Condition 4 (*Consequences of a Market Disruption Event and Disruption Fallbacks*);

"**Limit Price Event**" means that the settlement price of any EUA Contract or Futures Contract relating to the relevant EUA Contract has increased or decreased from the previous day's published settlement price by an amount equal to the maximum amount permitted under the applicable exchange rules for such EUA Contract or Futures Contract relating to the relevant EUA Contract;

"**Linking Agreement**" means an agreement between the European Union and a non-Member State on the linking of their greenhouse gas emissions trading systems, as envisaged under Article 25 of the Emissions Directive and which has entered into force in accordance with its terms, as amended from time to time;

"**LSTL**" means a transaction log of a non-Member State that is linked to the EUTL under the terms of a relevant Linking Agreement;

"**Material Change in Content**" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant EUA Contract or Futures Contract relating to the relevant EUA Contract;

"**Material Change in Formula**" means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant EUA Contract Reference Price used to calculate the EUA Contract Reference Price;

"**National Administrator**" means (a) the entity responsible for administering, on behalf of a Member State, a set of user accounts under the jurisdiction of a Member State in the Union Registry as designated in accordance with Article 7 of the Registries Regulation or (b) the entity identified as an administrator in respect of an LSTL;

"**Nearby Month**", when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (a) "First Nearby Month" means the month of expiration of the first Futures Contract to expire following that Pricing Date; (b) "Second Nearby Month" means the month of expiration of the second Futures Contract to expire following that Pricing Date; and (c) "Sixth Nearby Month" means the month of expiration of the sixth Futures Contract to expire following that Pricing Date;

"**Price Source**" means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant EUA Contract Reference Price;

"**Price Source Disruption**" means (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant EUA Contract Reference Price, or (b) the temporary or permanent discontinuance or unavailability of the Price Source;

"**Pricing Date**" means each date specified in the Pricing Supplement as being the Initial Pricing Date, an Averaging Date, an Observation Date, a Valuation Date, the Final Pricing Date or any other date on which a Relevant Price is to be determined or if any such date is not an EUA Contract Business Day, the immediately succeeding EUA Contract Business Day, unless, in the opinion of the Calculation Agent, such day is an EUA Contract Disrupted Day, in which case, the relevant date, shall be the first succeeding EUA Contract Business Day that is not an EUA Contract Disrupted Day, unless each of the number of consecutive EUA Contract Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date is an EUA Contract Disrupted Day. In that case, (a) the last such consecutive EUA Contract Business Day shall be deemed to be the Pricing Date notwithstanding the fact that such day is an EUA Contract Disrupted Day, and (b) the Calculation Agent shall determine the Relevant Price in accordance with its good faith estimate of the Relevant Price on that last consecutive EUA Contract Business Day;

"**Reference Dealers**" means four leading dealers in the relevant EUA Contracts market selected by the Calculation Agent;

"**Registries Regulation**" means the Commission Delegated Regulation (EU) 2019/1122 of 12 March 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council as regards the functioning of the Union Registry, as amended from time to time;

"**Registry**" means the registry established by a Member State, a non-Member State or the EU, in order to ensure the accurate accounting of the issue, holding, transfer, acquisition, surrender, cancellation and replacement of EU Allowances. For the avoidance of doubt, references to a Registry shall include the Union Registry and the Holding Accounts within the Union Registry that are under the jurisdiction of a single National Administrator designated by a Member State and will together be deemed to be a Registry for that Member State;

"**Regulatory Restriction on EUA Contracts Holding**" means the enactment of any EU or EU member state law or regulation which directly or indirectly imposes a restriction on the number of EUAs that the Hedge Provider is permitted to hold;

"**Relevant Price**" means, for any Pricing Date, the price determined with respect to that day for the specified EUA Contract Reference Price calculated as provided in these EUA Contract Linked Conditions and the Pricing Supplement;

"**Relevant Registry**" means the Registry (or Registries) specified as such in the Pricing Supplement or, if not so specified, the Registry in Spain;

"**Scheduled Pricing Date**" means any original date that, but for the occurrence of an event causing a Market Disruption Event, would have been a Pricing Date on which a Relevant Price would have been determined;

"**Scheme**" means the scheme for transferring EU Allowances established pursuant to the Emissions Directive and the Registries Regulation, and as implemented by the national laws of Member States;

"**Settlement Disruption Event**" means an event or circumstance beyond the control of the Hedge Provider that cannot, after the use of all reasonable efforts, be overcome and which makes it impossible for such Hedge Provider to deliver or accept EU Allowances in accordance with the terms of any hedging arrangements entered into by the Hedge Provider or otherwise trade EU Allowances, or there is any limitation, restriction or impossibility of transfer of EU Allowances in the market generally. For the avoidance of doubt, the inability of the Hedge Provider to deliver EU Allowances as a result of insufficient EU Allowances available to it, whether caused by the low or non-allocation of EU Allowances by a Member State or any other state, the delay or failure of a Member State or Central Administrator to replace allowances for a subsequent compliance period or the failure to procure sufficient EU Allowances to meet its delivery obligations, shall not constitute a Settlement Disruption Event;

"**Settlement Price**" means, in respect of a single EUA Contract, the Relevant Price, or unless otherwise specified in the Pricing Supplement, in the case of a Basket of EUA Contracts, the sum of the values calculated in respect of each Basket Component as the Relevant Price of such Basket Component multiplied by the relevant Weighting;

"**Specified Maximum Days of Disruption**" means five (5) EUA Contract Business Days or such other number of Specified Maximum Days of Disruption specified in the Pricing Supplement;

"**Specified Price**" means, in respect of a EUA Contract Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the Pricing Supplement (and, if applicable, as of the time so specified): (a) the high price; (b) the low price; (c) the average of the high price and the low price; (d) the closing price; (e) the opening price; (f) the bid price; (g) the asked price; (h) the average of the bid price and the asked price; (i) the settlement price; (j) the official settlement price; (k) the official price; (l) the morning fixing; (m) the afternoon fixing; (n) the spot price; (o) the arithmetic average of bid and offer prices at 5.30pm (CET time) on the Pricing Date;

"**Tax Disruption**" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to the relevant EUA Contract or Futures Contract relating to the relevant EUA Contract (other than a tax on, or

measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal;

"**Third Compliance Period**" means the period starting on 1 January 2013 and ending on 31 December 2020;

"**Trading Disruption**" means the material suspension of, or the material limitation imposed on, trading in the relevant EUA Contract or Futures Contract relating to relevant the EUA Contract or, in the case of any additional futures contract, options contract, on any Exchange as specified in the Pricing Supplement. For these purposes:

(a) a suspension of the trading in the EUA Contract or Futures Contract, as the case may be, on any EUA Contract Business Day shall be deemed to be material only if:

(i) all trading in the EUA Contract or Futures Contract, as the case may be, is suspended for the entire Pricing Date; or

(ii) all trading in the EUA Contract or Futures Contract, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or EUA Contract, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

(b) a limitation of trading in the relevant EUA Contract or Futures Contract relating to the relevant EUA Contract, as the case may be, on any EUA Contract Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant EUA Contract or Futures Contract, as the case may be, may fluctuate and the closing or settlement price of the relevant EUA Contract or Futures Contract, as the case may be, on such day is at the upper or lower limit of that range; and

"**Union Registry**" means the Registry referred to as the "Union registry" in Article 19(1) of the Emissions Directive.

2. Market Disruption

"**Market Disruption Event**" means, for an EUA Contract, the occurrence or existence of:

(a) Price Source Disruption;

(b) Trading Disruption;

(c) Disappearance of EUA Contract Reference Price;

(d) Limit Price Event;

(e) Material Change in Content;

(f) Tax Disruption;

(g) Settlement Disruption Event;

(h) Abandonment of Scheme;

(i) Administrator Event;

(j) Absence of Registry Operations;

(k) Material Change in Formula; or

(l) Regulatory Restriction on EUA Contracts Holding,

(each of which is defined in EUA Contract Linked Condition 1 above).

3. Determination of Market Disruption Events

On any date from and including the Trade Date (for this purpose it being deemed that on each such day the Relevant Price of an EUA Contract is required to be determined as if it was a Pricing Date), the Calculation Agent will determine if a Market Disruption Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one type of Market Disruption Event, the Issuer or, as the case may be, the Guarantor may determine which type of Market Disruption Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers a Market Disruption Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

Where a Market Disruption Event (as determined by the Calculation Agent) has occurred on any day (an "**MDE Date**") occurring on or after the Trade Date, the Calculation Agent may in its sole option determine on the MDE Date or any subsequent date that such Market Disruption Event has occurred, regardless of whether the relevant Market Disruption Event is ongoing on the day of such determination.

4. Consequences of a Market Disruption Event and Disruption Fallbacks

4.1 If the Calculation Agent determines that a Market Disruption Event has occurred, the Issuer or, as the case may be, the Guarantor shall, as soon as reasonably practicable after having been notified of such determination by the Calculation Agent, give notice ("**Market Disruption Event Notice**") to the Holders in accordance with Condition 14 (*Notices)* (which notice shall be irrevocable) of the occurrence of such Market Disruption Event (the date on which an Market Disruption Event Notice is given, a "**Market Disruption Event Notification Date**") and set out, if determined at that time, the action that it has determined to take in respect of the Market Disruption Event pursuant to EUA Contract Linked Note Condition 4.2 below. Where the action that the Issuer or, as the case may be, the Guarantor has determined to take is not, for whatever reason, set out in the Market Disruption Event Notice, the action that the Issuer or, as the case may be, the Guarantor has determined to take shall be set out in a subsequent notice given to Holders in accordance with Condition 14 (*Notices)* as soon as reasonably practicable after the Market Disruption Event Notification Date.

The Issuer or, as the case may be, the Guarantor shall provide Holders with a Market Disruption Event Notice as soon as reasonably practicable following the determination of an Market Disruption Event. However, neither the Issuer, the Guarantor nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Holder or any other person in connection with the Notes as a result of any delay, howsoever arising. If the Issuer or, as the case may be, the Guarantor gives a Market Disruption Event Notice, it shall have no obligation to make any payment or delivery in respect of the EUA Contract Linked Notes until it has determined the action that it has determined to take pursuant to EUA Contract Linked Condition 4.2 below.

4.2 Following the occurrence of a Market Disruption Event, the Issuer or, as the case may be, the Guarantor in its sole and absolute discretion may take the action described below in (a), (b), or (c).

(a) ***No Action***

If the Issuer or, as the case may be, the Guarantor in its sole and absolute discretion determines that the action to be taken in respect of the Market Disruption Event is to be "**No Action**", then the EUA Contract Linked Notes shall continue and there shall be no amendment to the Terms and Conditions and/or the Pricing Supplement.

(b) ***Adjustment***

If the Issuer or, as the case may be, the Guarantor in its sole and absolute discretion determines that the action to be taken in respect of the Market Disruption Event is to be "**Adjustment**", then the Calculation Agent acting on instructions from the Issuer (or, as the case may be, the Guarantor) may determine, in its sole and absolute discretion, the appropriate adjustment(s), if

any, to be made to any of the terms of these Terms and Conditions and/or the Pricing Supplement (including adjusting any cost or cost adjustment) to take account of the economic effect of the Market Disruption Event and determine the effective date of such adjustment. Such adjustments may but do not have to include determining any EUA Contract Fallback Value(s).

(c) ***Termination***

If the Issuer or, as the case may be, the Guarantor determines that the action to be taken in respect of the Market Disruption Event is to be "**Termination**", on giving notice to Holders in accordance with Condition 14 (*Notices)* (which such notice may be included in the Market Disruption Event Notice in respect of the relevant Market Disruption Event) the outstanding EUA Contract Linked Notes shall be redeemed by payment of the Early Redemption Amount. Payment will be made in such manner and on such date as shall be notified to the Holders in accordance with Condition 14 (*Notices)*.

(d) ***General***

In determining to take a particular action as a result of an Market Disruption Event, neither the Issuer nor the Guarantor is under any duty to consider the interests of Holders or any other person. In making any determination as to which action to take following the occurrence of an Market Disruption Event, neither the Issuer, the Guarantor nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders or any other person in connection with the EUA Contract Linked Notes as a result of any such determination, howsoever such loss may arise including as a result of any delay in making any payment in respect of the EUA Contract Linked Notes. Any obligation or role of the Issuer or Guarantor specified in these EUA Contract Linked Conditions may be performed on its behalf by the Calculation Agent.

5. Correction of EUA Contract Reference Price

With the exception of any corrections published after the day which is three EUA Contract Business Days prior to the due date for any payment under the Notes, if the EUA Contract Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the EUA Contract Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant EUA Contract as so corrected. Corrections published after the day which is three EUA Contract Business Days prior to a due date for payment under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Rolling Futures Contract Notes

If the Pricing Supplement specify that the Notes are "**Rolling Futures Contract Notes**", the EUA Contract Reference Price in respect of the Notes will be valued by reference to rolling futures contracts each of which have delivery months that do not correspond with the term of the Notes. In such case, on or prior to the Issue Date, the Calculation Agent will select the relevant Futures Contract and for each following day until the Futures Rollover Date such futures contract will be the Futures Contract for the purposes of the EUA Contract Reference Price. On each Futures Rollover Date, the Calculation Agent will select another Futures Contract and such contract shall be the Futures Contract for the purposes of the EUA Contract Reference Price until the next occurring Futures Rollover Date. If on a Futures Rollover Date a Market Disruption Event occurs and it is impossible or materially impracticable for the Calculation Agent to select a Futures Contract and/or at such time hedge the Issuer's obligations in respect of the Notes then the provisions of EUA Contract Linked Condition 4.2 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) shall apply to the Notes.

7. EUA Contract Early Redemption Amount

7.1 If the Pricing Supplement specify that "EUA Contract Early Redemption Amount" is applicable, notwithstanding anything to the contrary in the Conditions and in respect of the early redemption of the Notes (in all circumstances), "Early Redemption Amount" or "Early Redemption Amount (Tax)" (as the case may be), with respect to each Calculation Amount and the Early Redemption Payment Date, shall

be an amount in the Specified Currency determined by the Calculation Agent, in accordance with the following formula and in respect of the last occurring Final Pricing Date. References in the Terms and Conditions to "Early Redemption Amount" shall be deemed to apply *mutatis mutandis* in respect of any "Early Redemption Amount (Tax)":

[(Market Value - Associated Costs) + EUA Value]

provided that such amount shall not be less than zero.

Where:

"**D**" means the Calculation Amount.

"**EUA Closing Value 1**" means the Relevant Price of EUA Contract 1 in respect of the relevant Final Pricing Date; and

"**EUA Closing Value 2**" means the Relevant Price of EUA Contract 2 in respect of the relevant Final Pricing Date;

"**EUA Contract 1**" is as specified in the Pricing Supplement.

"**EUA Contract 2**" is as specified in the Pricing Supplement.

"**EUA Initial Value 1**" means the Relevant Price of EUA Contract 1 in respect of the Initial Pricing Date;

"**EUA Value**" means, with respect to the Calculation Amount, an amount calculated by the Calculation Agent in accordance with the following formula. The EUA Value can be a positive or negative value, or zero:

$$m\,x\,\frac{(EUA\ Closing\ Value\ 1 - EUA\ Closing\ Value\ 2)}{EUA\ Initial\ Value\ 1} \times D$$

"**m**" is as specified in the Pricing Supplement.

"**Market Value**" is as specified in the Pricing Supplement.

7.2 In the event that a Market Disruption Event occurs and the Issuer or, as the case may be, the Guarantor determines that the action to be taken in respect of the Market Disruption Event is to be "Termination" pursuant to EUA Contract Linked Note Condition 4.2(c) or the Notes are to be early redeemed for any other reason under the Conditions or the Pricing Supplement, the Calculation Agent will as soon as reasonably practicable designate a Final Pricing Date which will apply for each EUA Contract. Such scheduled Final Pricing Date will be the same for each EUA Contract but any adjustment of the Final Pricing Date for an EUA Contract pursuant to the definition of "Pricing Date" in EUA Contract Linked Condition 1 (Definitions) will be applied separately in respect of each EUA Contract. For example, the Final Pricing Date for one EUA Contract might be the scheduled Pricing Date, while the Final Pricing Date for the other EUA Contract might be delayed pursuant to such definition.

7.3 In the circumstances described in EUA Contract Linked Condition 7.2 above, the Notes shall be redeemed at their Early Redemption Amount on the Early Redemption Payment Date.

"**Early Redemption Payment Date**" means five Business Days following the last immediately occurring Final Pricing Date as the same may be adjusted pursuant to the definition of Pricing Date.

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PRO FORMA PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of Notes will be completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[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**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, 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**")][UK]. 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 European Union (Withdrawal) Act 2018 ("**EUWA**"); (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 Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, 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.]

[**MIFID II product governance / target market** – [*appropriate target market legend to be included*]]

[**UK MiFIR product governance / target market** – [*appropriate target market legend to be included*]]

Pricing Supplement dated [ ]

Santander Global Issuances B.V.

Legal entity identifier (LEI): [ ]

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

Guaranteed by

BANCO SANTANDER, S.A.[,NEW YORK BRANCH][1]

under the

U.S. $5,000,000,000 Structured Medium Term Note Program

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 Article 3 of the Prospectus

[1] Insert for 3(a)(2) Notes only.

Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. The Offering Memorandum (as defined herein) is not a prospectus for the purposes of the Prospectus Regulation.

This document constitutes the Pricing Supplement of the Notes described herein. This Pricing Supplement must be read in conjunction with the Offering Memorandum dated March 21, 2025 (the "**Offering Memorandum**"). **Prospective investors should note that investing in the Notes entails certain risks including (without limitation) the risk that the Issue Price may be greater than the market value of the Notes [and the risk that the Calculation Agent may exercise its discretion in such a way as to affect amounts due and payable under the Notes and/or their Maturity Date]. For a more detailed description of certain of the risks involved, see "*Risk Factors*" on pages 10 to 74 of the Offering Memorandum (as supplemented).**

[The Notes and the Guarantee thereof have not been, and are not required to be, registered with the Office of the Comptroller of the Currency ("**OCC**") or with the Securities and Exchange Commission ("**SEC**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state in the United States. The Notes and the Guarantee thereof will be offered and sold to accredited investors (within the meaning of Regulation D under the Securities Act) ("**Accredited Investors**") pursuant to the exemptions from registration provided by Section 3(a)(2) of the Securities Act and Regulation D under the Securities Act, and pursuant to the exemption from registration with the OCC provided by 12 C.F.R. § 16.7. The Notes are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency of the United States or any other jurisdiction.][2]

Full information on the Issuer, the Guarantor and the offer of the Notes described herein is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [*website*] [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]].

[In respect of any tranche of Notes issued in Singapore Dollars with a denomination of less than S$200,000, the following information is provided pursuant to Regulation 6 of the Banking Regulations made under the Banking Act 1970 of Singapore:

(a) the place of booking of the Notes is [●];

(b) the branch or office of the Issuer at which the tranche of the Notes is booked is not subject to regulation or supervision in Singapore;

(c) the tranche of Notes is [not secured by any means] **OR** [secured by **[***describe the nature of the security, the name of the mortgagor, chargor or guarantor and whether such person is regulated by the Monetary Authority of Singapore***]**].]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") – *Notice to be inserted if classification of the Notes is not "capital markets products other than prescribed capital markets products", pursuant to Section 309B of the SFA or Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*][3]

[*The following language applies if the Notes are intended to be "qualifying debt securities" (as defined in the Income Tax Act 1947 of Singapore)*:

Without prejudice to any other Singapore tax exemption which may be applicable to payments made by licensed banks in Singapore, where Notes are "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore (the "**ITA**"):

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from any Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person

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[2] Insert for 3(a)(2) Notes only.

[3] Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.][4]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). If a paragraph is not applicable, (i) delete this paragraph in its entirety and change the numbering accordingly or (ii) specify "Not applicable" and delete the remaining subparagraphs of such paragraph. Where the Pricing Supplement specifies that a formula from the Payout Conditions and the relevant definitions from the Payout Conditions shall be inserted, each such formula and the related definitions may be shortened, condensed and simplified to make the formula or dates more concise and clear and to avoid repeating definitions. Any paragraph can be replaced or removed if the definition included in such paragraph has been defined in any previous paragraph. The paragraphs set forth below can be formatted into a gridded table. Italics denote guidance for completing the Pricing Supplement*]

1.	(i)	ISSUER:	Santander Global Issuances B.V.
	(ii)	Guarantor:	[Banco Santander, S.A.] [Banco Santander, S.A., acting through its New York Branch, which is federally licensed by the Office of the Comptroller of the Currency]
2.	(i)	SERIES NUMBER:	[ ]
	(ii)	Tranche Number:	[ ]
	(iii)	Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date][Not Applicable]
	(iv)	Applicable Annex(es):	[Not Applicable] [Annex 1: Equity Linked Conditions] [Annex 2: Inflation Linked Conditions] [Annex 3: ETF Linked Conditions] [Annex 4: Fund Linked Conditions] [Annex 5: Credit Linked Conditions] [Annex 6: Foreign Exchange (FX) Rate Linked Conditions] [Annex 7: Payout Conditions [for the purposes of Payout Condition 5 only] [Annex 8: EUA Contract Linked Conditions]]
3.		TYPE OF SECURITIES:	[Notes]/[Certificates] [*Insert in the case of Green Bonds, Social Bonds or Sustainable Bonds:* which are [Green/Social/Sustainable] Bonds. Any delay or failure by the Issuer or Guarantor in allocating or dealing with net proceeds of the Notes or otherwise performing as described under "Use of Proceeds" in the Offering Memorandum and Part B of these Pricing Supplement will not constitute an Event of

[4] The prescribed QDS legend to be included in the Pricing Supplement may be updated from time to time pursuant to any amendments to the Income Tax Act 1947 of Singapore.

			Default under the Notes and will not give rise to any other claim of a holder of the Notes]
4.	SPECIFIED CURRENCY OR CURRENCIES:		[ ][*Specify if Settlement Exchange Rate and Settlement Payment both apply or if (i) UVR Inflation-Adjusted Notes, (ii) UDI Inflation-Adjusted Rate or (iii) UF Inflation Adjusted Notes, are specified as applicable*: (the "**SER Subject Currency**") for the purpose of the Specified Denomination and calculations and [ ] (the "**Settlement Currency**") for the purpose of payments]
		[UVR Inflation-Adjusted Notes:	Applicable
		Initial UVR Index:	[*specify*]]
		[UDI Inflation-Adjusted Notes:	Applicable
		Initial UDI Index:	[*specify*]]
		[UF Inflation-Adjusted Notes:	Applicable
		Initial UF Index:	[*specify*]]
5.	AGGREGATE PRINCIPAL AMOUNT OF NOTES:		
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
6.	ISSUE PRICE:		[ ]% of the Aggregate Principal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)][converted into the Settlement Currency at the Initial Settlement Exchange Rate, being [*specify amount*] in respect of the Aggregate Principal Amount and "**Initial SER**" means [*specify*]] [The Notes are Partly Paid Notes – see item 55 below]
7.	(i)	SPECIFIED DENOMINATIONS:	[ ]
	(ii)	Calculation Amount (in relation to calculation of interest in global form see Conditions):	[*the Specified Denomination*][*Insert in the case of Installment Notes:* (the "**Original Calculation Amount**") <u>minus</u>, for the purposes of any calculation by reference to the Calculation Amount on any day, the sum of the Installment Amounts paid prior to the relevant day [save for the purposes of calculation of any [Interest Amount][Final Redemption Amount][Early Redemption Amount][Automatic Early Redemption Amount][Optional Redemption Amount] [[payable] on [*specify*]] for which purposes the Original Calculation Amount will continue to apply]]. *If there are several Specified Denominations, insert the highest common factor of those Specified*

			Denominations. (*Note: there must be a common factor of two or more Specified Denominations*) (*Where the Credit Linked provisions are not applicable to the [first, second etc] Installment Amounts then the Original Calculation Amount minus the sum of such [first, second etc] Installment Amounts should be used for the purposes of the Credit Linked provisions in paragraphs 11 and 34. Where the Credit Linked provisions apply to a portion of the Notes not subject to redemption by Installments and /or for a specified period of time then such portion and/or specified period should be used for the purposes of the Credit Linked provisions and specified in paragraphs 11 and 34*)
8.	(i)	ISSUE DATE:	[ ]
	(ii)	Interest Commencement Date:	[*Specify*] [Issue Date] [Not Applicable] [*An Interest Commencement Date will not be relevant for certain Notes, for example, Zero Coupon Notes*]
	(iii)	Trade Date:	[*specify*]
9.		MATURITY DATE:	[*Specify date (including any relevant Business Day Convention) or (for Floating Rate Notes, CMS-Linked Notes, Inflation Linked Notes, Equity Linked Notes, ETF Linked Notes, Fund Linked Notes, Foreign Exchange (FX) Rate Linked Notes, EUA Contract Linked Notes or Other Reference Item Linked Notes) Interest Payment Date falling in or nearest to the relevant month and year*][or such later date for redemption determined as provided in the [[Fund Linked Conditions][Credit Linked Conditions][Foreign Exchange (FX) Rate Linked Conditions][or, in all circumstances if applicable, such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Payout Condition [6]] [*For Credit Linked Notes, if applicable insert:* [ ] (the "**Scheduled Maturity Date**"), subject to the provisions of the Credit Linked Conditions and this Pricing Supplement] *(NB: For certain Renminbi and Hong Kong dollar denominated Fixed Rate Notes in respect of which the Interest Payment Dates are subject to modification, Modified Following Business Day Convention shall apply)*
10.		INTEREST BASIS:	[[ ]% Fixed Rate] [[*specify reference rate*] +/- [ ]% Floating Rate] [Index/Fund Linked Interest] [CMS-Linked: [*specify reference rate*] +/- [ ]%]

[Other (S*pecify*)]

[Equity Linked: please see the section headed *Provisions Applicable to Equity Linked Notes* below for more details]

[Inflation Linked: please see *Provisions Applicable to Inflation Linked Notes* below for more details]

[ETF Linked: please see *Provisions Applicable To ETF Linked Notes* below for more details]

[Reference Item Rate Linked: please see *Provisions Applicable to Reference Item Rate Linked Notes* below for more details]

[Fund Linked: please see *Provisions Applicable to Fund Linked Notes* below for more details]

[Credit Linked: please see *Provisions Relating To Credit Linked Notes* below for more details]

[Foreign Exchange (FX) Rate Linked: please see *Provisions Applicable to Foreign Exchange (FX) Rate Linked Notes* below for more details]

[EUA Contract Linked: please see "*PROVISIONS APPLICABLE TO EUA CONTRACT LINKED NOTES*" below for more details]

[Other Reference Item Linked Interest Amount: please see *Other Reference Item Linked Interest Note Provisions* below for more details]]

[and converted into the Settlement Currency by reference to the applicable Settlement Exchange Rate]

[Zero Coupon]

[and each Interest Amount will be multiplied by the FX Factor as provided below]

[The Notes do not bear or pay any interest]

(further particulars specified in items 19 and [20/21/22/23/24/25/26/27/28/29/30/31] below)

11. REDEMPTION/PAYMENT BASIS: [Redemption at par]

[See item 35 below]

[Dual Currency]

[Partly Paid]

[Installment]

[Other (*specify*)]

[Index/Fund Linked Redemption]

[Equity Linked: please see the section headed *Provisions Applicable to Equity Linked Notes* below for more details]

[ETF Linked: please see *Provisions Applicable To ETF Linked Notes* below for more details]

[Fund Linked: please see *Provisions Applicable to Fund Linked Notes* below for more details]

[Inflation Linked: please see paragraph *Provisions Applicable to Inflation Linked Notes* below for more details]

[Reference Item Rate Linked: please see *Provisions Applicable to Reference Item Rate Linked Notes* below for more details]

[Credit Linked: please see paragraph *Provisions Relating To Credit Linked Notes* below for more details]

[Foreign Exchange (FX) Rate Linked: please see *Provisions Applicable to Foreign Exchange (FX) Rate Linked Notes* below for more details]

[EUA Contract Linked: please see "*PROVISIONS APPLICABLE TO EUA CONTRACT LINKED NOTES*" below for more details]

[and converted into the Settlement Currency by reference to the applicable Settlement Exchange Rate]

[provided that each redemption amount will be multiplied by the relevant FX Factor as provided below]

[Other Reference Item Linked: please see details set out at *Final Redemption Amount of each Note* below for more details.]

12. REFERENCE ITEM(S): [The following Reference Item(s)[(k)] [(*from [k] = 1 to [[k][specify]*)] will apply [for [Interest][and] [Automatic Early Redemption][and][Redemption] determination purposes:][Not Applicable]

[For [k] = 1][*specify*][*insert description*][(see paragraph [*specify*])]

(*Repeat if necessary*)

[and]

[The following Reference Item(s)[(k)] [(*from [k] = [specify] to [k] = [specify]*)] will apply [for [Redemption] determination purposes]:

[For [k] = [*specify*]][*specify*][*insert description*][(*see paragraph* [*specify*])]

(*Repeat if necessary*)

13.	CHANGE OF INTEREST OR REDEMPTION/PAYMENT BASIS:		[Applicable/Not Applicable] [*Specify the date when any change to the Interest Basis or Redemption/Payment Basis occurs with reference to paragraphs 20 and 21 below*]
14.	PUT/CALL OPTIONS:		[Investor Put] [(further particulars specified in item 33 below)] [Issuer Call] [(further particulars specified in item 32 below)] [Issuer Call – Clean-Up Redemption Option] [(further particulars specified in item 33 below)] [Not Applicable]
15.	SETTLEMENT EXCHANGE RATE PROVISIONS:		[Not Applicable][Applicable [and Settlement Currency Payment [applies/does not apply]] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Settlement Exchange Rate:	[*Specify rate*] [As per Payout Condition [5]] (*if a rate is specified then delete the remaining sub-paragraphs of this paragraph*)
	(ii)	SER Valuation Date(s):	[*specify*] [or, if applicable,] [[*specify*] SER Scheduled Trading Days prior to the [relevant Optional Redemption Date (Call)] [scheduled] [*specify each payment date*]] (*where different SER Valuation Dates apply to different payment dates, specify in respect of each applicable payment date*)
	(iii)	Provisions applicable to determining the Settlement Exchange Rate:	For the purpose of the definition of Settlement Exchange Rate in Payout Condition [5]: [SER Base Currency: [*specify*]] SER Price Source: [specify] Relevant Screen Page: [*specify*] SER Valuation Time: [specify] SER Scheduled Trading Day Jurisdiction: [specify]
	(iv)	SER Disruption Events:	[Price Source Disruption] [Illiquidity Disruption] [Dual Exchange Rate] [General Inconvertibility] [General Non-Transferability] [Material Change in Circumstance]

		[Nationalisation] [Price Materiality, where: SER Price Materiality Percentage: [*specify*][3]% SER Primary Rate: [*specify*][The rate determined as set out in the definition of Settlement Exchange Rate] SER Secondary Rate: [*specify*][SER First Fallback Reference Price [and]][SER Second Fallback Reference Price]]
(v)	SER Disruption Fallbacks (for Price Source Disruption and Price Materiality only):	[Calculation Agent Determination] [First Fallback Reference Price, where: SER First Fallback Price Source: [*specify*] SER First Fallback Valuation Time: [*specify*] SER First Fallback Number of Settlement Days: [*specify*]] [Second Fallback Reference Price, where: SER Second Fallback Price Source: [*specify*] SER Second Fallback Valuation Time: [*specify*] SER Second Fallback Number of Settlement Days: [*specify*]] [Valuation Postponement] SER Number of Postponement Settlement Days: [[Two][*specify*]] [Business Days][SER Settlement Days] [*specify*] SER Maximum Days of Postponement: [*specify*] (*specify fallbacks required and arrange order in which to be applied*)
(vi)	SER Cumulative Events:	[Not Applicable][Applicable and SER Maximum Cumulative Days of Postponement means [*specify*]]
(vii)	SER Number of Settlement Days:	[Two][Zero][*specify other*] [where SER Settlement Day Centre(s) means [*specify*]]
(viii)	SER Additional Disruption Event:	(*Specify each of the following which applies*) [Change in Law][Hedging Disruption][Increased Cost of Hedging]

16.	(i)	STATUS OF THE NOTES:	Senior
	(ii)	Status of the Guarantee:	Senior Preferred
	(iii)	[Date [Board] approval for issuance of Notes and Guarantee respectively obtained:	[ ] and [ ], respectively (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of the Notes or related Guarantee*)
17.		KNOCK-IN EVENT:	[Not Applicable][Applicable: Knock-in Value is [(i)][greater than][greater than or equal to][less than][less than or equal to] the Knock-in [Level][Price][within the Knock-in Range] (*Only applicable if a payment to be made in respect of the Notes is subject to a condition precedent that a Knock-in Event has occurred. If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*Insert for Reference Item Linked Notes*)
	(i)	Knock-in Value:	[*insert definition from Payout Condition 4.2*]
	(ii)	Knock-in Level/Knock-in Price:	[*specify value or percentage*]
	(iii)	Knock-in Range:	From and [including][excluding] [*specify range of values, percentages, level, or prices etc.*] to and [including][excluding] [*specify range of values, percentages, level, or prices etc.*] [Not Applicable]
	(iv)	Knock-in Determination Day(s):	[*specify*][Each Scheduled Trading Day in the Knock-in Determination Period][Not Applicable] [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission][Postponement][Modified Postponement] will apply]
	(v)	Knock-in Determination Period:	[*specify*][Not Applicable]
	(vi)	Knock-in Period Beginning Date:	[Applicable][*specify*][Not Applicable]
	(vii)	Knock-in Period Beginning Date Scheduled Trading Day Convention:	[Applicable][Not Applicable]
	(viii)	Knock-in Period Ending Date:	[*specify*][Not Applicable]
	(ix)	Knock-in Period Ending Date Scheduled Trading Day Convention:	[Applicable][Not Applicable]
	(x)	Knock-in Valuation Time:	[*specify*][Scheduled Closing Time][Any time on a Knock-in Determination Day][Not Applicable]
18.		KNOCK-OUT EVENT:	[Not Applicable][Applicable: The Knock-out Value is [(i)] [greater than][greater than or equal to][less than][less than or equal to] the Knock-out [Level][Price] [within the Knock-out Range] (*Only applicable if a payment to be made in respect of the Notes is subject to a condition precedent that*

a Knock-out Event has occurred. If not applicable, delete the remaining sub-paragraphs of this paragraph)

(*Insert for Reference Item Linked Notes*)

(i)	Knock-out Value:	[*insert definition from Payout Condition 4.2*]
(ii)	Knock-out Level/Knock-out Price:	[*specify value or percentage*]
(iii)	Knock-out Range:	From and [including][excluding] [*specify range of values, percentages, level, or prices etc.*] to and [including][excluding] [*specify range of values, percentages, level, or prices etc.*][Not Applicable]
(iv)	Knock-out Determination Day(s):	[[From and including][From and excluding][To and including][To but excluding][*specify*]] [*specify*][Each Scheduled Trading Day in the Knock-out Determination Period][Not Applicable] [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission][Postponement][Modified Postponement] will apply]
(v)	Knock-out Determination Period:	[*specify*][Not Applicable]
(vi)	Knock-out Period Beginning Date:	[*specify*][Not Applicable]
(vii)	Knock-out Period Ending Date:	[*specify*][Not Applicable]
(viii)	Knock-out Period Beginning Date Scheduled Trading Day Convention:	[Applicable][Not Applicable]
(ix)	Knock-out Period Ending Date Scheduled Trading Day Convention:	[Applicable][Not Applicable]
(x)	Knock-out Valuation Time:	[*specify*][Scheduled Closing Time][Any time on a Knock-out Determination Day][Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

19. **INTEREST**: [Applicable][Not Applicable]

(*in respect of Credit Linked Notes*) [, [not] subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Linked Conditions]

[*If applicable specify*: provided that each Interest Amount determined in accordance with the Conditions (prior to any rounding) will be multiplied by the relevant FX Factor and the resulting amount then rounded as provided in the Conditions, where:

[*insert relevant definitions from Payout Condition 6 and other relevant definitions from the Payout Conditions completed on the basis provided in the Payout Conditions*]]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i)	Interest Payment Date(s):	[ ] [in each year] [or, if earlier, the relevant Optional Redemption Date] [, adjusted in accordance with [*specify Business Day*]][not adjusted][or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition [5] of the Payout Conditions]] [[Insert table] *(NB: For certain Renminbi and Hong Kong dollar denominated Fixed Rate Notes in respect of which the Interest Payment Dates are subject to modification, Modified Following Business Day Convention should apply)*
(ii)	Margin(s):	[+ [*specify*][%][per annum]][Not Applicable] (*If a Margin applies for each Interest Period, the Margin shall be specified separately for each Interest Period*)
(iii)	Minimum Interest Rate:	[[*specify*][%][per annum]][Not Applicable] (*If a Minimum Interest Rate applies for each Interest Period, the Minimum Interest Rate shall be specified separately for each Interest Period*)
(iv)	Maximum Interest Rate:	[[*specify*][%][per annum]][Not Applicable] (*If a Maximum Interest Rate applies for each Interest Period, the Maximum Interest Rate shall be specified separately for each Interest Period*)
(v)	Day Count Fraction:	[30/360][Actual/Actual (ICMA/ISDA)][1/1][*specify other*][Not Applicable] *(NB: For Renminbi and Hong Kong dollar denominated Fixed Rate Notes, Actual/365 (Fixed) should apply)*
(vi)	Rate of Interest:	[In respect of [the/each] Interest Payment Date [(from [*specify*] to [*specify*])][falling [on[or about]][during the period from and including] [*specify*] [to and including [*specify*]] only]][Not Applicable]]the Rate of Interest shall be determined by the Calculation Agent [in accordance with the following [formula(s)]][as the sum of the following [items [*specify*] to [*specify*] (each inclusive) below]][*Insert letters or numbering here and next to each payout if this adds clarity (eg (a), (b). . .)*]:] [Fixed Rate] [Floating Rate] (*The above formulation may be repeated as necessary*) (*In respect of the following, insert formula, relevant value(s) and other related definitions from Payout Condition 2.1 and relevant definitions from Payout Condition 4*) [Rate of Interest (i)] [Rate of Interest (ii)]

[Rate of Interest (iii)]
[Rate of Interest (iv)]
[Rate of Interest (v)]
[Rate of Interest (vi)]
[Rate of Interest (vii)]
[Rate of Interest (viii) – Range Accrual A]
[Rate of Interest (ix) – Digital One Barrier]
[Rate of Interest (x) – Podium]
[Rate of Interest (xi) – Memory Coupon]
[Rate of Interest (xii) – Counter]
[Rate of Interest (xiii) – Variable Counter]
[Rate of Interest (xiv) – Call with Individual Caps]
[Rate of Interest (xv) – Cappuccino]
[Rate of Interest (xvi) – Fixed Best]
[Rate of Interest (xvii) – Cliquet]
[Rate of Interest (xviii) – Cliquet Digital]
[Rate of Interest (xix) – Cliquet Digital Lock in]
[Rate of Interest (xx) – Digital Coupon One Condition Condition]
[Rate of Interest (xxi) – Digital Coupon Two Conditions]
[Rate of Interest (xxii) – TARN]
[Rate of Interest (xxiii) – Ratchet]
[Rate of Interest (xxiv) – Booster]
[Rate of Interest (xxv)]
[Rate of Interest (xxvi) – Call Option Interest Rate]
[Rate of Interest (xxvii) – Put Option Interest Rate]
[Rate of Interest (xxviii) – Lock in]
[Rate of Interest (xxix) – Himalaya]
[Rate of Interest (xxx)]
[Rate of Interest (xxxi) – Switchable]
[Rate of Interest (xxxii) – Digital Barrier]
[Rate of Interest (xxxiii) – Alternate Currency]
[Rate of Interest (xxxiv) – Growth and Income]
[Rate of Interest (xxxv)]
[Rate of Interest (xxxvi) – Dropback]
[Rate of Interest (xxxvii) – Call Swaption]
[Rate of Interest (xxxviii) – Put Swaption]
[Rate of Interest (xxxix) – Convexity A]
[Rate of Interest (xl) – Convexity B]
[Rate of Interest (xli) – Range Accrual B]
[Rate of Interest (xlii) – Range Accrual C]
[Rate of Interest (xliii) – Napoleon]
(*If the Rate of Interest is calculated by reference to Reference Items, Valuation Dates, Observation Dates etc. or is otherwise calculated differently in respect of each Interest Payment Date, above options may be repeated and numerical suffixes may be used to clarify which Reference Item, Rate of Interest, Valuation Date, Observation Date etc. applies in respect of the corresponding Interest Payment Date*)

(vii) Specified Interest Amount Multiplier: [Not Applicable] [*specify*] [Credit Event Reduction Factor] (*only include where relevant for Credit Linked Notes*)

20. **FIXED RATE NOTE PROVISIONS**: [Applicable/Not Applicable]

(*If more than one fixed rate is to be determined repeat items (i) to (ii) of this paragraph for each such rate and, if Digital Coupon One Condition or Digital*

		Coupon Two Conditions apply distinguish between the Rate which is Rate A, the Rate which is Rate B and the Rate which is Rate C if applicable) (*in respect of Credit Linked Notes*) [, [not] subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Linked Conditions] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Rate[(s)] of Interest:	[ ]% [per annum] [payable [annually/semi-annually/quarterly/monthly/other/(*specify*)] in arrear]
(ii)	Fixed Coupon Amount[(s)] for Notes in definitive form (and in relation to Notes in global form see Conditions):	[ ] per Calculation Amount [Not Applicable] (*NB: For certain Renminbi and Hong Kong dollar denominated Fixed Rate Notes in respect of which the Interest Payment Dates are subject to modification, the following wording is appropriate: "Interest shall be calculated by applying the Rate of Interest to the Calculation Amount, and multiplying such sum by the actual number of days in the accrual period divided by 365 and rounding the resultant figure to the nearest [HK$0.01, HK$0.005/CNY0.01, CNY0.005] being rounded upwards*.") [Specify Fixed Coupon Amount for Partly Paid Notes, taking into account the Outstanding Principal Amount from time to time]
(iii)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]] [Not Applicable] [Specify any Broken Amount(s) for Partly Paid Notes, taking into account the Outstanding Principal Amount from time to time]
(iv)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable][*give details*]
21.	**FLOATING RATE AND CMS LINKED NOTE PROVISIONS**:	[Applicable/Not Applicable] [for purposes only of determining the "Rate" element of the Rate of Interest specified in item [19(vi)]] (*insert where "Rate of Interest (viii) – Range Accrual" applies under item 19(vi)*) (*If more than one floating rate is to be determined, repeat items (i) to (xiii) as applicable for each such rate and, if Digital Coupon One Condition or Digital Coupon Two Conditions apply distinguish between the Rate which is Rate A, the Rate which is Rate B and the Rate which is Rate C if applicable*) (*in respect of Credit Linked Notes*) [, [not] subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Linked Conditions]

		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Specified Period:	[ ] (*Specified Period and specified Interest Payment Dates are alternatives. A Specified Period, rather than specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
(ii)	[First Interest Payment Date:]	[ ]
(iii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable] [*Business Day Convention only needs to be specified here if Specified Periods are specified*]
(iv)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(v)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[*specify*] (Calculation Agent)
(vi)	Margin Plus Rate:	[Applicable][Not Applicable]
(vii)	Specified Percentage Multiplied by Rate:	[Applicable][Not Applicable]
(viii)	Difference in Rates:	[Applicable][Not Applicable]
(ix)	Screen Rate Determination of Rate[1]:	[Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Reference Rate:	[[ ] month] [EURIBOR / Compounded Daily SONIA / Compounded Daily SOFR / Compounded Daily €STR / HIBOR / CNH HIBOR][*specify*] [*Insert in the case of Compounded Daily SONIA except where Index Determination applies*: For this purpose Relevant Screen Page means [*specify*]]
	• Observation Method	[Not Applicable/Lag/Shift] (*Specify Lag or Shift for Compounded Daily SONIA or Compounded Daily SOFR, except where Index Determination is applicable, or for Compounded Daily €STR. Otherwise specify Not Applicable*)
	• Observation Look-Back Period:	[Not Applicable]/ [●] [London Banking Days] / [U.S. Government Securities Business Days][T2 Business Days] (*Specify for Compounded Daily SONIA or Compounded Daily SOFR, except where Index*

Determination is applicable, or for Compounded Daily €STR. Otherwise specify Not Applicable. N.B. must be at least two such relevant days to allow clearing system payments)

- Index Determination: [Applicable/Not Applicable]

  (*Include if applicable for Compounded Daily SONIA or Compounded Daily SOFR*)

- Interest Determination Date(s): [*Insert for EURIBOR*: Second T2 Business Day prior to the start of each Interest Period]

  [*Insert for Compounded Daily SONIA–non Index Determination*: Second London Banking Day prior to the relevant Interest Payment Date]

  [*Insert for Compounded Daily SONIA – Index Determination*: The day falling the Relevant Number of London Banking Days prior to the relevant Interest Payment Date and "**Relevant Number**" means [*insert number being two or greater*]]

  [*Insert for Compounded Daily SOFR–non Index Determination*: Second U.S. Government Securities Business Days prior to the relevant Interest Payment Date]

  [*Insert for Compounded Daily SOFR – Index Determination*: The day falling the Relevant Number of U.S. Government Securities Business Day prior to the relevant Interest Payment Date and "**Relevant Number**" means [*insert number being two or greater*]]

  [*Insert for Compounded Daily €STR*: Second T2 Business Day prior to the relevant Interest Payment Date]

  [*Insert for Hong Kong dollar HIBOR*: First day of each Interest Period]

  [*Insert for CNH HIBOR*: the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR]

- Relevant Screen Page: [*specify*][*EURIBOR 01*]

- Relevant Time: [*specify*][*11.00 a.m. Brussels time*][*11:15 a.m. Hong Kong time, in the case of a determination of HIBOR or CNH HIBOR*]

- Relevant Financial Centre: [*Eurozone (where eurozone means the region comprised of the countries whose lawful currency is the euro)*][*specify*]

- Alternative Pre-nominated Reference Rate: [*specify*][None]

(x) ISDA Determination of Rate[1]: [Not Applicable]

(*If not applicable delete the remaining sub-paragraphs of this paragraph*)

(a) ISDA Definitions: [2006 Definitions]/[2021 Definitions]

(*Where the 2021 ISDA Definitions are Applicable, note that the Conditions have been reviewed in relation to Version 8.0 dated 10 March 2023. If a later version is to be followed, the Conditions should be reviewed carefully to ensure compatibility with the relevant ISDA Rate before use*)

- Floating Rate Option: [ ]

  (*Where the 2021 ISDA Definitions are Applicable, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions)*)

- Effective Date: [Issue Date of the first Tranche of the Notes]/[●]

- Termination Date: [Maturity Date of the Notes]/[●][without regard to any Business Day Convention applicable thereto]

- Designated Maturity: [ ]

- Reset Date: [ ][*in the case of CMS linked payout specify if applicable in relation to each relevant valuation or determination date] (Note: this election is relevant for the Fixing Day under the 2021 ISDA Definitions which is when the rate is determined e.g. for USD-SOFR ICE Swap Rate, the Fixing Day is "two publication calendar days preceding the Reset Date"*)

- Alternative Pre-nominated Reference Rate: [*specify*][None]

- ISDA Day Count Fraction: [●]

- [Business Day (for the purposes of the ISDA Definitions): [ ]] (*Specify financial center(s) if you wish Business Days for the purposes of the determination of the ISDA Rate to be different from the Business Days defined in the Conditions*)

- Compounding/ Averaging/ Index: [Applicable/Not Applicable]

  (*Specify as Applicable if the Calculated Rate Style is identified as "Average Floating Rate Option", "Compounded Floating Rate Option" or "Compounded Index" in the Floating Rate Matrix*)

  (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

- Overnight Rate Compounding Method: [Applicable/Not Applicable]

  [OIS Compounding]

[Compounding with Lookback

[Lookback: [●] Applicable Business Days]

[Compounding with Observation Period Shift

[Observation Period Shift: [●] Observation Period Shift Business Days]

[Observation Period Shift Additional Business Days: [●]]

Set-in-Advance: [Applicable/Not Applicable]]

[Compounding with Lockout

[Lockout: [●] Lockout Period Business Days]

[Lockout Period Business Days: [●]]

- Overnight Rate Averaging Method: [Applicable/Not Applicable]

  [Overnight Averaging/Averaging with Lookback/ Averaging with Observation Period Shift/Averaging with Lockout]

  [Lookback: [ ] Applicable Business Days]

  [Observation Period Shift: [ ] Observation Period Shift Business Days]

  [Observation Period Shift Additional Business Days: [ ]]

  [Set-in-Advance:] [Applicable] [Not Applicable]]

  [Lockout: [ ] Lockout Period Business Days]

  [Lockout Period Business Days: [ ]]

- Daily Capped Rate and/or Daily Floored Rate: [Applicable/Not Applicable]

  (If not applicable, delete the Daily Capped Rate and Daily Floored Rate prompts immediately below)

  [Daily Capped Rate:] [[ ]%]

  [Daily Floored Rate:]] [[ ]%]

- Index provisions: [Applicable/Not Applicable]

  (*If not applicable, delete the Index Method prompt immediately below*)

- Index Method: [Standard Index Method/All-In Compounded Index Method/Compounded Index Method/ Compounded Index Method with Observation Period Shift][As specified in the 2021 ISDA Definitions]

		[Set-in-Advance: [Applicable] [Not Applicable] [Observation Period Shift: [ ] Observation Period Shift Business Days] [Observation Period Shift Additional Business Days: [ ]]]
	• Floating Rate Option:	[ ]
	• Designated Maturity:	[ ]
	• Reset Date:	[ ][*in the case of CMS linked payout specify if applicable in relation to each relevant valuation or determination date*]
	• Alternative Pre-nominated Reference Rate:	[*specify*][None]
(xi)	Screen Rate Determination of Rate 2:	[Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	(*in relation to Difference in Rates or CMS-linked payout only*)	
	• Reference Rate:	[[ ] month] [EURIBOR / Compounded Daily SONIA / Compounded Daily SOFR / Compounded Daily €STR / HIBOR / CNH HIBOR][*specify*] [*Insert in the case of Compounded Daily SONIA except where Index Determination applies*: For this purpose Relevant Screen Page means [*specify*]]
	• Observation Method	[Not Applicable/Lag/Shift] (*Specify Lag or Shift for Compounded Daily SONIA or Compounded Daily SOFR, except where Index Determination is applicable, or for Compounded Daily €STR. Otherwise specify Not Applicable*)
	• Observation Look-Back Period:	[Not Applicable]/ [●] [London Banking Days] / [U.S. Government Securities Business Days][T2 Business Days] (*Specify for Compounded Daily SONIA or Compounded Daily SOFR, except where Index Determination is applicable, or for Compounded Daily €STR. Otherwise specify Not Applicable. N.B. must be at least two such relevant days to allow clearing system payments*)
	• Index Determination:	[Applicable/Not Applicable] (Include if applicable for Compounded Daily SONIA or Compounded Daily SOFR)

- Interest Determination Date(s): [*Insert for EURIBOR*: Second T2 Business Day prior to the start of each Interest Period]

  [*Insert for Compounded Daily SONIA–non Index Determination*: Second London Banking Day prior to the relevant Interest Payment Date]

  [*Insert for Compounded Daily SONIA – Index Determination*: The day falling the Relevant Number of London Banking Days prior to the relevant Interest Payment Date and "**Relevant Number**" means [*insert number being two or greater*]]

  [*Insert for Compounded Daily SOFR–non Index Determination*: Second U.S. Government Securities Business Days prior to the relevant Interest Payment Date]

  [*Insert for Compounded Daily SOFR – Index Determination*: The day falling the Relevant Number of U.S. Government Securities Business Day prior to the relevant Interest Payment Date and "**Relevant Number**" means [*insert number being two or greater*]]

  [*Insert for Compounded Daily €STR*: Second T2 Business Day prior to the relevant Interest Payment Date]

  [*Insert for Hong Kong dollar HIBOR*: First day of each Interest Period]

  [*Insert for CNH HIBOR*: the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR]

- Relevant Screen Page: [*EURIBOR 01*][*specify*]

- Relevant Time: [*11.00 a.m. Brussels time*][*11:15 a.m. Hong Kong time, in the case of a determination of HIBOR or CNH HIBOR*][*specify*]

- Relevant Financial Centre: [*Eurozone (where eurozone means the region comprised of the countries whose lawful currency is the euro*][*specify*]

- Alternative Pre-nominated Reference Rate: [*specify*][None]

(xii) ISDA Determination of Rate 2:

(*in relation to Difference in Rates or CMS-linked payout only*)

- ISDA Definitions: [2006 Definitions]/[2021 Definitions]

  (Where the 2021 Definitions are Applicable, note that the Conditions have been reviewed in relation to Version 8.0 dated 10 March 2023. If a later version is to be followed, the Conditions should be reviewed

	carefully to ensure compatibility with the relevant ISDA Rate before use)
• Floating Rate Option:	[ ] (Where the 2021 Definitions are Applicable, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 Definitions))
• Effective Date:	[Issue Date of the first Tranche of the Notes]/[●]
• Termination Date:	[Maturity Date of the Notes]/[●][without regard to any Business Day Convention applicable thereto]
• Designated Maturity:	[ ]
• Reset Date:	[ ][in the case of CMS linked payout specify if applicable in relation to each relevant valuation or determination date] (Note: this election is relevant for the Fixing Day under the 2021 Definitions which is when the rate is determined e.g. for USD-SOFR ICE Swap Rate, the Fixing Day is "two publication calendar days preceding the Reset Date")
• Alternative Pre-nominated Reference Rate:	[specify][None]
• ISDA Day Count Fraction:	[●]
• [Business Day (for the purposes of the ISDA Definitions):	[ ]] (Specify financial center(s) if you wish Business Days for the purposes of the determination of the ISDA Rate to be different from the Business Days defined in the Conditions)
• Compounding/Averaging/ Index:	[Applicable/Not Applicable] (Specify as Applicable if the Calculated Rate Style is identified as "Average Floating Rate Option", "Compounded Floating Rate Option" or "Compounded Index" in the Floating Rate Matrix) (If not applicable, delete the remaining sub-paragraphs of this paragraph)
• Overnight Rate Compounding Method:	[Applicable/Not Applicable] [OIS Compounding] [Compounding with Lookback [Lookback: [●] Applicable Business Days] [Compounding with Observation Period Shift [Observation Period Shift: [●] Observation Period Shift Business Days] [Observation Period Shift Additional Business Days: [●]]

	Set-in-Advance: [Applicable/Not Applicable]] [Compounding with Lockout [Lockout: [●] Lockout Period Business Days] [Lockout Period Business Days: [●]]
• Overnight Rate Averaging Method:	[Applicable/Not Applicable] [Overnight Averaging/Averaging with Lookback/ Averaging with Observation Period Shift/Averaging with Lockout] [Lookback: [ ] Applicable Business Days] [Observation Period Shift: [ ] Observation Period Shift Business Days] [Observation Period Shift Additional Business Days: [ ]] [Set-in-Advance:] [Applicable] [Not Applicable]] [Lockout: [ ] Lockout Period Business Days] [Lockout Period Business Days: [ ]]
• Daily Capped Rate and/or Daily Floored Rate:	[Applicable/Not Applicable] (If not applicable, delete the Daily Capped Rate and Daily Floored Rate prompts immediately below) [Daily Capped Rate:] [[ ]%] [Daily Floored Rate:]] [[ ]%]
• Index provisions:	[Applicable/Not Applicable] (If not applicable, delete the Index Method prompt immediately below)
• Index Method:	[Standard Index Method/All-In Compounded Index Method/Compounded Index Method/ Compounded Index Method with Observation Period Shift][As specified in the 2021 Definitions] [Set-in-Advance: [Applicable] [Not Applicable] [Observation Period Shift: [ ] Observation Period Shift Business Days] [Observation Period Shift Additional Business Days: [ ]]]
• Floating Rate Option:	[ ]
• Designated Maturity:	[ ]

	• Reset Date:	[ ][*in the case of CMS linked payout specify if applicable in relation to each relevant valuation or determination date*]
	• Alternative Pre-nominated Reference Rate:	[*specify*][None]
(xiii)	Specified Percentage:	[[ ]%][Not Applicable]
(xiv)	Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes or CMS-Linked Notes, if different from those set out in the Conditions:	[ ]
22.	OTHER REFERENCE ITEM LINKED INTEREST NOTE PROVISIONS:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Other Reference Item:	[ ]
(ii)	Entity responsible for calculating the interest due:	[*specify*] [Calculation Agent]
(iii)	Provisions for determining Coupon where calculation by reference to Formula and/or Other Reference Item:	[ ]
(iv)	Interest Determination Date(s):	[ ]
(v)	Provisions for determining Coupon where calculation by reference to Formula and/or Other Reference Item is impossible or impracticable or otherwise disrupted:	[ ]
(vi)	Interest or calculation period(s):	[ ]
(vii)	Specified Period:	[ ] (*Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
(viii)	Specified Interest Payment Dates:	[ ] (*Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"*)
(ix)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day

			Convention/Preceding Business Day Convention/*specify other Business Day convention*][*Delete as applicable*]
	(x)	Minimum Rate/Amount of Interest:	[ ]% [per annum]
	(xi)	Maximum Rate Amount of Interest:	[ ]% [per annum]
	(xii)	Day Count Fraction	[ ]
23.	**DUAL CURRENCY NOTE PROVISIONS**:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate of Exchange/method of calculating Rate of Exchange:	[ ]
	(ii)	Entity, responsible for calculating the principal and/or interest due:	[*specify*] [Calculation Agent]
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[ ]
	(iv)	Person at whose option Specified Currency(ies) is/are payable:	[ ]
24.	**EQUITY LINKED NOTE INTEREST PROVISIONS**:		[Applicable – please refer to "*Provisions Applicable to Equity Linked Notes*" below, for more information][Not Applicable][*Delete as applicable*]
25.	**ETF LINKED NOTE INTEREST PROVISIONS:**		[Applicable – please refer to the sections "*Provisions Applicable to ETF Linked Notes*" below for more information] [Not Applicable] [*Delete as applicable*]
26.	**INFLATION LINKED NOTE INTEREST PROVISIONS**:		[Applicable – please refer to "*Provisions Applicable to Inflation Linked Notes*", below, for more information][Not Applicable][*Delete as applicable*]
27.	**FUND LINKED NOTE INTEREST PROVISIONS**:		[Applicable – please refer to the sections "*Provisions Applicable to Fund Linked Notes*" below for more information][Not Applicable][*Delete as applicable*]
28.	**FOREIGN EXCHANGE (FX) RATE LINKED NOTE INTEREST PROVISIONS**:		[Applicable – please refer to the sections "*Provisions Applicable to Foreign Exchange (FX) Rate Linked Notes*" below for more information][Not Applicable][*Delete as applicable*]
29.	**EUA CONTRACT LINKED NOTE INTEREST PROVISIONS:**		[Applicable – please refer to the sections "*PROVISIONS APPLICABLE TO EUA CONTRACT LINKED NOTES*" below for more information] [Not Applicable] [*Delete as applicable*]
30.	**REFERENCE ITEM RATE LINKED NOTE INTEREST PROVISIONS**:		[Applicable – please refer to the section "*Provisions Applicable to Reference Item Rate Linked Notes*" below, for more information][Not Applicable][*Delete as applicable*]
31.	**ZERO COUPON NOTE PROVISIONS**:		[Applicable/Not Applicable]

		(*If not applicable, delete the remaining sub-paragraphs*) (*in respect of Credit Linked Notes*) [, [not] subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Linked Conditions]
(i)	Accrual Yield:	[ ]% [per annum]
(ii)	Reference Price:	[ ]
(iii)	Any other formula/basis of determining the amount payable for Zero Coupon Notes:	[ ]
(iv)	Day Count Fraction in relation to the Amortised Face Amount:	[30/360] [Actual/360] [Actual/365] [1/1]

PROVISIONS RELATING TO REDEMPTION

32.	**CALL OPTION**:	[Applicable/Not Applicable][provided the Issuer may only exercise the Call Option if the Original Redemption Condition is satisfied] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s) (Call):	[ ] [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Payout Condition 5] [the [*insert*] Business Day following [the day on which notice of the Issuer exercising the Call Option is given to Noteholders]] (*NB: In the case of Call Option Rate Notes, the Optional Redemption Date(s) (Call) must be Interest Payment Dates (other than the first and final Interest Payment Dates)*)
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount][Final Payout as specified in paragraph 36 below] [*If applicable specify*: [provided that][with][the resulting amount][will be] multiplied by the relevant FX Factor [[and] with the resulting amount rounded [up/down] to the nearest 0.01 in the Specified Currency (or to the nearest JPY1 in the case of JPY)], where: [*insert relevant definitions from Payout Condition 4 and 6 and other relevant definitions from the Payout Conditions completed on the basis provided in the Payout Conditions, including, if applicable Optional Redemption Condition*]
(iii)	If redeemable in part:	

	(a)	Minimum Redemption Amount:	[ ] per Calculation Amount
	(b)	Maximum Redemption Amount:	[ ] per Calculation Amount
(iv)	Notice period:		[ ] [[●] Business Days (the "**Minimum Early Redemption Notice Period**") (*NB: to be included for Call Option Rate Notes – may not be less than ten Business Days*)
33.	**CLEAN-UP REDEMPTION:**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub paragraphs of this paragraph)*
(i)	Clean-Up Percentage:		[[75]% / [ ]%]
(ii)	Early Redemption Amount(s) (CleanUp Call) of each Note and method, if any, of calculation of such amount(s):		[ ] per Note of [ ] Specified Denomination / [ ]
34.	**PUT OPTION**:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s) (Put):		[ ] [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Payout Condition 5] (*NB: In the case of Put Option Rate Notes, the Optional Redemption Date(s) (Put) must be Interest Payment Dates (other than the first and final Interest Payment Dates)*)
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):		[ ] per Calculation Amount [*If applicable specify*: [provided that][with][the resulting amount][will be] multiplied by the relevant FX Factor [[and] with the resulting amount rounded [up/down] to the nearest 0.01 in the Specified Currency (or to the nearest JPY1 in the case of JPY)], where: [*insert relevant definitions from Payout Condition 6 and other relevant definitions from the Payout Conditions completed on the basis provided in the Payout Conditions*]
(iii)	Notice period:		[ ] [[●] Business Days (the "**Minimum Early Redemption Notice Period**") (*NB: to be included for Put Option Rate Notes – may not be less than ten Business Days*) (*The Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business*)

days' notice for a call and 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent/Registrar)

35.	**FINAL REDEMPTION AMOUNT OF EACH NOTE**:	[Calculation Amount * [*specify*]%] [Outstanding Principal Amount immediately prior to the Maturity Date] [Calculation Amount * Final Payout] [Final Payout] [, subject to [*specify*]]/See Equity Linked redemption provisions below/See ETF Linked redemption provisions below/See Inflation Linked Note redemption provisions below/See Reference Item Rate Linked Note redemption provisions below/See Credit Linked Note redemption provisions below/See Fund Linked redemption provisions below/See Foreign Exchange (FX) Rate Linked redemption provisions below/See EUA Contract Linked Note redemption provisions below] [*If applicable specify*: [provided that][with][the resulting amount][will be] multiplied by the relevant FX Factor [[and] with the resulting amount rounded [up/down] to the nearest 0.01 in the Specified Currency (or to the nearest JPY1 in the case of JPY)], where: [*insert relevant definitions from Payout Condition 6 and other relevant definitions from the Payout Conditions completed on the basis provided in the Payout Conditions*]
	[In cases where the Final Redemption Amount is an Other Reference Item Linked Redemption Note:	(*If not applicable, delete this sub-paragraph*)
	(i) Formula/Other Redemption Item:	[ ][Not Applicable]
	(ii) Entity responsible for calculating the Final Redemption Amount:	[*specify*] [Calculation Agent]
	(iii) Provisions for determining Final Redemption Amount where calculated by reference to Formula and/or other Other Redemption Item:	[ ][Not Applicable]
	(iv) Date for determining Final Redemption Amount where calculation by reference to Formula and/or Other Redemption Item:	[ ][Not Applicable]
	(v) Provisions for determining Final Redemption Amount where calculation by reference to Formula and/or Other Redemption Item is impossible or impracticable or otherwise disrupted:	[ ][Not Applicable]
	(vi) [Payment Date:]	[ ]

(vii)	Minimum Final Redemption Amount:	[ ] per Calculation Amount
(viii)	Maximum Final Redemption Amount:	[ ] per Calculation Amount
(ix)	Other relevant provisions or conditions:	[*Insert as applicable*][Not Applicable]]

36. **FINAL PAYOUT**: [Not Applicable]

(*In respect of the following, insert formula from Payout Condition 2.2 and relevant definitions from Payout Condition 4*)

[The sum of the following [items [*specify*] to [*specify*] (each inclusive) below]:] [*Insert letters or numbering here and next to each payout if this adds clarity (eg (a), (b). . .)*]

[Redemption (i)]
[Redemption (ii)]
[Redemption (iii)]
[Redemption (iv)]
[Redemption (v)]
[Redemption (vi)]
[Redemption (vii) – Booster]
[Redemption (viii) – Digital]
[Redemption (ix) – Digital with Knock-in]
[Redemption (x) – Podium]
[Redemption (xi) – Reverse Knock-in Standard]
[Redemption (xii) – Reverse Knock-in]
[Redemption (xiii) – Knock-in Standard]
[Redemption (xiv) – Twin Win]
[Redemption (xv) – Himalaya]
[Redemption (xvi) – Memory]
[Redemption (xvii) – Lock in]
[Redemption (xviii)]
[Redemption (xix) – Switchable]
[Redemption (xx) – Alternate Currency]
[Redemption (xxi) – Leveraged FX]
[Redemption (xxii) – Dropback]

37. **AUTOMATIC EARLY REDEMPTION**: [Applicable][Not Applicable]

(*If applicable, specify one of the following*)

[ST Automatic Early Redemption][Target Automatic Early Redemption] (*always insert 'Target Automatic Early Redemption Event' if Target Coupon Automatic Early Redemption applies*)

(*If not applicable, delete the* remaining *sub-paragraphs of this paragraph*)

(i)	Automatic Early Redemption Event:	[AER Value Automatic Early Redemption Event – Applicable] [In respect of [any][all] Automatic Early Redemption Valuation Date[s] [from (i)=[specify] to (i)=[specify]] [for [each][the][relevant][any][all] Automatic Early Redemption Valuation Period[s]

		[from ([i])=[specify] to ([i])=[specify]][,the] AER Value is [for [every][any] Reference Item in the Basket]: [greater than][greater than or equal to][less than][less than or equal to] the Automatic Early Redemption [Level][Price]
(ii)	AER Value:	[Target Coupon Automatic Early Redemption Event – Applicable] [*Insert relevant value definition and where applicable relevant definitions from Payout Condition 4.1 and 4.2*][Not Applicable]
(iii)	Automatic Early Redemption Payout:	The Automatic Early Redemption Amount shall be determined in accordance with the following formula: *(Insert relevant formula (and related definitions) from Payout Condition 3)* [*If applicable specify*: [provided that][with][the resulting amount][will be] multiplied by the relevant FX Factor [[and] with the resulting amount rounded [up/down] to the nearest 0.01 in the Specified Currency (or to the nearest JPY1 in the case of JPY)], where: (*Insert relevant definitions from Payout Condition 6 and other relevant definitions from the Payout Conditions completed on the basis provided in the Payout Conditions*)
(iv)	Automatic Early Redemption Level/Price:	[[*specify*] [%[of RI Initial Value]]][Not Applicable] [See table [above][below]][Insert table]
(v)	[AER Percentage][Target Coupon Percentage]:	[*specify*]%][Not Applicable]
(vi)	Automatic Early Redemption Date(s)/Period(s):	[*specify*] [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Payout Condition 5] [See table [above][below]][Insert table]
(vii)	AER Additional Rate:	[AER Rate][*Insert relevant provisions from Payout Condition 4.1*][Not Applicable] [AER Rate DCF][*Insert relevant provisions from Conditions*] [AER Rate MT][*Insert relevant provisions from Conditions*]
(viii)	Automatic Early Redemption Valuation Date(s)/Period(s):	[*specify*] [See table [above][below]][Insert table]
(ix)	Automatic Early Redemption Valuation Time:	[*specify*][Scheduled Closing Time][Any time [on the relevant Valuation Date][during the Observation Period][Not Applicable].

(x)	Averaging:	Averaging [applies][does not apply] for the purposes of Automatic Early Redemption. [The Averaging Dates are [*specify*].] [See paragraph [ ] above] [In the event that an Averaging Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply] [Specified Maximum Days of Disruption will be equal to: [*specify*][five] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five*)]
38.	**EARLY REDEMPTION AMOUNT**:	
	Early Redemption Amount (Tax) per Calculation Amount payable on redemption for taxation reasons and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[[ ] per Calculation Amount (*specify the amount*)/Market Value less Associated Costs][EUA Contract Early Redemption Amount] [*If applicable specify*: [provided that][with][the resulting amount][will be] multiplied by the relevant FX Factor [[and] with the resulting amount rounded [up/down] to the nearest 0.01 in the Specified Currency (or to the nearest JPY1 in the case of JPY)], where: (*Insert relevant definitions from Payout Condition 6 and other relevant definitions from the Payout Conditions completed on the basis provided in the Payout Conditions*)
	Redemption Amount(s) per Calculation Amount payable on an event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[[ ] per Calculation Amount/*specify the amount, which may, where appropriate, be an amount per Calculation Amount equal to the fair market value of each Note less applicable costs [including the cost, if any, for unwinding hedging arrangements]*][EUA Contract Early Redemption Amount] [*If applicable specify*: [provided that][with][the resulting amount][will be] multiplied by the relevant FX Factor [[and] with the resulting amount rounded [up/down] to the nearest 0.01 in the Specified Currency (or to the nearest JPY1 in the case of JPY)], where: (*Insert relevant definitions from Payout Condition 6 and other relevant definitions from the Payout Conditions completed on the basis provided in the Payout Conditions*)
	Termination Amount(s) per Calculation Amount payable on an occurrence of an Extraordinary Fund Event and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[See paragraph 51(xxix)][Not Applicable]

	Early Redemption Amount per Calculation Amount payable following an early redemption:	[[ ] per Calculation Amount/Market Value less Associated Costs/*specify amount or method of calculation*][Not Applicable][EUA Contract Early Redemption Amount] [*If applicable specify*: [provided that][with][the resulting amount][will be] multiplied by the relevant FX Factor [[and] with the resulting amount rounded [up/down] to the nearest 0.01 in the Specified Currency (or to the nearest JPY1 in the case of JPY)], where: (*Insert relevant definitions from Payout Condition 6 and other relevant definitions from the Payout Conditions completed on the basis provided in the Payout Conditions*)
	Fair Market Value Interest Element:	[Applicable][Not Applicable] (*Specify as required in respect of each relevant early redemption. Note, this should be specified as Applicable where accrued interest will not always be known on an early redemption: for example when using SONIA, SOFR or €STR or for other Notes where interest is determined only shortly before an Interest Payment Date.*)
39.	**EQUITY LINKED NOTE REDEMPTION PROVISIONS**:	[Applicable – please refer to the section headed "*Provisions Applicable to Equity Linked Notes*" for more information][Not Applicable][*Delete as applicable*]
40.	**ETF LINKED NOTE REDEMPTIONS PROVISIONS**	[Applicable – please refer to the section headed "*Provisions Applicable to ETF Linked Notes*" for more information][Not Applicable][*Delete as applicable*]
41.	**INFLATION LINKED NOTE REDEMPTION PROVISIONS**:	[Applicable – please refer to the section headed "*Provisions Applicable to Inflation Linked Notes*" below for more information][Not Applicable][*Delete as applicable*]
42.	**FUND LINKED NOTE REDEMPTION PROVISIONS**:	[Applicable – please refer to the section headed "*Provisions Applicable to Fund Linked Notes*" below for more information][Not Applicable][*Delete as applicable*]
43.	**CREDIT LINKED NOTES REDEMPTION PROVISIONS**:	[Applicable – please refer to section headed "*Provisions Relating to Credit Linked Notes*" below for more information][Not Applicable][*Delete as applicable*]
44.	**FOREIGN EXCHANGE (FX) RATE LINKED NOTE REDEMPTION PROVISIONS**:	[Applicable – please refer to the sections "*Provisions Applicable to Foreign Exchange (FX) Rate Linked Notes*" below for more information][Not Applicable][*Delete as applicable*]
45.	**REFERENCE ITEM RATE LINKED NOTE REDEMPTION PROVISIONS**:	[Applicable – please refer to the section "*Provisions Applicable to Reference Item Rate Linked Notes*" below, for more information][Not Applicable][*Delete as applicable*]

46.	**EUA CONTRACT LINKED NOTE REDEMPTION PROVISIONS:**	[Applicable – please refer to the sections "*PROVISIONS APPLICABLE TO EUA CONTRACT LINKED NOTES*" below for more information][Not Applicable][*Delete as applicable*]

PROVISIONS APPLICABLE TO EQUITY LINKED NOTES

47.	**EQUITY LINKED NOTE PROVISIONS**:		[Applicable][Not Applicable][for the purposes of determining the "Rate of Interest" specified in item 19(vi)] (*insert where "Rate of Interest (viii) – Range Accrual" applies under item 19(vi)*) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*in respect of Credit Linked Notes*) [, [not] subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Linked Conditions] The provisions of Annex 1 of the Terms and Conditions (*Additional Terms and Conditions for Equity Linked Notes*) shall apply.
	(i)	Type of Notes:	[Single Share Linked Notes][Single Share Index Linked Notes][Share Basket Linked Notes][Share Index Basket Linked Notes][*Delete as applicable*]
	(ii)	Share(s)/Share Basket/Single Share Index/Share Index Basket:	[*specify (i) names of each issuer of the Share(s), (ii) class of each Share, (iii) ISIN or other security identification code for each Share/Share Index for Single Share Index Linked Notes or each of the Share Indices for Share Index Basket Linked Notes (specifying where applicable if any such index is a Dividend Index)*][Reference Item[s][k]]
	(iii)	Share Index Sponsor(s): (*in relation to Single Share Index Linked Notes and Share Index Basket Linked Notes only*)	[*Insert name(s) of Share Index Sponsor(s)/Share Dividend Index Sponsor(s)*][Not Applicable]
	(iv)	Exchange(s):	[*specify*] [As per the Conditions]
	(v)	Related Exchange(s):	[*specify*][All Exchanges]
	(vi)	Exchange Business Day:	[(Single Share Basis)][(Cross Asset Basis)][(All Shares Basis)][(Per Share Basis)][(Single Index Basis)][(All Share Indices Basis)][(Per Share Index Basis)]
	(vii)	Scheduled Trading Day:	[(Single Share Basis)][(Cross Asset Basis)][(All Shares Basis)][(Per Share Basis)][(Single Index Basis)][(All Share Indices Basis)][(Per Share Index Basis)]
	(viii)	Exchange Business Day Convention:	[Following Business Day Convention][Modified Following Business Day Convention][Not Applicable]

(ix)	Strike Date:	[*specify*][Not Applicable]
(x)	Strike Period [and Strike Days]:	[*Specify Strike Period*][Not Applicable][*Specify the applicable Strike Days in the Strike Period*]
(xi)	Averaging:	Averaging [(Per [Share/Index])] [applies][does not apply] to the Notes [in respect of each [*specify relevant Valuation Date*].][*insert and repeat sentence, if applicable*]. [The Averaging Dates are [*specify*] [See paragraph [ ] above] [In the event that an Averaging Date is a Disrupted Day, [Omission][Postponement][Modified Postponement] will apply]
(xii)	Coupon Valuation Date(s):	[*specify*][Not Applicable][See (i) Interest Payment Date(s) paragraph above]
(xiii)	Coupon Valuation Time:	[Not Applicable][Scheduled Closing Time][Any time [on the relevant Coupon Valuation Date][during the Observation Period]] [*specify*], being the time specified on the relevant [Coupon Valuation Date] or an Averaging Date, as the case may be, for the calculation of the [Interest Amount] (*If no time is specified, the Coupon Valuation Time will be the Scheduled Closing Time*)
(xiv)	Redemption Valuation Date(s):	[*specify*][Not Applicable]
(xv)	Redemption Valuation Time:	[Not Applicable][Scheduled Closing Time][Any time [on the relevant Redemption Valuation Date][during the Observation Period]] [*specify*], being the time specified on the relevant [Redemption Valuation Date] or an Averaging Date, as the case may be, for the calculation of the [Redemption Amount]
(xvi)	Observation Date(s):	[*specify*][Not Applicable] [In the event that an Observation Date is a Disrupted Day, [Omission][Postponement][Modified Postponement] will apply]
(xvii)	Observation Period:	[*specify*][Not Applicable]
(xviii)	[Valuation Date and] Specified Maximum Days of Disruption:	[The definition of "**Valuation Date**" in Condition 19 will apply, for which purpose the] [Specified Maximum Days of Disruption will be equal to [*specify*][As per the Conditions][Not Applicable]
(xix)	Exchange Rate:	[*specify*]
(xx)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]

PROVISIONS APPLICABLE TO INFLATION LINKED NOTES

48.	**INFLATION LINKED NOTE PROVISIONS**:	[Applicable][Not Applicable]

		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*in respect of Credit Linked Notes*) [, [not] subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Linked Conditions] The provisions of Annex 2 of the Terms and Conditions (*Additional Terms and Conditions for Inflation Linked Notes*) shall apply (*If more than one Inflation Interest Rate is to be determined, repeat items (i) to (vi) for each such Inflation Rate and, if Digital Coupon One Condition or Digital Coupon Two Conditions apply distinguish between the Rate which is Rate A, the Rate which is Rate B and the Rate which is Rate C if applicable*)
(i)	Inflation Index:	[ ][Reference Item[s][(k)]] (*Set out each Inflation Index level and insert "in respect of [specify date]" following each Inflation Index level*)
(ii)	Inflation Index Sponsor:	[ ]
(iii)	Related Bond:	[*Insert name and ISIN or other security identification code of Related Bond*][Not Applicable][Fallback Bond][*Delete as applicable*]
(iv)	Fallback Bond:	[Applicable][Not Applicable]
(v)	Alternative Delay of Publication Formula:	[*Insert formula*][Not Applicable]
(vi)	Strike Date:	[*specify*][Not Applicable]
(vii)	Strike Period [and Strike Days]:	[*Specify Strike Period*][Not Applicable][*Specify the applicable Strike Days in the Strike Period*]
(viii)	Inflation Index Level Adjustment: (Annex 2, Section 1, Paragraph 6 of Terms and Conditions)	[See details in Section 3 of Annex 2 to the Terms and Conditions][Option (i) as specified in paragraph 6 of Section 1 of Annex 2 to the Terms and Conditions][Option (ii) as specified in paragraph 6 of Section 1 of Annex 2 to the Terms and Conditions][*Delete as applicable*]
(ix)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][*Delete as applicable*]

PROVISIONS APPLICABLE TO ETF LINKED NOTES

49.	ETF LINKED NOTE PROVISIONS:	[Applicable][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item 19(vi)] (*insert where "Rate of Interest (viii) - Range Accrual" applies under item 19(vi)*), *(If not applicable, delete the remaining subparagraphs of this paragraph)*

		(*in respect of Credit Linked Notes*) [, [not] subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Linked Conditions]
(i)	[ETF(s)]/[ETF Basket]:	[The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][*specify*])] will apply:] [Not applicable] [See table [above][below]] [*Insert table*] [Reference Item[s][k]] [For [k]=1][*specify*][*insert description*][(see paragraph [*specify*])](*repeat as necessary*) [Weighting: [[Not Applicable]] [[*specify*] [Each such Weighting shall be subject to adjustment in accordance with the ETF Linked Conditions]]
(ii)	ETF Share Currency:	[*specify*] [See table [above][below]]
(iii)	ISIN of ETF Share(s):	[*specify*] [See table [above][below]] [Reference Item[s][k]]
(iv)	Screen Page:	[*specify*] [See table [above][below]] [Reference Item[s][k]]
(v)	Exchange(s):	[*specify*][Not applicable] [See table [above][below]]
(vi)	Related Exchange(s):	[*specify*][All Exchanges][Not applicable]
(vii)	[Strike Date] [Strike Period and Strike Days]:	[*specify*][Not applicable] [*specify applicable Strike Days in the period if applicable*][See table [above][below]]
(viii)	Averaging:	[Not applicable][Averaging [(Per ETF)] [applies] to the Notes] in respect of [*specify relevant Valuation Date*][*insert and repeat sentence, if applicable*]. [The Averaging Dates are [*specify*].] [See paragraph [*specify*] above][See table [above][below]] [In the event that an Averaging Date is a [Disrupted Day], [Omission] [Postponement] [Modified Postponement] will apply]
(ix)	Coupon Valuation Date(s):	[*specify*][Not Applicable] [See (i) Interest Payment Date(s) paragraph above]
(x)	Redemption Valuation Date(s)/Period(s):	[*specify*][Not applicable][See table [above][below]]
(xi)	Valuation Time:	[Scheduled Closing Time][Any time [on the relevant Coupon Valuation Date]] [Redemption Valuation Date]] [during the Observation Period]] [[*specify*], being the time specified on the relevant [Coupon Valuation Date] [Redemption Valuation Date] or an Averaging Date, as the case may be, for the calculation of the [ETF Linked Interest Amount] [Redemption Amount] (*If no time is specified, the Valuation Time will be the close of trading on the Exchange*)
(xii)	[Observation Date(s)]:	[*specify*][Not applicable][See table [above][below]]

		[In the event that an Observation Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply.]
(xiii)	Observation Period(s):	[*specify*][Not applicable][See table [above][below]]
(xiv)	Exchange Business Day:	[(All ETF Shares Basis)][(Per ETF Shares Basis)][(Single ETF Share Basis)][Cross Asset Basis)]
(xv)	Scheduled Trading Day:	[(All ETF Share Basis)][(Per ETF Share Basis)][(Single ETF Share Basis)][(Cross Asset Basis)
(xvi)	ETF Share Correction Period:	[*specify*]
(xvii)	Specified Maximum Days of Disruption:	[Not applicable][*specify*][five][Scheduled Trading Days]
(xviii)	Extraordinary ETF Events:	[As set out in ETF Linked Condition 2(b)] [*specify*]
(xix)	Additional Extraordinary ETF Events:	[Not applicable][As per the ETF Linked Conditions][The following Additional Extraordinary ETF Events apply to the Notes: (*Specify each of the following which applies*) [Hedging Disruption] [Increased Cost of Hedging] [Failure to deliver: Not applicable] [Change in Law: Not applicable] [Increased Cost of Stock Borrow] [Insolvency Filing] [Stop-Loss Event] [Stop-Loss Event Percentage: [*specify*]%] [The Maximum Stock Loan Rate in respect of [*specify* in relation to each relevant ETF Share] is [*specify*]] (*Only applicable if Loss of Stock Borrow is applicable*) [[The Initial Stock Loan rate in respect of [*specify* in relation to each relevant ETF Share] is [*specify*]] (*Only applicable if Increased Cost of Stock Borrow is applicable*)] [Tender Offer: Not applicable]

PROVISIONS RELATING TO CREDIT LINKED NOTES

50.	CREDIT LINKED NOTE PROVISIONS:	[Applicable: (a) Credit Linked Interest: [Applicable][Not Applicable] [in respect of [Long Exposure][and][Short Exposure]]

(*Specify not applicable for Credit Linked Notes which are Zero Coupon Credit Linked Notes or if Interest Amount is not subject to Credit provisions and repeat as necessary for Long/Short Credit Linked Notes*)

(*If Credit Linked Interest is specified as applicable for Single Reference Entity Credit Linked Notes, First-to-Default Credit Linked Notes, Nth-to-Default Credit Linked Notes or Long/Short Credit Linked Notes (in respect of which the Long Exposure and/or Short Exposure is a Single Reference Entity Exposure, First-to-Default Exposure or Nth-to-Default Exposure*):

[Accrual of Interest up to Credit Event: [Applicable][Not applicable]]

(b) Credit Linked Redemption: [Applicable][Not Applicable] [in respect of [Long Exposure][and][Short Exposure]]]

(*Specify not applicable for Credit Linked Notes if redemption is not subject to Credit provisions*)

[Not applicable] (*If not applicable, delete the remaining sub- paragraphs of this paragraph*)

(i) Type of Credit Linked Notes: The Notes are [Single Reference Entity][First-to-Default] [Nth-to-Default] Credit Linked Notes [and the Relevant Number is [*specify*] (f*or Nth-to-Default Credit Linked Notes*)] [Non-Tranched Linear Basket Credit Linked Notes where Credit Payment [on Maturity] [As You Go] applies] [Tranched Linear Basket Credit Linked Notes] [iTraxx Non-Tranched Index Credit Linked Notes where Credit Payment [on Maturity] [As You Go] applies][CDX Non-Tranched Index Credit Linked Notes where Credit Payment [on Maturity] [As You Go] applies][iTraxx Tranched Index Credit Linked Notes][CDX Tranched Index Credit Linked Notes] [Basket Tranched Index Credit Linked Notes][Long/Short Credit Linked Notes]

(a) [Credit Event Amount: [*specify amount*] (only use for Linear Basket Credit Linked Notes or Index Credit Linked Notes to which Credit Payment As You Go applies)[As set out in the Credit Linked Conditions]]

(b) [Credit Event Payment Date: [[*specify*] (*if other than three*) Business Days] [As set out in the Credit Linked Conditions]] [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 5 of the Payout Conditions]

((a) and (b) are only applicable for Non-Tranched Linear Basket Credit Linked Notes or Non- Tranched Index Credit Linked Notes to which Credit Payment As You Go applies, otherwise delete (a) and (b))

(c) [Credit Observation End Date [in respect of Long Exposure and Short Exposure] [in respect

of Basket Tranched Index Component k=[ ]]: [*specify if different from Scheduled Maturity Date*]] (*For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately or repeat as necessary for Basket Tranched Index Credit Linked Notes*)

(d) [In respect of [Long Exposure][and][Short Exposure]][in respect of Basket Tranched Index Component k=[ ]:] Index Annex: [Markit iTraxx® Europe [*index name*] Series [*specify*] Version [*specify*]] / [Markit CDX.NA.[IG/HY].[ ] [*specify sector, if any*] [*specify series, if any*] [*specify version, if any*]

(Delete this paragraph if the Notes are not Index Credit Linked Notes or if the Notes are Long/Short Credit Linked Notes and the Long Exposure and the Short Exposure do not reference an Index or repeat as necessary for Basket Tranched Index Credit Linked Notes or Long/Short Credit Linked Notes)

(e) [In respect of [Long Exposure][and][Short Exposure]][in respect of Basket Tranched Index Component k=[ ]:] Annex Date: [*specify*]

(Delete this paragraph if the Notes are not Index Credit Linked Notes or if the Notes are Long/Short Credit Linked Notes and the Long Exposure and the Short Exposure do not reference an Index or repeat as necessary for Basket Tranched Index Credit Linked Notes or Long/Short Credit Linked Notes)

(f) [Credit Event Backstop Date [in respect of Long Exposure and Short Exposure] [in respect of Basket Tranched Index Component k=[]:]: The later to occur of (A) the Trade Date and (B) the Credit Event Backstop Date as determined pursuant to Credit Linked Condition 13 and subparagraph (a) or (b) of the definition of "Credit Event Backstop Date", as applicable.] *(For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately or repeat as necessary for Basket Tranched Index Credit Linked Notes)*

(ii) Credit Event Redemption Amount: [In respect of [Long Exposure][and][Short Exposure]:] [As set out in Credit Linked Condition 13]

[*specify amount*] *(only use for zero/set recovery that are not Linear Basket Credit Linked Notes or Index Credit Linked Notes or Long/Short Credit Linked Notes)* [Not applicable] *(specify if Credit Linked Redemption is not applicable)*

(iii)	Protected Amount:	[In respect of [Long Exposure][and][Short Exposure]:] [Applicable][Not applicable] [*specify amount if applicable (Express as a percentage of the aggregate outstanding principal amount)*] (*NB The Protected Amount may be applicable in case of Single Reference Entity Credit Linked Notes, First- to Default Credit Linked Notes, Nth-to Default Credit Linked Notes, Linear Basket Credit Linked Notes Index Credit Linked Notes and Long/Short Credit Linked Notes where only part of the Nominal Amount is exposed to the relevant Reference Entity/es*) (*Specify not applicable if Credit Linked Redemption is not applicable*)
(iv)	Unwind Costs:	[In respect of [Long Exposure][and][Short Exposure]:] [Applicable: [*specify*]][Standard Unwind Costs][Not applicable] (*Specify not applicable if Credit Linked Redemption is not applicable*)
(v)	Credit Multiplier:	[In respect of [Long Exposure][and][Short Exposure]:] [Not applicable][As set out in Credit Linked Condition 13] [*insert only if Credit Multiplier is not 1: specify*]]*(Repeat as necessary where different figures apply for interest or redemption purposes and/or where it may change in respect of different dates*)
(vi)	[(a)] Credit Event Redemption Date:	[Credit Linked Condition 13 applies][(*specify if other than three*) Business Days] [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 5 of the Payout Conditions]] (*Delete this line item if Credit linked Redemption is not applicable) (Apply for Long /Short Credit Linked Notes*)
	[(b)] Maturity Credit Redemption:	[Applicable][Not applicable]] (*Delete this line item (b) for Linear Basket Credit Linked Notes or Index Credit Linked Notes or Long/Short Credit Linked Notes or if Credit Linked Redemption is not applicable)*]
(vii)	Settlemet Method: [(see further item(s) [(xxxi)] [to] [(lxix)] below)]:	[In respect of [Long Exposure][and][Short Exposure]:] [Auction Settlement][Cash Settlement] [Not applicable:] [Zero/Set Recovery Notes] [Tranched Linear Basket Credit Linked Notes] [Tranched Index Credit Linked Notes where Zero Recovery is applicable] [Basket Tranched Index Credit Linked Notes where Zero Recovery is applicable] [in respect of the Long Exposure and Short Exposure or where Long Short Exposure and Short Exposure comprise a Tranched Linear Basket Exposure] [Not applicable] (*specify not applicable if Credit Linked Redemption is not applicable) (For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
(viii)	Calculation Agent City:	[In respect of [Long Exposure][and][Short Exposure]:] [*specify*][As per the Standard Terms] *(For Long/Short*

		Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately)
(ix)	[Business Day Convention:	[Following][Modified Following][Preceding] Business Day Convention *(Insert only where no Business Day Convention has been specified already for the Notes, otherwise delete.)*]
(x)	Reference Entity(ies):	[Long Exposure:] [specify] [[Short Exposure: [*specify*]] [*these may be set out in the form of a table as by reference to a credit derivatives index setting out the applicable names (in which circumstances, include the following text and any details of the date/version of the referenced credit derivatives index: "Each Reference Entity comprising the [specify name of index] on the [Issue/Trade Date]. No adjustments to the terms of the Notes shall be made to reflect subsequent versions or reconstitutions of the [specify name of index].". All relevant items below should be completed in respect of each Reference Entity (repeating items where necessary) which may also be done by including the Reference Entities and such items in a table] [For Index Credit Linked Notes or, in the case of Long/Short Credit Linked Notes where the Long Exposure and/or Short Exposure references an Index*: As defined in Credit Linked Condition 13] [and the relevant "Reference Entity Weighting" shall be *[specify] in respect of each Reference Entity].(insert only where it is necessary to change the weighting specified by the relevant Index)*]
(xi)	Standard Terms:	[Applicable [in respect of Long Exposure and Short Exposure]][Not Applicable [in respect of Long Exposure and Short Exposure]] *(For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
(xii)	Transaction Type:	[Not applicable] [Long Exposure:] [*specify*] [[Short Exposure: [*specify*]] (*insert in relation to each Reference Entity if item (xi) applies. (e.g.: 'Standard European Corporate'.*)) (*For Basket Tranched Index Credit Linked Notes insert the following for each Index and repeat as necessary*) [In respect of Basket Tranched Index Component k= [ ]] (*For iTraxx Index Credit Linked Notes or for Long/Short Credit Linked Notes where the Long Exposure and/or Short Exposure references the iTraxx Index*) [As specified opposite the relevant Reference Entity in the Index Annex [for the [Long Exposure][and][Short Exposure]. (*For CDX Index Credit Linked Notes or for Long/Short Credit Linked Notes where the Long Exposure and/or Short Exposure references the CDX Index*) [[*specify*] in respect of each Reference Entity [for the [Long Exposure][and][Short Exposure], unless another Transaction Type is specified in the Index Annex, in which case the Transaction Type will be as specified

opposite the relevant Reference Entity in the Index Annex.]

(xiii) Reference Entity Notional Amount: [*specify in respect of each Reference Entity*]][Not applicable] [*For Index Credit Linked Notes, Single Reference Entity Credit Linked Notes and/or where a Credit Multiplier applies*: As defined in Credit Linked Condition 13] (*For Non-Tranched Index Credit Linked Notes and Non-Tranched Linear Basket Credit Linked Notes which are Installment Notes, then please specify that the RENA will be equal to*:) [Means in respect of each Reference Entity, (i) the product of the aggregate outstanding principal amount and the Credit Multiplier (if any) multiplied by (ii) the Reference Entity Weighting for such Reference Entity multiplied by (iii) one divided by the aggregate of the Reference Entity Weightings for all Reference Entities, subject to the provisions of the definition of "Successor".]

[*For Long/Short Credit Linked Notes: Long Exposure:* [*specify in respect of each Reference Entity*][Not applicable][*For a Long Exposure that references an Index*: as defined in Credit Linked Condition 13]

[Short Exposure: [*specify in respect of each Reference Entity*][Not applicable][*For a Short Exposure that references an Index*: as defined in Credit Linked Condition 13]

(xiv) Reference Obligation(s): (*Where either (a) Standard Reference Obligation is not applicable or (b) Standard Reference Obligation is applicable but there is no Standard Reference Obligation, insert one of the following:)*

(For Long/Short Credit Linked Notes where the Long Exposure and/or Short Exposure does not reference an Index insert the following in respect of the Long Exposure and/or Short Exposure as the case may be. Repeat if neither Long Exposure nor Short Exposure references an Index.)

[In respect of [Long Exposure][and][Short Exposure]:]

[*If no initial Reference Obligation is to be specified, insert*: Initially none, subject to the Calculation Agent's ability to select and/or replace the Reference Obligation from time to time in accordance with Credit Linked Condition 13.]

OR

[*If the initial Reference Obligation is to be specified*: Initially the [*insert if the guarantee is the Reference Obligation*: guarantee of the] [*select*: [bond][loan][*other obligation*]] specified below:

(a) Primary Obligor: [*specify*]
(b) Guarantor: [*specify*]
(c) Maturity: [*specify*]
(d) Coupon: [*specify*]
(e) CUSIP/ISIN: [*specify*].]

Standard Reference Obligation: [Applicable][Not Applicable]

Seniority Level: [Senior Level][Subordinated Level][As set out in Credit Linked Condition 13]]

The Calculation Agent has the ability to select and/or replace the Reference Obligation from time to time in accordance with Credit Linked Condition 13.]

(*Where Standard Reference Obligation is applicable and there is a Standard Reference Obligation, insert*:)

[Standard Reference Obligation: Applicable

Seniority Level: [Senior Level][Subordinated Level][As set out in Credit Linked Condition 13]

[*For Index Credit Linked Notes or Long/Short Credit Linked Notes where the Long Exposure and/or Short Exposure references an Index, insert*:[Long Exposure]: As set out in Credit Linked Condition 13.] [Short Exposure: As set out in Credit Linked Condition 13.]

(xv) All Guarantees: [In respect of [Long Exposure][and][Short Exposure]:] [Applicable][Not applicable][as per the Standard Terms]

(*For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)

(xvi) Credit Events: [In respect of [Long Exposure][and][Short Exposure]:] [As per the Standard Terms] (*if Standard Terms applies, delete remainder of this paragraph, other than Restructuring if such Credit Event is applicable*).

[In respect of [Long Exposure][and][Short Exposure]:

[Bankruptcy]

[Failure to Pay]

[Grace Period Extension] [Applicable][Not applicable]

[If applicable: Grace Period: [specify][As set out in Credit Linked Condition 13]]

[Obligation Default]

[Obligation Acceleration]

[Repudiation/Moratorium]

[Restructuring]

[if Restructuring is applicable: [“Mod R” is [Applicable]][Not applicable]][“Mod Mod R” is [Applicable]][Not applicable]]

[Provisions relating to Restructuring Credit Event: Credit Linked Condition 14: [Not applicable] (*only*

			include where the intention is to disapply Credit Linked Condition 14, otherwise delete line item)
			[Provisions relating to Multiple Holder Obligation: Credit Linked Condition 15: [Applicable][Not applicable]]
			[Governmental Intervention]
			(*For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
	(a)	Default Requirement:	[In respect of [Long Exposure][and][Short Exposure]:] [specify] [As set out in Credit Linked Condition 13]
			(*For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
	(b)	Payment Requirement:	[In respect of [Long Exposure][and][Short Exposure]:] [specify] [As set out in Credit Linked Condition 13]
			(*For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
(xvii)	Notice of Publicly Available Information:		[In respect of [Long Exposure][and][Short Exposure]:] [Applicable][Not applicable]
			[If Applicable:
			Public Source(s): [*specify*][As set out in Credit Linked Condition 13]
			Specified Number: [*specify*]][As set out in Credit Linked Condition 13]]
			(*For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
(xviii)	Obligation(s):		
	(a)	Obligation Category:	[In respect of [Long Exposure][and][Short Exposure]:][As per the Standard Terms][Payment] [Borrowed Money] [Reference Obligation Only] [Bond] [Loan] [Bond or Loan]
			(*select one only*)

	(b) Obligation Characteristics:	[In respect of [Long Exposure][and][Short Exposure]:] [As per the Standard Terms][Not Subordinated] [Credit Linked Specified Currency: [*specify currency*/Standard Specified Currency] [Not Sovereign Lender] [Not Domestic Currency: [*As set out in* Credit Linked Condition 13]] [Not Domestic Law] [Listed] [Not Domestic Issuance][Domestic Currency: [As set out in the Credit Linked Conditions][Not applicable][*specify*]] (*select all of which apply) (For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
(xix)	Additional Obligation(s):	[In respect of [Long Exposure][and][Short Exposure]:] [*specify*][Not applicable]
(xx)	Excluded Obligation(s):	[In respect of [Long Exposure][and][Short Exposure]:] [*specify*][Not applicable]
(xxi)	Merger Event:	Credit Linked Condition 12: [Applicable][Not applicable] (For Long/Short Credit Linked Notes, same must apply to both)
(xxii)	Provisions relating to Monoline Insurer Reference Entities:	[In respect of [Long Exposure][and][Short Exposure]:] [Credit Linked Condition 16: [Applicable][Not applicable]][As per the Standard Terms] (*For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
(xxiii)	Additional provisions for LPN Reference Entities:	[In respect of [Long Exposure][and][Short Exposure]:] [Credit Linked Condition 18 is [Applicable][Not applicable]][As per the Standard Terms] (*For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
(xxiv)	Subordinated European Insurance Terms:	[In respect of [Long Exposure][and][Short Exposure]:] [Applicable][Not applicable] [As per the Standard Terms] (*For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
(xxv)	Financial Reference Entity Terms:	[In respect of [Long Exposure][and][Short Exposure]:] [Applicable][Not applicable] [As per the Standard Terms] (*For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
(xxvi)	2019 Narrowly Tailored Credit Event Provisions	[In respect of [Long Exposure][and][Short Exposure]:] [Applicable][Not applicable] [As per the Standard Terms] (*For Long/Short Credit Linked Notes, if not the same for Long Exposure and Short Exposure, specify for each separately*)
(xxvii)	***Terms relating to Cash Settlement*** (*delete section and renumber if not applicable as Settlement*	[In respect of [Long Exposure][and][Short Exposure]:] [Applicable][Not applicable] [As per the Standard Terms] (*For Long/Short Credit Linked Notes, if not the*

	Method or Fallback Settlement Method) (For Long/Short Credit Linked Notes repeat as necessary if different)	*same for Long Exposure and Short Exposure, specify for each separately*)
	[[Long][Short] Exposure:]	
(xxviii)	Valuation Date:	[Single Valuation Date: [*specify*] Business Days] [Multiple Valuation Dates: [*specify*] Business Days; and each [*specify*] Business Days thereafter; Number of Valuation Dates: [*specify*]]
(xxix)	Valuation Time:	[*specify*][As per Credit Linked Condition 13]
(xxx)	Valuation Time:	[Applicable][Not applicable]
(xxxi)	Quotation Method:	[Bid][Offer][Mid-market][As per Credit Linked Condition 13]
(xxxii)	Quotation Amount:	[*specify*][Representative Amount][Credit Linked Conditions apply]
(xxxiii)	Minimum Quotation Amount:	[*specify*] [As set out in Credit Linked Condition 13]
(xxxiv)	Quotation Dealers:	[*specify*][As set out in Credit Linked Condition 13]
(xxxv)	Quotations:	[Include Accrued Interest][Exclude Accrued Interest]
(xxxvi)	Valuation Method:	[Market][Highest] [Average Market][Average Highest] [Blended Market][Blended Highest]
		[As set out in Credit Linked Condition 13]
	Additional terms relating to Auction Settlement	
	(*delete section and renumber if not applicable as Settlement Method) (For Long/Short Credit Linked Notes repeat as necessary if different*)	
	[[Long][Short] Exposure:]	
(xxxvii)	Fallback Settlement Method:	[Cash Settlement]
(xxxviii)	Settlement Currency:	[*specify*][Not applicable][As set out in Credit Linked Condition 13]
(xxxix)	Deliverable Obligations:	
	(a) Deliverable Obligation Category:	[Payment] [Borrowed Money] [Reference Obligation Only] [Bond] [Loan] [Bond or Loan][As per the Standard Terms][Not applicable] (*select one only*)

	(b) Deliverable Obligation Characteristics:	[Not Subordinated][Credit Linked Specified Currency: [*specify currency*/Standard Specified Currency] [Not Sovereign Lender] [Not Domestic Currency: [As set out in Credit Linked Condition 13]] [Not Domestic Law] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Transferable] [Listed] [specify]] [Maximum Maturity: [*specify*] years][Qualifying Participation Seller [insert]] [Accelerated or Matured] [Not Bearer][As per the Standard Terms] [Not applicable][Domestic Currency: [As set out in Credit Linked Condition 13][Not Applicable][specify]]
(xl)	Sovereign No Asset Package Delivery:	[Applicable][Not Applicable]
(xli)	Additional Deliverable Obligation(s):	[*specify*] [Not applicable]
(xlii)	Excluded Deliverable Obligation(s):	[*specify*] [Not applicable]
(xliii)	Indicative Quotations:	[Applicable][Not applicable]
(xliv)	Reference Obligation Only Termination Amount:	[*specify*][Not applicable] (*To be specified for the purposes of Credit Linked Condition 20 for Reference Obligation Only Notes relating to a single Reference Entity issued pursuant to Annex 5*.)
Terms relating to Zero/Set Recovery Notes *(delete section and renumber if not applicable)* [[Long][Short] Exposure:]		
(xlv)	Set/Zero Recovery Price:	[*Insert percentage in relation to each Reference Entity, which may be zero]*
[Terms relating to Tranched Linear Basket Credit Linked Notes] [Terms related to Tranched Linear Basket Exposure] **(delete section and renumber if not applicable)** [[Long][Short] Exposure:]		
(xlvi)	H:	[*Insert number of Reference Entities that are equal to the higher tranche level*]
(xlvii)	L:	[*Insert number of Reference Entities that are equal to the lower tranche level*]
(*For Long/Short Credit Linked Notes where the Long Exposure and/or Short Exposure references a Tranched Linear Basket Exposure, repeat as necessary*)		

[Terms relating to Tranched Index Credit Linked ***Notes][Terms related to Tranched Index Exposure]:***

(delete section and renumber if not applicable)

[[Long][Short] Exposure:]

(xlviii)	Attachment Point:	[*specify*]
(xlix)	Exhaustion Point:	*specify*
(l)	Determination of Aggregate Loss Percentage:	[Zero Recovery][FP Recovery]

[Terms relating to Basket Tranched Index Credit Linked Notes][Terms related to Basket Tranched Index Exposure]:

(Repeat in respect of each Basket Tranched Index Component or use Basket Tranched Index Component Numbering as appropriate)

(delete section and renumber if not applicable)

[[Long][Short] Exposure:]

(li)	Basket Tranched Index Components:	The following Basket Tranched Index Component(s) [(k)] (from [k] = 1 to [[k]=[specify]) will apply: For [k]=1] Index:[*specify*] For [k]=[specify] Index:[*specify*] (*repeat as necessary*) (See paragraphs 47(i)(d) and (e) above)
(lii)	Exhaustion Point:	For Basket Tranched Index Component [k]=1:[*specify*] For Basket Tranched Index Component [k]=[*specify*]: [*specify*]
(liii)	Component Weighting:	For Basket Tranched Index Component [k]=1:[*specify*] For Basket Tranched Index Component [k]=[*specify*]: [*specify*]
(liv)	Determination of Aggregate Loss Percentage:	For Basket Tranched Index Component [k]=[ ][Zero Recovery][FP Recovery]

(For Long/Short Credit Linked Notes where the Long Exposure and/or Short Exposure references a Basket Tranched Index Exposure, repeat as necessary)

Terms relating to Long/Short Credit Linked Notes:

(lv)	Long Exposure:	[*specify*] [Single Reference Entity Exposure] [First-to-Default Exposure] [Nth-to-Default Exposure] [Non-Tranched Linear Basket Exposure] [Non-Tranched Index Exposure] [Tranched Linear Basket Exposure] [Tranched Index Exposure] or [Basket Tranched Index Exposure]
(lvi)	Short Exposure:	[*specify*] [Single Reference Entity Exposure] [First-to-Default Exposure] [Nth-to-Default Exposure] [Non-Tranched Linear Basket Exposure] [Non-Tranched Index Exposure] [Tranched Linear Basket Exposure] [Tranched Index Exposure] or [Basket Tranched Index Exposure]
(lvii)	Long Nominal Exposure Percentage:	[*specify*]
(lviii)	Short Nominal Exposure Percentage	[*specify*
(lix)	LLM:	[*specify*] [Not applicable]
(lx)	SLM:	[*specify*] [Not applicable]
(lxi)	[Determination of Aggregate Loss Percentage:]	[[Zero Recovery][FP Recovery]] (*Delete if Long Exposure or Short Exposure is neither Tranched Index Exposure nor Basket Tranched Index Exposure*)

PROVISIONS APPLICABLE TO FUND LINKED NOTES

51.	FUND LINKED NOTE PROVISIONS:	[Applicable][Not Applicable][for the purposes of determining the "Rate of Interest" specified in item 19(vi)] (*insert where "Rate of Interest (viii) – Range Accrual" applies under item 19(vi)*) (*If not applicable, delete the remaining subparagraphs of this paragraph*) (*in respect of Credit Linked Notes*) [, [not] subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Linked Conditions] The provisions of Annex 4 of the Terms and Conditions (*Additional Terms and Conditions for Fund Linked Notes*) shall apply.
(i)	Fund/Fund Basket(s):	[*specify*] [Reference Item[s][(k)]] [The [*specify*] Fund is a Mutual Fund] [The [*specify*] Fund is a Hedge Fund] [The [*specify*] Fund is a Private Equity Fund] [The [*specify*] Fund is an Exchange Traded Fund]
(ii)	Listing of the Fund:	[ ]
(iii)	Authorisation of the Fund:	[ ]
(iv)	Fund Shares:	[*specify*]

		[Weighting: [Not Applicable][The weighting to be applied to each Fund Share comprising the Fund Basket is [ ]]]
(v)	Exchange:	[*specify*][Not Applicable] (*only applicable to ETFs*)
(vi)	Related Exchange:	[*specify*][All Exchanges][Not Applicable] (*only applicable to ETFs*)
(vii)	Exchange Business Day:	[All Fund Share Basis][Per Fund Share Basis][Single Fund Share Basis][Not Applicable] (*only applicable to ETFs*)
(viii)	Scheduled Trading Day:	[All Fund Share Basis][Per Fund Share Basis][Single Fund Share Basis][Not Applicable] (*only applicable to ETFs*)
(ix)	Strike Date:	[*specify*][Not Applicable] (*only applicable to ETFs*)
(x)	Strike Period [and Strike Days]:	[*specify strike period*][Not Applicable][*specify Strike Days in the Period*]
(xi)	Averaging:	Averaging [applies][does not apply] to the Notes [The Averaging Dates are [*specify*]] [see paragraph [ ] above] [In the event that an Averaging Date is a Disrupted Day Omission[Postponement][Modified Postponement] will apply] [[Specified Maximum Days of Disruption will be equal to: [*specify*][five]] (*If not Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five*)
(xii)	Observation Date:	[*specify*][Not Applicable] In the event that an Observation Date is a Disrupted Date [Omission][Postponement][Modified Postponement] will apply
(xiii)	Observation Period:	[*specify*][Not Applicable]
(xiv)	Coupon Valuation Date(s):	[*specify*][Not Applicable]
(xv)	Redemption Valuation Date:	[*specify*][Not Applicable]
(xvi)	Valuation Time (only applicable to ETFs):	[Scheduled Closing Time][Any time [on the relevant [Coupon Valuation Date][Redemption Valuation Date]][during the Observation Period]] [[*specify*], being the time specified on the relevant [Coupon Valuation Date][Redemption Valuation Date] or an Averaging Date, as the case may be, for the

		calculation of the [Fund Linked Interest Amount] [Redemption Amount][As per the Conditions] (*If no time is specified, the Valuation Time will be the close of trading on the Exchange*)
(xvii)	Fund Service Provider:	[*specify*][As set out in Fund Linked Conditions]
(xviii)	Fund Documents:	[*specify*][As per Fund Linked Conditions]
(xix)	Fund Business Day:	[(All Fund Share Basis)][(Per Fund Share Basis)][(Single Fund Share Basis)]
(xx)	Initial Calculation Date:	[*specify*][As set out in Fund Linked Conditions][Not Applicable]
(xxi)	Final Calculation Date:	[*specify*] [Not Applicable]
(xxii)	Hedging Date:	[ ][Not Applicable]
(xxiii)	Calculation Date(s):	[*specify*][As set out in per the Fund Linked Conditions] [Not Applicable]
(xxiv)	AUM Level:	[*specify*][Not Applicable]
(xxv)	NAV Trigger Percentage:	[[ ]%][As per Fund Linked Conditions] [Not Applicable]
(xxvi)	NAV Trigger Period:	[*specify*][As per Fund Linked Conditions] [Not Applicable]
(xxvii)	Number of NAV Publication Days:	[*specify*][As per Fund Linked Conditions] [Not Applicable]
(xxviii)	Basket Trigger Level:	[*specify*][[As per Fund Linked Conditions][Not Applicable]
(xxix)	Termination Amount:	[Principal Protected Termination Amount][Non- Principal Protected Termination Amount][Not applicable][*specify*]
(xxx)	Termination Date:	[*specify*][Not Applicable]
(xxxi)	Fee:	[ ][Not Applicable]
(xxxii)	Protected Amount:	[*specify*][Not applicable]
(xxxiii)	Simple Interest Spread:	[As per Fund Linked Conditions][*specify*]
(xxxiv)	Specified Maximum Days of Disruption:	[*specify*][five] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five. Only applicable to ETFs*)
(xxxv)	Extraordinary Fund Event:	[*In the case of a Private Equity Fund only, insert*: [ ]]

(xxxvi)	Delayed Redemption on the Occurrence of an Extraordinary Fund Event:	[Applicable][Not Applicable]
(xxxvii)	Additional Extraordinary Fund Event:	[Not Applicable][]

PROVISIONS APPLICABLE TO FOREIGN EXCHANGE (FX) RATE LINKED NOTES

52.	FOREIGN EXCHANGE (FX) RATE LINKED PROVISIONS:		[Applicable][Not Applicable][for the purposes of determining the "Rate of Interest" specified in item 19(vi)] (*insert where "Rate of Interest (viii) – Range Accrual" applies under item 19(vi)*) (*If not applicable, delete the remaining subparagraphs of this paragraph*) (*in respect of Credit Linked Notes*) [, [not] subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Linked Conditions]
	(i)	Base Currency:	[*specify*][Not Applicable][For Reference Item[(k)]: [*insert*]]
	(ii)	Subject Currency/Currencies:	[*specify*][Not Applicable][For Reference Item[(k)]: [*insert*]] [and EM Foreign Exchange Rate Provisions apply to such Subject Currency]
	(iii)	Additional Disruption Event:	(*Specify each of the following which applies*) [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
	(iv)	Averaging:	Averaging [applies][does not apply] to the Notes. [The Averaging Dates are [*specify*]] [see paragraph [ ] above]
	(v)	Observation Date(s):	[*specify*][Not Applicable]
	(vi)	Observation Period:	[*specify*][Not Applicable]
	(vii)	Strike Date:	[*specify*][Not Applicable]
	(viii)	Strike Period [and Strike Days]:	[*Specify Strike Period*][Not Applicable][*Specify the applicable Strike Days in the Strike Period*]
	(ix)	Coupon Valuation Date:	[*specify*][Not Applicable]
	(x)	Redemption Valuation Date:	[*specify*][Not Applicable]
	(xi)	Provisions applicable where EM Foreign Exchange (FX) Rate Provisions do not apply to a Settlement Currency:	[Applicable [in respect of [*specify Subject Currencies to which these provisions apply where there is a Basket*]]][Not Applicable] (*Where applicable for more than one Subject Currency, complete as relevant for each such Subject Currency*)
		(a) Delayed Redemption on the Occurrence of a Disruption Event:	[Applicable][Not Applicable]

	(b)	Relevant Screen Page:	[*specify*][Not Applicable]
	(c)	Specified Maximum Days of Disruption:	[Specified Maximum Days of Disruption will be equal to: [*specify*][five]][Not Applicable] (*If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five*)
	(d)	Price Source:	[*specify*]
	(e)	Valuation Time:	[*specify*][As per Foreign Exchange (FX) Rate Linked Note Condition 6]
	(f)	Number of Postponement Settlement Days:	[[Two][*specify*]] [Business Days] [*specify*]
(xii)		Provisions applicable where EM Foreign Exchange (FX) Rate Provisions apply:	[Applicable [in respect of [*specify Subject Currencies to which these provisions apply where there is a Basket*]]][Not Applicable] (*Where applicable for more than one Subject Currency, complete as relevant for each such Subject Currency*)
	(a)	Provisions applicable to determining the Settlement Price:	For the purpose of the definition of Settlement Price in Foreign Exchange (FX) Rate Linked Note Condition 6 [and [*specify the relevant Subject Currency where more than one Subject Currency*]: EM FX Price Source: [*specify*] EM Valuation Time: [*specify*] EM Scheduled Trading Day Jurisdiction: [*specify*] [Relevant Screen Page:] [*specify*]
	(b)	EM Disruption Events:	[Price Source Disruption] [Illiquidity Disruption] [Dual Exchange Rate] [General Inconvertibility] [General Non-Transferability] [Material Change in Circumstance] [Nationalisation] [Price Materiality, where: EM Price Materiality Percentage: [*specify*][3]% EM Primary Rate: [*specify*][The rate determined as set out in the definition of Settlement Price]

EM Secondary Rate: [*specify*][[EM First Fallback Reference Price [and]][EM Second Fallback Reference Price]]

(*Specify in respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Events (or components thereof*) *also apply thereto*)

(c) EM Disruption Fallbacks: [EM Calculation Agent Determination]

[EM First Fallback Reference Price, where:

First Fallback EM FX Price Source: [*specify*]

First Fallback EM Valuation Time: [*specify*]

First Fallback EM Number of Settlement Days: [*specify*]]

[EM Second Fallback Reference Price, where:

Second Fallback EM FX Price Source: [*specify*]

Second Fallback EM Valuation Time: [*specify*]

Second Fallback EM Number of Settlement Days: [*specify*]]

[EM Valuation Postponement]

(*Specify in respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Fallbacks (or components thereof*) *also apply thereto*)

(d) EM Maximum Days of Postponement: [*specify*]

(*Specify in respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Fallbacks (or components thereof) also apply thereto*)

(e) EM Cumulative Events: [Not Applicable][Applicable and EM Maximum Cumulative Days of Postponement means [*specify*]]

(*Specify in respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Fallbacks (or components thereof) also apply thereto*)

(f) EM Number of Settlement Days: [Two][Zero][*specify other*] [where Settlement Day Centre(s) means [*specify*]]

	(g)	EM Number of Postponement Settlement Days:	[[Two][*specify*]] [Business Days][EM Settlement Days] [*specify*]

PROVISIONS APPLICABLE TO EUA CONTRACT LINKED NOTES

53.		EUA CONTRACT LINKED NOTE PROVISIONS:	[Applicable][Not Applicable][for the purposes of determining the "Rate of Interest" specified in item 19(vi)] (*insert where "Rate of Interest (viii) – Range Accrual" applies under item 19(vi)*) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*in respect of Credit Linked Notes*) [, [not] subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Linked Conditions] [The provisions of Annex 8 of the Terms and Conditions (Additional Terms and Conditions for EUA Contract Linked Notes) shall apply.]
	(a)	EUA Contract/EUA Contracts/Basket of EUA Contracts:	[*specify EUA Contract/EUA Contracts*][The [futures] contract specified in item (g) below] [Relevant Registry: [*specify*]]
	(b)	Pricing Date(s):	[*specify*][Not Applicable]
	(c)	Initial Pricing Date:	[*specify*][Not Applicable]
	(d)	Final Pricing Date:	[*specify*][Not Applicable]
	(e)	Coupon Valuation Date(s):	[*specify*][Not Applicable]
	(f)	Redemption Valuation Date:	[*specify*][Not Applicable]
	(g)	EUA Contract Reference Price:	[*specify*] [*For example*: For any Pricing Date, that day's Specified Price on the [*insert*] of the EUA Contract] [for the Delivery Date], [stated in [*currency*]] [per][*specify quantity and commodity*][, as made public by][*specify*] on that Pricing Date] [The Price Source is/are [●]][5]
	(h)	EUA Contract Business Day	[EUA Contract Linked Condition [1] applies][*specify*]
	(i)	Delivery Date:	[*specify*]/[Not applicable]
	(j)	Nearby Month:	[*specify*]/[Not applicable]
	(k)	Specified Price:	[*specify*]/[Not applicable]
	(l)	Exchange:	[*specify*]/[Not applicable]

[5] Delete if using automated EUA Contract Reference Prices.

(m)	Valuation Time:	[Continuous monitoring [*specify other*] and the relevant time on [insert relevant date(s)].]/[*specify*]
(n)	Specified Maximum Days of Disruption:	[*specify*] [[●] EUA Contract Business Days][6]/[As per Conditions]
(o)	Weighting:	[The Weighting to be applied to each item comprising the Basket of EUA Contracts is [*specify*]]/[Not applicable]
(p)	Rolling Futures Contract Notes:	[Yes/No] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [Dislocation Event: [Applicable]/[Not applicable] Dislocation Level: [*specify*]/[As per Conditions]]
	Futures Rollover [Date/Period]:	[Not applicable]/[*specify*]
(q)	EUA Contract Early Redemption Amount:	[Applicable][Not Applicable] (*If not applicable, delete the remaining sub-paragraph of this paragraph*) [EUA Contract 1: [*specify relevant EUA Contract*] EUA Contract 2: [*specify relevant EUA Contract*] m: [*specify*][Not Applicable] Market Value: [*specify*][Not Applicable]]

PROVISIONS APPLICABLE TO REFERENCE ITEM RATE LINKED NOTES

54.	REFERENCE ITEM RATE LINKED NOTE PROVISIONS	[Applicable][Not Applicable] [for the purposes of [determining the "Rate of Interest" specified in item 19(vi)] (*insert where "Rate of Interest (viii) – Range Accrual" applies under item 19(vi)*)], [and][the Automatic Early Redemption provisions] [The [Floating][Fixed] Rate Note Provisions shall apply for the purposes of determining the Reference Item Rate on the basis of elections in this paragraph (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*in respect of Credit Linked Notes*) [, [not] subject to the provisions of paragraph "Credit Linked Note Provisions" and the Credit Linked Conditions] *(If more than one Reference Item Rate is to be determined, include the following language: "Reference Item Rate [specify] is as follows:" and*

[6] Only applicable in respect of EUA Contract Linked Notes linked to a single EUA Contract.

			repeat items (i) to (vi) below for each such Reference Item Rate)
(i)	Screen Rate Determination:		[Applicable][Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Reference Item Rate:	[*specify*]
	(b)	Interest Determination Date(s):	[*specify*] (e.g: *first day of each Interest Period if Hong Kong dollar HIBOR, the second day on which T2 is open prior to the start of each Interest Period if EURIBOR, and the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR. Where the Rate of Interest is being used other than for a Floating Rate Note, ensure that this is not specified in respect of an Interest Period and the relevant Range Accrual Day may be specified where relevant for Range Accrual Notes.*)
	(c)	Relevant Time:	[*specify*] *for example 11:00 am, Brussels time, in the case of a determination of EURIBOR, or 11:15 am, Hong Kong time, in the case of a determination of HIBOR or CNH HIBOR*
	(d)	Relevant Screen Page:	[*specify*] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(ii)	Relevant Financial Centre:		[*specify*][*For example, Euro-zone (where Euro-zone means the region comprising the countries whose lawful currency is the euro)*]
(iii)	ISDA Determination:		[Applicable][Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	ISDA Definitions:	[2006 Definitions]/[2021 Definitions] (*Where the 2021 Definitions are Applicable, note that the Conditions have been reviewed in relation to Version 8.0 dated 10 March 2023. If a later version is to be followed, the Conditions should be reviewed carefully to ensure compatibility with the relevant ISDA Rate before use*)
	(b)	Floating Rate Option:	[*specify*] (*Where the 2021 ISDA Definitions are Applicable, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions)*)

(c)	Effective Date:	[Issue Date of the first Tranche of the Notes]/[●]
(d)	Termination Date:	[Maturity Date of the Notes]/[●][without regard to any Business Day Convention applicable thereto]
(e)	Designated Maturity:	[*specify*]
(f)	Reset Date:	[*specify*] (*In the case of a HIBOR or CNH HIBOR based option, the first day of the Interest Period*)
(g)	Alternative Pre-nominated Reference Rate:	[*specify*][None]
(h)	ISDA Day Count Fraction:	[●]
(i)	Business Day (for the purposes of the ISDA Definitions):	[ ]] (*Specify financial center(s) if you wish Business Days for the purposes of the determination of the ISDA Rate to be different from the Business Days defined in the Conditions*)
(j)	Compounding/ Averaging/ Index:	[Applicable/Not Applicable] (*Specify as Applicable if the Calculated Rate Style is identified as "Average Floating Rate Option", "Compounded Floating Rate Option" or "Compounded Index" in the Floating Rate Matrix*) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(k)	Overnight Rate Compounding Method:	[Applicable/Not Applicable] [OIS Compounding] [Compounding with Lookback [Lookback: [●] Applicable Business Days] [Compounding with Observation Period Shift [Observation Period Shift: [●] Observation Period Shift Business Days] [Observation Period Shift Additional Business Days: [●]] Set-in-Advance: [Applicable/Not Applicable]] [Compounding with Lockout [Lockout: [●] Lockout Period Business Days] [Lockout Period Business Days: [●]]
(l)	Overnight Rate Averaging Method:	[Applicable/Not Applicable] [Overnight Averaging/Averaging with Lookback/ Averaging with Observation Period Shift/Averaging with Lockout]

			[Lookback: [ ] Applicable Business Days] [Observation Period Shift: [ ] Observation Period Shift Business Days] [Observation Period Shift Additional Business Days: [ ]] [Set-in-Advance:] [Applicable] [Not Applicable]] [Lockout: [ ] Lockout Period Business Days] [Lockout Period Business Days: [ ]]
	(m)	Daily Capped Rate and/or Daily Floored Rate:	[Applicable/Not Applicable] (If not applicable, delete the Daily Capped Rate and Daily Floored Rate prompts immediately below) [Daily Capped Rate:] [[ ]%] [Daily Floored Rate:]] [[ ]%]
	(n)	Index provisions:	[Applicable/Not Applicable] (*If not applicable, delete the Index Method prompt immediately below*)
	(o)	Index Method:	[Standard Index Method/All-In Compounded Index Method/Compounded Index Method/ Compounded Index Method with Observation Period Shift][As specified in the 2021 ISDA Definitions] [Set-in-Advance: [Applicable] [Not Applicable] [Observation Period Shift: [ ] Observation Period Shift Business Days] [Observation Period Shift Additional Business Days: [ ]]]
(iv)	[Reference Spread:		[Reference Item Rate [1][2] minus Reference Item Rate [1][2]][Not Applicable] [See paragraph [ ][above][below] (*If a Reference Spread applies for each Interest Period, the Reference Spread shall be specified separately for each Interest Period.*)]
(v)	Coupon Valuation Date(s):		[*specify*][Not applicable]
(vi)	Rate Cut-Off Date:		[*specify*] [See paragraph [*specify*][above][below][Not applicable]
(vii)	Business Day:		As used in this item and for the purpose of determining the Reference Item Rate only, "**Business Day**" means [a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [*specify*] [A T2 Settlement Day][[a "U.S.

Government Securities Business Day", being any day except for a Saturday, Sunday or day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in U.S. government securities.]

[Not Applicable]

GENERAL PROVISIONS APPLICABLE TO PARTLY PAID NOTES

55.	PARTLY PAID NOTES:	[Applicable][Not Applicable] (*Conditions will need to be amended if the Partly Paid Notes are not Fixed Rate Notes or Floating Rate Notes which are which are not Reference Item Linked Notes and US counsel must be consulted if such Notes are also intended to be sold to US investors*) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Part Payment Amounts and Part Payment Dates:	**Part Payment Amount** / **Part Payment Date** [*specify*] / [*Issue Date*] [*specify*] / [*specify*] (*Repeat as necessary*)
(ii)	Notice period for notice to be given by the Issuer in respect of each Part Payment Date:	[*specify*] [5] [Business Days'] notice
(iii)	Notice period for notice to be given by the Issuer in respect of any early redemption of the Notes following non-payment of any Part Payment Amount:	[*specify*] [5] [Business Days'] notice
(iv)	Part Payment Early Redemption Date (if any):	[*specify*] [5] [Business Days'] following the relevant Part Payment Date

GENERAL PROVISIONS APPLICABLE TO THE NOTES

56.	**FORM OF NOTES**:	[Registered Notes: [Restricted U.S. Global Note Certificate registered in the name of a nominee for DTC] [Unrestricted [U.S.][International] Global Note Certificate registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] [3(a)(2) U.S. Global Note Certificate registered in the name of a nominee for DTC.] [Definitive Registered Note represented by a Definitive Note Certificate and registered in the name of the holder thereof]] [*Delete as applicable*]

57.	ADDITIONAL BUSINESS CENTRES	[Not Applicable] [*Insert Additional Business Centres*]
58.	ADDITIONAL FINANCIAL CENTRE FOR CONDITION 7(D) AND OTHER SPECIAL PROVISIONS RELATING TO RELEVANT BUSINESS DAYS	[Not Applicable] [*Insert Additional Financial Centre*] [*Specify any additional provisions relating to Relevant Business Days*] (*Note that this item relates to the date and place of payment, and not Business Days*)
59.	NEW SAFEKEEPING STRUCTURE:	[Yes] [No] (Note that Partly Paid Notes may not be issued under the New Safekeeping Structure)
60.	DETAILS RELATING TO INSTALLMENT NOTES: AMOUNT OF EACH INSTALLMENT ("**INSTALLMENT AMOUNT**"), DATE ON WHICH EACH PAYMENT IS TO BE MADE ("**INSTALLMENT DATE**"):	[Not Applicable] [("**Installment Amount**" means [*insert amount*] per Calculation Amount and "**Installment Date(s)**" means [each of] [*specify*]. [For the avoidance of doubt, if any Installment Date falls on or about the due date for the redemption of the Notes in full, the Installment Amount will remain payable on the relevant Installment Date.]] [The Credit Linked Conditions are [not] applicable to the [*first, second, etc*] Installment Amount(s)][*Note: include where the Notes are Credit Linked Installment Notes but where the Installment Amounts are not subject to the Credit Linked provisions*] (*repeat as necessary*)
61.	CONSOLIDATION PROVISIONS:	[Not Applicable][The provisions [in Condition 13 (*Further Issues*)] apply]
62.	CALCULATION AGENT:	[*specify*] [Banco Santander, S.A.]
63.	MODIFICATIONS:	[Not Applicable/*give details*] (*if not applicable, delete the remaining sub paragraphs of this paragraph*)
64.	RENMINBI SETTLEMENT CENTRE(S):	[Applicable] [Not Applicable]
(i)	Renminbi Currency Event:	[USD]/[*give details*] [Not Applicable]
(ii)	Relevant Event Currency:	[●] [Not Applicable]
(iii)	Relevant Currency Valuation Time:	[●] [Not Applicable]
(iv)	Relevant Spot Rate Screen Page:	(*N.B. where the Foreign Exchange (FX) Rate Linked Note provisions also apply then each of (ii), (iii) and (iv) above should be not applicable*.)

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Pricing Supplement. [(*Relevant third party information*) has been extracted from (*specify source*). Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to

ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[If required by the relevant Stock Exchange:

[Signed on behalf of the Issuer:

By: _____

Duly authorised

By: _____

Duly authorised]

[Signed on behalf of the Guarantor:

By: _____

Duly authorised]

PART B – OTHER INFORMATION

1. **LISTING**

(i)	Listing	[*Insert Listing*/None]
(ii)	Admission to trading	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Vienna MTF with effect from [ ]] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Vienna MTF with effect from [ ]] *(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
(iii)	[Estimate of total expenses related to admission to trading:	[ ]]

2. **RATINGS**

Ratings:	The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*] [The Notes are not rated] [*Delete as applicable*] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)*

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

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["*Plan of Distribution*"] [and] "*General Information*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

4. **[USE OF PROCEEDS**

The Notes are [Green Bonds] [Social Bonds] [Sustainable Bonds] and the net proceeds from the issuance of the Notes will be used as described in "*Use of Proceeds*" in the Offering Memorandum]] (*Insert if applicable*)

5. **OPERATIONAL INFORMATION**

ISIN:	[ ]
Common Code:	[ ]
CUSIP Code:	[ ]

Any clearing system(s) other than DTC, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
Delivery:	Delivery [against/free of] payment
Names and addresses of initial Paying Agent(s) (if any):	[ ]
Names and addresses of additional Paying Agent(s) (if any):	[ ]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Not Applicable] [Yes. Note that the designation "**yes**" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [*include this text if "yes" selected in which case the registered Global Note Certificates must be held under the NSS*] [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 safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day 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.]

6. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/ *give names*]
(iii)	If non-syndicated, name of Dealer:	[ ]
(iv)	US Selling Restrictions	Reg. S Compliance Category 2; TEFRA not applicable
(v)	Additional Selling restrictions:	[Not Applicable/*give details*]
(vi)	Prohibition of Sales to EEA Retail Investors:	[Applicable]

(vii)	Prohibition of Sales to UK Retail Investors:	[Applicable]

7. **[U.S. TAX CONSIDERATIONS**

[The Notes are [not] Specified Securities for purposes of Section 871(m).] [Based on market conditions on the date of this Pricing Supplement, the Issuer has made a preliminary determination that the Notes are [not] Specified Securities for purposes of Section 871(m). This is a preliminary determination only that is subject to change based on market conditions on the Issue Date. If the Issuer's final determination is different then it will give notice of such determination.] [Please contact [*give name(s) and address(es) of Issuer contact*] for further information regarding the application of Section 871(m) to the Notes.] (*The Notes will not be Specified Securities if they (i) are issued prior to January 1, 2027 and are not "delta-one" for U.S. tax purposes or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities and (i) are issued prior to January 1, 2027 and provide a return that does not differ significantly from the return on an investment in the underlying, or (ii) are issued on or after January 1, 2027, further analysis would be required*.)]

8. **[ROC TAXATION]**

[*N.B.: To be inserted if Notes are listed on the Taipei Exchange:* The following is a general description of the principal of the ROC tax consequences for investors receiving interest in respect of, or disposing of, the Notes and is of a general nature based on the Issuer's understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.

This general description is based upon the law as in effect on the date hereof and that the Notes will be issued, offered, sold and re-sold, directly or indirectly, to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Notes.]

Interest on the Notes

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest [or deemed interest] to be paid on the Notes.

ROC corporate holders must include the interest [or deemed interest][7] receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20% (unless the total taxable income for a fiscal year is under NT$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax ("**AMT**") is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to a 0.1%. securities transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1% of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the ordinary income tax calculated pursuant to the Income Basic Tax Act of the ROC (also known as the AMT Act), the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders may be carried over 5 years to offset against capital gains of the same category of income for the purposes of calculating their AMT.

[*Specify*]

9. **SPECIFIC BUY-BACK PROVISIONS** [Applicable] [Not Applicable]

(*If not applicable, delete the remaining sub- paragraph of this paragraph 9*)

(*The Specific Basis Buy-Back Provisions may only apply where Santander US Capital Markets LLC. acts as the sole Dealer and where the Specified Denomination in respect of each Note is equal to at least Euro 100,000 (or its equivalent amount in the Specified Currency)*)

[7] Applicable for Zero Coupon Notes only.

[The value of the Notes prior to the Maturity Date shall reflect and shall be calculated on the basis of but will not necessarily be the same as the Market Value of the Underlying Transactions if any at the relevant time.

In the event that the Issuer accepts a request to buy-back the Notes, the price at which the Issuer will buy-back the Notes (the "**Buy-Back Price**") will be determined taking into consideration but will not necessarily be the same as the Market Value of the Underlying Transactions.]

(a) Notice period: [Not less than] [[5/[●]] Business Days][*specify*]

• Underlying Transactions: Information relating to:

(i) the calculation of the interest basis in respect of the Notes (unbundling), in particular, information relating to the Extra-Yield (being the additional remuneration paid in respect of the Notes compared to other debt instruments with equivalent payments but to which the Specific Buy-Back Provisions do not apply); and

(ii) the Underlying Transactions, if any, and any changes thereto,

shall be published on [[●]] [*specify alternative method of publication*].

• Issuer contact details for notices: [Issuer]
[*specify address*]
[*specify e-mail*]]

10. [**SOFR**

Include where the Notes reference SOFR: The Issuer is not affiliated with the Federal Reserve Bank of New York. The Federal Reserve Bank of New York does not sanction, endorse or recommend any products or services offered by the Issuer.]

FORM OF NOTES

General

Unless otherwise specified in the Pricing Supplement, the Notes shall be represented initially by one or more Notes in global form.

Registered Notes shall be represented initially by (i) one or more global Notes in registered form, without Coupons (each, a "**Global Note Certificate**") or (ii) one or more definitive Notes in registered form, without Coupons (each, a "**Definitive Note Certificate**").

If so specified in the Pricing Supplement, Registered Notes may be represented, in whole or in part, by a U.S. Global Note Certificate (as defined below), that is registered in the name of DTC, as depositary, or a successor or nominee thereof, and which shall be deposited on behalf of the purchasers thereof with a custodian for DTC. Beneficial interests in the Restricted U.S. Global Note Certificates, Unrestricted U.S. Global Note Certificates and 3(a)(2) U.S. Global Note Certificates (each as defined below) shall be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Purchasers of Notes may elect to hold interests in Restricted U.S. Global Note Certificates or, as the case may be, Unrestricted U.S. Global Note Certificates through any of DTC (in the United States), Clearstream, Luxembourg or Euroclear if they are participants in such systems or indirectly through organisations which are participants in such systems.

If so specified in the Pricing Supplement, Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S may be represented, in whole or in part, by an Unrestricted International Global Note Certificate (as defined below) that is deposited with or on behalf of a common depositary or, in the case of an Unrestricted International Global Note Certificate to be held under the New Safekeeping Structure (as defined below), a common safekeeper, for Euroclear and Clearstream, Luxembourg, or a nominee thereof for credit to the respective accounts of beneficial owners of the Notes represented thereby. Beneficial interests in the Unrestricted International Global Note Certificates shall be represented through book-entry accounts of participants in Euroclear and/or Clearstream, Luxembourg. Purchasers of Notes may elect to hold interests in Unrestricted International Global Note Certificates through any of Euroclear or Clearstream, Luxembourg if they are participants in such systems or indirectly through organisations which are participants in such systems. Unrestricted International Global Note Certificates will be subject to the restrictions and procedures referred to under "*Unrestricted International Global Note Certificates*" below.

If so specified in the Pricing Supplement, Registered Notes may be represented, in whole or in part, by a Definitive Note Certificate registered in the name of the holder thereof.

Registered Notes may be evidenced by (i) one or more Global Note Certificates in an aggregate principal amount equal to the principal amount of the Notes of such Series, which shall be exchangeable in the limited circumstances described below for Registered Notes in definitive form, each evidenced by an individual note certificate (an "**Individual Note Certificate**") or (ii) one or more Definitive Note Certificates in an aggregate principal amount equal to the principal amount of the Notes of such Series.

Where the Unrestricted International Global Note Certificate (as defined below) is held under the New Safekeeping Structure ("**NSS**") the Pricing Supplement will also indicate whether or not such Unrestricted International Global Note Certificate is intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Unrestricted International Global Note Certificate is so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for the Unrestricted International Global Note Certificate which is held under NSS will either be Euroclear or Clearstream, Luxembourg or another entity approval by Euroclear or Clearstream, Luxembourg.

Registered Notes

Registered Notes in global form

General

Unless otherwise specified in the relevant Pricing Supplement, Registered Notes of the same Series will be represented, in whole or in part, by (i) a Restricted Global Note Certificate that is registered in the name of a

nominee for DTC and deposited on or about the relevant issue date with the custodian for DTC, for credit to the respective accounts of beneficial owners of the Notes represented thereby (a "**Restricted U.S. Global Note Certificate**"), (ii) an Unrestricted Global Note Certificate that is (a) registered in the name of a nominee for DTC and deposited on or about the relevant issue date with the custodian for DTC, for credit to the respective accounts of beneficial owners of the Notes represented thereby (an "**Unrestricted U.S. Global Note Certificate**") or (b) registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and deposited on or about the relevant issue date with such common depositary (in the case of an Unrestricted Global Note Certificate that is not to be held under the New Safekeeping Structure), or registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and deposited on or about the relevant issue date with such common safekeeper (in the case of an Unrestricted Global Note Certificate that is to be held under the New Safekeeping Structure), in each case for credit to the respective accounts of beneficial owners of the Notes represented thereby (an "**Unrestricted International Global Note Certificate**") or (iii) a 3(a)(2) Global Note Certificate that is registered in the name of a nominee for DTC and deposited on or about the relevant issue date with the custodian for DTC, for credit to the respective accounts of beneficial owners of the Notes represented thereby (a "**3(a)(2) U.S. Global Note Certificate**"). As used herein, "**U.S. Global Note Certificates**" refers to the Restricted U.S. Global Note Certificate, the Unrestricted U.S. Global Note Certificate and the 3(a)(2) U.S. Global Note Certificate.

U.S. Global Note Certificates will be sold in reliance on specific registration exemptions of the Securities Act. U.S. Global Note Certificates will be subject to special restrictions and procedures referred to under "*U.S. Global Note Certificates*" below, and Unrestricted International Global Note Certificates will be subject to special restrictions and procedures referred to under " *Unrestricted International Global Note Certificates* " below.

U.S. Global Note Certificates

Notes that are sold in reliance on Rule 144A will be represented by a Restricted U.S. Global Note Certificate, unless otherwise specified in the Pricing Supplement. A Restricted U.S. Global Note Certificate in the form provided in the Program Manual (and any Notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein and will bear the legend regarding such restrictions described under "*Transfer Restrictions*."

Registered Notes that are sold outside the United States in reliance on Regulation S will be represented by an Unrestricted U.S. Global Note Certificate, unless otherwise specified in the Pricing Supplement. On or prior to the 40th day after the later of the commencement of the offering and the date of delivery of the Notes represented by an Unrestricted U.S. Global Note Certificate, a beneficial interest therein may be transferred to a person who takes delivery in the form of an interest in a Restricted U.S. Global Note Certificate of the same Series, but only upon receipt by the Registrar of a written certification from the transferor (in the form provided in the Program Manual) to the effect that such transfer is being made to a person who the transferor reasonably believes is purchasing for its own account or accounts as to which it exercises sole investment discretion and that such person and each such account is a QIB within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After such 40th day, such certification requirement will no longer apply to such transfers.

Beneficial interests in a Restricted U.S. Global Note Certificate may be transferred to a person who takes delivery in the form(s) of an interest in an Unrestricted U.S. Global Note Certificate of the same Series, whether before, on or after such 40th day, but only upon receipt by the Registrar of a written certification from the transferor (in the form provided in the Program Manual) to the effect that such transfer is being made outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act or pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) and that, if such transfer occurs on or prior to such 40th day, the interest transferred will be held immediately thereafter through Euroclear or Clearstream, Luxembourg.

Notes that are sold pursuant an exemption from registration provided by Section 3(a)(2) of the Securities Act will be represented by a 3(a)(2) U.S. Global Note Certificate (in the form provided in the Program Manual).

Any beneficial interest in a U.S. Global Note Certificate that is transferred to a person who takes delivery in the form of a beneficial interest in another U.S. Global Note Certificate of the same Series will, upon transfer, cease to be a beneficial interest in the first mentioned U.S. Global Note Certificate, will become a beneficial interest in such other U.S. Global Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other U.S. Global Note Certificate for as long as it remains such a beneficial interest.

Book-Entry System (DTC)

Upon the issuance of a U.S. Global Note Certificate, DTC or its custodian will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such U.S. Global Note Certificate to the accounts of persons who have accounts with DTC. Ownership of beneficial interests in a U.S. Global Note Certificate will be limited to persons who have accounts with DTC (including Euroclear and Clearstream, Luxembourg), or persons who hold interests through participants. Ownership of beneficial interests in a U.S. Global Note Certificate will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants), which may include Euroclear and Clearstream, Luxembourg, as described below.

So long as DTC, or its nominee, is the registered holder of a U.S. Global Note Certificate, DTC or such nominee, as the case may be, will be considered the sole owner and holder of the Notes represented by such U.S. Global Note Certificate for all purposes under the Agency Agreement and the Notes. Unless DTC notifies the Issuer that it is unwilling or unable to continue as depositary for such Note, or ceases to be a "clearing agency" registered under the Exchange Act, or an Event of Default has occurred and is continuing with respect to such Note, DTC is at any time unwilling or unable to continue as a depositary and a successor depositary is not appointed by the Issuer within 90 days or, in respect of an Unrestricted U.S. Global Note Certificate only, Euroclear or Clearstream, Luxembourg or DTC is closed for business for a continuous period of 14 days or announces an intention to permanently cease business or an Event of Default has occurred and is continuing with respect to such Note, the Issuer will (i) issue Restricted Individual Note Certificates in exchange for the relevant Restricted U.S. Global Note Certificate and/or (ii) issue an Unrestricted Individual Note Certificate in exchange for the relevant Unrestricted U.S. Global Note Certificates. In the case of Restricted Individual Note Certificates issued in exchange for Restricted U.S. Global Note Certificates, such Restricted Individual Note Certificates will bear, and be subject to, the legend described under "*Transfer Restrictions*." Except in the limited circumstances described in this paragraph, owners of beneficial interests in a U.S. Global Note Certificate will not be entitled to receive physical delivery of Individual Note Certificates. In addition, no beneficial owner of an interest in a U.S. Global Note Certificate will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the Agency Agreement and, if applicable, those of Euroclear and Clearstream, Luxembourg as participants of DTC).

Investors may hold their interests in an Unrestricted U.S. Global Note Certificate through Euroclear or Clearstream, Luxembourg (as participants of DTC), if they are participants in such systems, or indirectly through organisations which are participants in such systems. Beginning 40 days after the later of the commencement of the offering and the date of delivery of the Notes represented by such Unrestricted U.S. Global Note Certificate (but not earlier), investors may also hold such interests through organisations other than Euroclear and Clearstream, Luxembourg that are participants in the DTC system. Euroclear and Clearstream, Luxembourg will hold interests in an Unrestricted U.S. Global Note Certificate on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of DTC.

Investors may hold their interests in a Restricted U.S. Global Note Certificate directly through DTC, if they are participants in such system, or indirectly through organisations which are participants in such system.

Payments of the principal of and any premium, interest, and other amounts on any U.S. Global Note Certificate will be made to DTC or its nominee, as the registered owner thereof. Neither the Issuer, the Guarantor, the Registrar, the Transfer Agent nor any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a U.S. Global Note Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment in respect of a U.S. Global Note Certificate held by it or its nominee, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such U.S. Global Note Certificate as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in a U.S. Global Note Certificate held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in accordance with DTC's procedures and will be settled in same-day funds. The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a U.S. Global Note Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in a U.S. Global Note Certificate to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate of such interest. Transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described above, cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg participants, on the other hand, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by its respective depositary; however, such crossmarket transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in any U.S. Global Note Certificate in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream, Luxembourg participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream, Luxembourg.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing an interest in a U.S. Global Note Certificate from a DTC participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, Luxembourg, as the case may be) immediately following the DTC settlement date and such credit of any transactions in interests in a U.S. Global Note Certificate settled during such processing day will be reported to the relevant Euroclear or Clearstream, Luxembourg participant on such day. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interests in a U.S. Global Note Certificate by or through a Euroclear or Clearstream, Luxembourg participant will be received for value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day following settlement in DTC.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of a U.S. Global Note Certificate (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account with DTC interests in such U.S. Global Note Certificate are credited and only in respect of such portion of the aggregate principal amount of such U.S. Global Note Certificate as to which such participant or participants has or have given such direction. However, if there is an Event of Default under a U.S. Global Note Certificate, DTC will exchange such U.S. Global Note Certificate for Individual Note Certificates, which it will distribute to its participants.

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

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the U.S. Global Note Certificates among participants of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer nor the Guarantor will have any responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Unrestricted International Global Note Certificates

If so specified in the Pricing Supplement, Registered Notes sold to non-U.S. persons outside the United States in reliance on Regulation S will be represented, in whole or in part, by an Unrestricted International Global Note Certificate. Unrestricted International Global Note Certificates will be either (i) registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and deposited on or about the relevant issue date with such common depositary (in the case of an Unrestricted International Global Note Certificate that is not to be held under the New Safekeeping Structure), or (ii) registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and deposited on or about the relevant issue date with such common safekeeper (in the case of an Unrestricted International Global Note Certificate that is to be held under the New Safekeeping Structure), in each case for credit to the respective accounts of beneficial owners of the Notes represented thereby.

Investors may hold their interests in an Unrestricted International Global Note Certificate through Euroclear or Clearstream, Luxembourg, if they are participants in such systems, or indirectly through organisations that are participants in such systems. Euroclear and Clearstream, Luxembourg will hold interests in an Unrestricted International Global Note Certificate on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries or safekeepers, as applicable.

So long as the common depositary, or, in the case of an Unrestricted International Global Note Certificate to be held under the New Safekeeping Structure, the common safekeeper, or the relevant nominee, is the registered holder of an Unrestricted International Global Note Certificate, the common depositary, common safekeeper or such nominee, as the case may be, will be considered the sole owner and holder of the Notes represented by the relevant Unrestricted International Global Note Certificate for all purposes under the Agency Agreement and such Notes. Holders of beneficial interests in an Unrestricted International Global Note Certificate will not be entitled to have any portion of such Unrestricted International Global Note Certificate registered in their names, will not receive or be entitled to receive delivery of Individual Note Certificates in exchange for their interests in an Unrestricted International Global Note Certificate and will not be considered the owners or holders of such Unrestricted International Global Note Certificate (or any Notes represented thereby) under the Agency Agreement or the Notes. In addition, no beneficial owner of an interest in an Unrestricted International Global Note Certificate will be able to transfer that interest except in accordance with applicable procedures of Euroclear and Clearstream, Luxembourg (in addition to those under the Agency Agreement referred to herein).

Payments of the principal of and any premium, interest and other amounts on any Unrestricted International Global Note Certificate will be made to the common depositary, common safekeeper or its nominee as the registered owner thereof. Neither the Issuer, the Guarantor, the Registrar, the Transfer Agent nor any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in an Unrestricted International Global Note Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that each of Euroclear and Clearstream, Luxembourg, upon receipt of any such payment in respect of an Unrestricted International Global Note Certificate represented by a Global Note Certificate held by a common depositary or common safekeeper (or its nominee), will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Unrestricted International Global Note Certificate evidenced by such Global Note Certificate as shown on the records of Euroclear or Clearstream, Luxembourg, as the case may be. The Issuer also expects that payments by participants to owners of beneficial interests in an Unrestricted International Global Note Certificate held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and will be settled in immediately available funds.

Unrestricted International Global Note Certificates will bear a legend to the effect set forth in "*Transfer Restrictions*." Book-entry interests in Unrestricted International Global Note Certificates will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions*."

Any beneficial interest in an Unrestricted International Global Note Certificate that is transferred to a person who takes delivery in the form of a beneficial interest in another Unrestricted International Global Note Certificate will, upon transfer, cease to be a beneficial interest in the first mentioned Unrestricted International Global Note

Certificate and will become a beneficial interest in such other Unrestricted International Global Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Unrestricted International Global Note Certificate for as long as it remains such a beneficial interest.

Registered Notes in definitive form

If specified in the Pricing Supplement, Registered Notes may be represented on issue by Definitive Note Certificates, registered in the name of the holder thereof.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7(b)) immediately preceding the due date for payment in the manner provided in that Condition.

Legend appearing on Implicit Yield Notes

The following legend will appear on all Notes relating to Implicit Yield Notes:

"THE SALE, TRANSFER OR ACQUISITION OF IMPLICIT YIELD NOTES (AS DEFINED IN CONDITION 8 OF THE NOTES), INCLUDING, BUT NOT LIMITED TO, ZERO COUPON NOTES, TO OR BY INDIVIDUALS (PERSONAS FÍSICAS) WHO ARE TAX RESIDENT IN SPAIN (EACH A "SPANISH INDIVIDUAL") IS FORBIDDEN IN ALL CASES. ANY TRANSFER OF IMPLICIT YIELD NOTES TO OR BY SPANISH INDIVIDUALS IS NOT PERMITTED AND SUCH TRANSFER WILL BE CONSIDERED NULL AND VOID BY THE ISSUER AND THE GUARANTOR. ACCORDINGLY, NEITHER THE ISSUER NOR THE GUARANTOR WILL (i) RECOGNISE ANY SPANISH INDIVIDUAL AS AN OWNER OF IMPLICIT YIELD NOTES OR (ii) LIST ANY IMPLICIT YIELD NOTES."

CERTAIN BENEFIT PLAN INVESTOR CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes fiduciary standards and certain other requirements on employee benefit plans subject to Title I of ERISA including entities such as collective investment funds, partnerships and separate accounts whose underlying assets include the assets of such plans pursuant to U.S. Department of Labor "plan assets" regulations at 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA (such plans and entities, collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment will be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed in "Risk Factors" and the fact that in the future there may be no market in which the fiduciary will be able to sell or otherwise dispose of the Notes.

In addition, Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, (the "**Code**"), prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans, accounts and other arrangements that are not subject to ERISA but are subject to Section 4975 of the Code (together with ERISA Plans, "**Plans**")) and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under Section 4975 of the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. In particular, a sale or exchange of property or an extension of credit between a Plan and a "party in interest" or "disqualified person" may constitute a prohibited transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code as well.

Because of its business, the Issuer, directly or through its affiliates, may be considered a party in interest or disqualified person with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if Notes are acquired, held or disposed of by a Plan with respect to which the Issuer, any of the Arrangers, any of the Dealers or any of their respective affiliates is a party in interest or a disqualified person unless the Notes are acquired and held pursuant to and in accordance with an applicable exemption. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may apply depending in part on the type of Plan fiduciary making the decision to acquire the Notes and the circumstances under which that decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 95-60 (relating to investments by insurance company general accounts) and PTCE 96-23 (relating to transactions determined by an in-house asset manager). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide a limited exemption for the purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor any of its affiliates has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more than "adequate consideration" (within the meaning of ERISA Section 408(b)(17) and Section 4975(f)(10) of the Code) in connection with the transaction (the so-called "service provider exemption"). There can be no assurance, however, that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Governmental plans, certain church plans and non-U.S. plans, while not subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to federal, state, local, non-U.S. or other laws or regulations that are similar to the foregoing provisions of ERISA or the Code ("**Similar Laws**"). Fiduciaries of any such plans should consult with their counsel regarding the application of any Similar Law to an investment in the Notes before purchasing the Notes.

Unless the relevant Pricing Supplement provides otherwise, each purchaser or holder will be deemed to have represented and warranted by its purchase or holding of the Notes that either: (i) no portion of the assets used by it to purchase and hold such Notes constitutes assets of any Plan or any governmental, church or non-U.S. plan subject to any Similar Law (an "**Other Plan Investor**"), or (ii) the purchase, holding and subsequent disposition of such Notes by such purchaser or holder will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of an Other Plan Investor, will not constitute or result in a violation of any applicable Similar Law.

Notwithstanding the foregoing, the Issuer may prohibit Plans from purchasing and holding one or more Tranches of Notes and will specify any such restriction in the relevant Pricing Supplements. With respect to any Tranche of Notes that is not eligible for purchase or holding by Plans ("**ERISA Restricted Notes**"), each purchaser or holder will be deemed to have represented and warranted by its purchase or holding of such Notes that it is not and does not act on behalf of or with the assets of, and for so long as it holds such Note (or any interest therein) will not be and will not act on behalf of or with the assets of either (i) a Plan, or (ii) an Other Plan Investor unless its purchase, holding and subsequent disposition of such Notes will not violate any Similar Law.

Due to the complexity of these rules and the potential penalties for any non-exempt prohibited transactions or violations of Similar Laws, any persons considering purchasing the Notes on behalf of, or with the assets of, any Plan or Other Plan Investor should consult with their counsel regarding the relevant provisions of ERISA, the Code or any Similar Laws and the availability of exemptive relief under PTCE 91-38, 84-14, 90-1, 95-60, 96-23, the service provider exemption or some other basis on which the acquisition, holding and disposition of the Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or a violation of any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Each Plan or Other Plan Investor fiduciary should consult with its legal advisor concerning the potential consequences to the Plan or Other Plan Investor under ERISA, the Code or any applicable Similar Laws of an investment in the Notes.

The sale of the Notes to a Plan or Other Plan Investor is in no respect a representation by the Issuer, the Guarantors, the Dealers or their respective affiliates that such an investment meets all relevant legal requirements with respect to investment by Plans or Other Plan Investors generally or any particular Plan or Other Plan Investor, or that such an investment is appropriate for Plans or Other Plan Investors generally or any particular Plan or Other Plan Investor. Neither this discussion nor anything in this Offering Memorandum is or is intended to be investment advice directed at any potential purchaser that is a Plan or Other Plan Investor, or at such purchasers generally.

TRANSFER RESTRICTIONS

Non-3(a)(2) Notes

Each prospective purchaser of Notes offered in reliance on Rule 144A by accepting delivery of this Offering Memorandum will be deemed to have represented and agreed that such offeree acknowledges that this Offering Memorandum is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Memorandum, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

The Notes and the Spanish Law Instrument of Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold in the United States or to, or for the account of benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has agreed that it will not offer, sell or deliver the Notes, (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date (the "**Resale Restriction Termination Date**"), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells the Notes prior to the Resale Restriction Termination Date a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offer) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

Each purchaser of Notes offered and sold in reliance on Rule 144A will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(1) The purchaser (A) is a qualified institutional buyer, (B) is acquiring such Notes for its own account or for the account of a qualified institutional buyer and (C) is aware that the sale to it is being made in reliance on Rule 144A.

(2) The Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws, and, if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Notes, it will do so, prior to the expiration of the applicable holding period determined pursuant to Rule 144 under the Securities Act from the later of the Issue Date of the Notes and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (A) inside the United States, to a person who the seller reasonably believes is a qualified institutional buyer purchasing for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (B) outside the United States, in compliance with Rule 903 or Rule 904 under the Securities Act, (C) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable U.S. State securities laws or any other jurisdiction, or (D) to the Issuer, the Guarantor or their respective affiliates.

(3) Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

(4) The purchaser understands that Notes of a Series offered in reliance on Rule 144A will be represented by a Restricted U.S. Global Note Certificate or, as the case may be, a Restricted International Global Note Certificate. Before any interest in such Restricted U.S. Global Note Certificate or, as the case may be, a Restricted International Global Note Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an

interest in an Unrestricted U.S. Global Note Certificate or, as the case may be, a Unrestricted International Global Note Certificate, the seller will be required to provide the Registrar with a written certification as to compliance with the transfer restrictions referred to in clause (2)(B) or (2)(C) above.

(5) *With respect to Notes other than ERISA Restricted Notes*: Either (A) the purchaser is not and does not act on behalf of, and for so long as it holds a Note (or any interest therein) will not be and will not act on behalf of, (i) an "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") that is subject to Title I of ERISA, (ii) a "plan" as defined in and subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code"**), (iii) an entity whose underlying assets include the assets of any such employee benefit plan subject to ERISA or plan subject to Section 4975 the Code, or (iv) a governmental or other benefit plan subject to any federal, state, local, non-U.S. or other law that is similar to the provisions of Title I of ERISA or Section 4975 of the Code ("**Similar Law**"), or (B) its purchase, holding and subsequent disposition of the Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or violate any Similar Law.

(6) *With respect to ERISA Restricted Notes*: The purchaser is not and does not act on behalf of, and for so long as it holds a Note (or any interest therein) will not be and will not act on behalf of either (i) (a) an "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), (c) an entity whose underlying assets include the assets of any such employee benefit plan subject to ERISA or plan subject to Section 4975 the Code, or (ii) a governmental or other benefit plan subject to any federal, state, local, non-U.S. or other law that is similar to the provisions of Title I of ERISA or Section 4975 of the Code ("**Similar Law**") unless its purchase, holding and subsequent disposition of the Notes will not violate any Similar Law.

(7) The purchaser will deliver to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.

In order to effectuate the foregoing restrictions on resales and other transfers of Individual Note Certificates sold, or issued in exchange for a Note sold pursuant to Rule 144A, if any resale or transfer of a Note is proposed to be made (otherwise than to or through a Dealer or in reliance on Rule 144A or Regulation S), (i) directly by the holder of a Note, or (ii) through the services of a dealer other than a Dealer, the prospective purchaser of the Note, in the case of a resale or transfer of a Note to be made directly by the holder of such note, or such dealer, in the case of a resale or transfer of such Note to be made through such dealer, shall deliver a letter to the Issuer substantially in the form provided in the Program Manual, appropriately completed. If any resale or transfer of a Note is proposed to be made to a Dealer or in reliance on Rule 144A or Regulation S, either (i) the holder of such Note shall have made the appropriate notation on the transfer notice set forth on such Note or otherwise advised the Principal Paying Agent in writing that it is relying on Rule 144A or Regulation S in connection with such transfer or is transferring such Note to a Dealer or (ii) the prospective purchaser, its agent or a Dealer shall deliver a letter to the Principal Paying Agent substantially in the form prescribed in the Program Manual, appropriately completed along with the Note presented for transfer. Inquiries concerning transfers of Notes should be made to any Dealer.

The Restricted U.S. Global Note Certificates will bear a legend to the following effect unless the Issuer determines otherwise in compliance with applicable law:

"THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER AND THE GUARANTOR THAT IT (A) IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**"), (B) IS ACQUIRING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (C) IS AWARE THAT THE SALE TO IT IS BEING MADE IN RELIANCE ON RULE 144A AND (D) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO EXPIRATION OF THE

APPLICABLE REQUIRED HOLDING PERIOD DETERMINED PURSUANT TO RULE 144 OF THE SECURITIES ACT FROM THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) INSIDE THE UNITED STATES, TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR ANY OTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (4) TO THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE AFFILIATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET OUT HEREIN AND THE TERMS AND CONDITIONS OF THE NOTES TO ITS TRANSFEREE.

WITH RESPECT TO NOTES OTHER THAN ERISA RESTRICTED NOTES: EACH BENEFICIAL OWNER BY ITS PURCHASE AND HOLDING OF THE NOTES REPRESENTED HEREBY WILL BE DEEMED TO HAVE REPRESENTED THAT EITHER (A) IT IS NOT AND DOES NOT ACT ON BEHALF OF, AND FOR SO LONG AS IT HOLDS A NOTE (OR ANY INTEREST THEREIN) WILL NOT BE AND WILL NOT ACT ON BEHALF OF, (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR PLAN SUBJECT TO SECTION 4975 THE CODE, OR (IV) A GOVERNMENTAL OR OTHER BENEFIT PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW THAT IS SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR (B) ITS PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF THE NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR VIOLATE ANY SIMILAR LAW.

WITH RESPECT TO ERISA RESTRICTED NOTES: EACH BENEFICIAL OWNER BY ITS PURCHASE AND HOLDING OF THE NOTES REPRESENTED HEREBY WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS NOT AND DOES NOT ACT ON BEHALF OF, AND FOR SO LONG AS IT HOLDS A NOTE (OR ANY INTEREST THEREIN) WILL NOT BE AND WILL NOT ACT ON BEHALF OF EITHER (A) (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR PLAN SUBJECT TO SECTION 4975 THE CODE, OR (B) A GOVERNMENTAL OR OTHER BENEFIT PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW THAT IS SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") UNLESS ITS PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF THE NOTES WILL NOT VIOLATE ANY SIMILAR LAW. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED."

Restricted Individual Note Certificates issued in exchange for an interest in a Restricted U.S. Global Note Certificate will bear the following legend and be subject to the transfer restrictions set forth therein:

"THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933. AS AMENDED (THE "**SECURITIES ACT**") OR ANY U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE

ISSUER AND THE GUARANTOR THAT THAT IT (A) IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**"), (B) IS ACQUIRING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (C) IS AWARE THAT THE SALE TO IT IS BEING MADE IN RELIANCE ON RULE 144A AND (D) AGREES IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO EXPIRATION OF THE APPLICABLE REQUIRED HOLDING PERIOD DETERMINED PURSUANT TO RULE 144 OF THE SECURITIES ACT FROM THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) INSIDE THE UNITED STATES PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR ANY OTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (4) TO THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE AFFILIATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET OUT HEREIN AND THE TERMS AND CONDITIONS OF THE NOTES TO ITS TRANSFEREE.

WITH RESPECT TO NOTES OTHER THAN ERISA RESTRICTED NOTES: EACH BENEFICIAL OWNER BY ITS PURCHASE AND HOLDING OF THE NOTES REPRESENTED HEREBY WILL BE DEEMED TO HAVE REPRESENTED THAT EITHER (A) IT IS NOT AND DOES NOT ACT ON BEHALF OF, AND FOR SO LONG AS IT HOLDS A NOTE (OR ANY INTEREST THEREIN) WILL NOT BE AND WILL NOT ACT ON BEHALF OF, (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR PLAN SUBJECT TO SECTION 4975 THE CODE, OR (IV) A GOVERNMENTAL OR OTHER BENEFIT PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW THAT IS SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR (B) ITS PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF THE NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR VIOLATE ANY SIMILAR LAW.

WITH RESPECT TO ERISA RESTRICTED NOTES: EACH BENEFICIAL OWNER BY ITS PURCHASE AND HOLDING OF THE NOTES REPRESENTED HEREBY WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS NOT AND DOES NOT ACT ON BEHALF OF, AND FOR SO LONG AS IT HOLDS A NOTE (OR ANY INTEREST THEREIN) WILL NOT BE AND WILL NOT ACT ON BEHALF OF EITHER (A) (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR PLAN SUBJECT TO SECTION 4975 THE CODE, OR (B) A GOVERNMENTAL OR OTHER BENEFIT PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW THAT IS SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") UNLESS ITS PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF THE NOTES WILL NOT VIOLATE ANY SIMILAR LAW."

The Agency Agreement provides that such legends will not be removed unless the Registrar is advised that the relevant Note is being transferred pursuant to Regulation S or unless there is delivered to the Issuer, the Guarantor and the Registrar satisfactory evidence, which may include an opinion of U.S. counsel, to the effect that neither such legends nor the restrictions on transfer set forth therein are required to ensure that transfers of such Note

comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that such Note is not a "restricted security" within the meaning of Rule 144 under the Securities Act.

Each Unrestricted U.S. Global Note Certificate, Unrestricted International Global Note Certificate and Unrestricted Individual Note Certificate will bear a legend to the following effect unless the Issuer determines otherwise in compliance with applicable law:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.

THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED."

3(a)(2) Notes

The 3(a)(2) Notes and the New York Law Guarantee have not been, and are not required to be, registered with the OCC or with the SEC under the Securities Act, or under the securities laws of any state in the United States. The 3(a)(2) Notes and the New York Law Guarantee will be offered and sold to accredited investors (within the meaning of Regulation D under the Securities Act) ("**Accredited Investors**") pursuant to the exemptions from registration provided by Section 3(a)(2) of the Securities Act and Regulation D under the Securities Act, and pursuant to the exemption from registration with the OCC provided by 12 C.F.R. § 16.7.

Each person purchasing an interest in a 3(a)(2) Global Note will be deemed to have acknowledged, represented and agreed that it is an Accredited Investor, purchasing (or holding) the Notes for its own account or for the account of one or more Accredited Investor.

The 3(a)(2) U.S. Global Note Certificates will bear a legend to the following effect unless the Issuer determines otherwise in compliance with applicable law:

"THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), PART 16 OF THE REGULATIONS OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY (THE "**OCC**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS. THE NOTES REPRESENTED HEREBY ARE OFFERED PURSUANT TO THE EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT, PROVIDED BY SECTION 3(A)(2) OF THE SECURITIES ACT AND REGULATION D UNDER THE SECURITIES ACT, AND PURSUANT TO THE EXEMPTION FROM REGISTRATION WITH THE OCC PROVIDED BY 12 C.F.R. § 16.7.

THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER AND THE GUARANTOR THAT IT (A) IS AN ACCREDITED INVESTOR (WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT) ("ACCREDITED INVESTOR"), (B) IS ACQUIRING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF AN ACCREDITED INVESTOR, (C) AGREES THAT, WITH RESPECT TO NOTES TO BE TRANSFERRED THROUGH DTC, IT WILL NOT RESELL OR OTHERWISE TRANSFER THE NOTES OTHER THAN TO (1) A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A OR (2) THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE AFFILIATES, AND (D) AGREES THAT, WITH RESPECT TO NOTES TO BE TRANSFERRED OUTSIDE OF DTC, IT WILL NOT RESELL OR OTHERWISE TRANSFER THE NOTES OTHER THAN TO (1) AN ACCREDITED INVESTOR OR A PERSON ACQUIRING THIS SECURITY FOR THE ACCOUNT OF AN ACCREDITED INVESTOR, PROVIDED THAT CONSENT OF BANCO

SANTANDER, S.A. OR ITS AFFILIATES IS GIVEN FOR SUCH TRANSFER (NOT TO BE UNREASONABLY WITHHELD OR DELAYED) OR (2) THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE AFFILIATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET OUT HEREIN AND THE TERMS AND CONDITIONS OF THE NOTES TO ITS TRANSFEREE.

THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED AS AN "**INVESTMENT COMPANY**" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE NOTES ARE NOT DEPOSITS OR SAVINGS ACCOUNTS AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OF THE UNITED STATES OR ANY OTHER JURISDICTION."

Implicit Yield Notes

No transfer of Implicit Yield Notes to Spanish Individuals

The sale, transfer or acquisition of Implicit Yield Notes (as defined below), including, but not limited to, Zero Coupon Notes, to or by individuals (*personas físicas*) who are tax resident in Spain (each a "**Spanish Individual**") is forbidden in all cases. Any transfer of Implicit Yield Notes to or by Spanish Individuals is not permitted and such transfer will be considered null and void by the Issuer and the Guarantor. Accordingly, neither the Issuer nor the Guarantor will (i) recognise any Spanish Individual as an owner of Implicit Yield Notes or (ii) list any Implicit Yield Notes.

"**Implicit Yield Notes**" means Notes in respect of which the income derives from (a) the difference between the redemption amount and the issue price of the Notes, or (b) subject to the paragraph below, a combination of (i) an explicit coupon and (ii) the difference between the redemption amount and the issue price of the Notes. For the purposes of this Offering Memorandum and in accordance with Spanish tax regulations, Notes with the characteristics set out in (b) above will only be deemed Implicit Yield Notes if the interest payable in each year (explicit coupon) is lower than the Interest Rate of Reference applicable as of the Issue Date.

The "**Interest Rate of Reference**" shall be the interest rate applicable to each calendar quarter determined by reference to 80% of the weighted average rate fixed in the preceding calendar quarter for (a) three-year Spanish Government Bond issues, if the Notes have a term of four years or less, (b) five-year Spanish Government Bond issues, if the Notes have a term of more than four years but equal or less than seven years, or (c) 10, 15 or 30-year Spanish Government Bond issues, if the Notes have a term of more than seven years, all as determined by the Calculation Agent in a commercially reasonable manner.

USE OF PROCEEDS

If so specified in the Pricing Supplement, the net proceeds of the issue of each Tranche of Notes will be fully and permanently invested in the Bank and will allow the Bank:

(a) to finance, refinance or invest in, in whole or in part, Eligible Green Assets meeting the Eligibility Criteria, in which case the relevant Notes will be identified as "Green Bonds" in the Pricing Supplement ("**Green Bonds**");[1]

(b) to finance, refinance or invest in, in whole or in part, Eligible Social Assets meeting the Eligibility Criteria, in which case the relevant Notes will be identified as "Social Bonds" in the Pricing Supplement ("**Social Bonds**"); or

(c) to finance, refinance or invest in, in whole or in part, a combination of Eligible Green Assets and Eligible Social Assets, in each case, meeting the Eligibility Criteria, in which case the relevant Notes will be identified as "Sustainable Bonds" in the Pricing Supplement ("**Sustainable Bonds**").

Otherwise and unless otherwise specified in the Pricing Supplement, the net proceeds of the issue of each Tranche of Notes will be applied by the Issuer for the general corporate purposes of the Bank (subject to certain security arrangements, which may be entered into from time to time between the Issuer and the Bank).

Santander has established the relevant internal procedures for monitoring the Issuer's compliance with the Green, Social and Sustainability Funding Global Framework. Decisions relating to the selection and financing of Eligible Green Assets and Eligible Social Assets will be made by a local sustainability funding steering group consisting of senior directors and managers of the Bank. The steering group is also responsible for management of proceeds and ongoing reporting. It addition to this, compliance with the Green, Social and Sustainability Funding Global Framework, as well as the allocation of proceeds and the Eligible Green Assets and Eligible Social Assets alignment with the Eligibility Criteria, is also supported by external reviews provided by "Sustainalytics", as sustainability consultant, not only in the pre-issuances process, but also within the context of the relevant ad-hoc second party opinions in the event for example that additional green and social eligible categories are added to the Green, Social and Sustainability Funding Global Framework.

The Bank will, on an annual basis until full allocation and thereafter in case of material changes, publish an annual report containing both allocation and expected impact metrics of the proceeds of outstanding Green Bonds, Social Bonds and Sustainable Bonds.

The terms of the Green, Social and Sustainability Funding Global Framework can be amended by Santander, mainly to adapt such terms to the principles, standards and regulations in force from time to time. The amended Green, Social and Sustainability Funding Global Framework will be subject to the relevant internal and external review processes, as described. Noteholders will not be entitled to vote on such cases.

The Green, Social and Sustainability Funding Global Framework and any Tranche of Green Bonds, Social Bonds or Sustainable Bonds are or will be subject to external review and a second party opinion available at https://www.santander.com/en/shareholders-and-investors/fixed-income/fixed-income-presentations.

Neither the Green, Social and Sustainability Funding Global Framework, nor any of the related reports, opinions or contents of any of the web-sites referenced herein are incorporated in or form part of this Offering Memorandum.

For the purposes of the above:

"**Eligibility Criteria**" means the criteria prepared by Santander as set out in the Green, Social and Sustainability Funding Global Framework.

"**Eligible Green Assets**" means activities falling under the "Green eligible categories" of renewable energy, energy efficiency, pollution prevention and control, environmentally sustainable management of living natural resources and land use, terrestrial and aquatic biodiversity, clean transportation, sustainable water and wastewater management, climate adaptation, eco-efficient products and technologies, and green buildings, each as further described in, and subject to, the Green, Social and Sustainability Funding Global Framework.

[1] The Green Bonds are not issued as European Green Bonds in accordance with the European Green Bond Regulation.

"**Eligible Social Assets**" means projects falling under the "Social eligible categories" of affordable basic infrastructure, access to essential services, affordable housing, and employment generation and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance, each as further described in, and subject to, the Green, Social and Sustainability Funding Global Framework.

"**Green, Social and Sustainability Funding Global Framework**" means the Group's Green, Social and Sustainability Funding Global Framework dated June 2023 published by Santander, available at https://www.santander.com/en/shareholders-and-investors/fixed-income/fixed-income-presentations.

"**Santander**" means Banco Santander, S.A.

SANTANDER GLOBAL ISSUANCES B.V.

The legal name of the Issuer is Santander Global Issuances B.V. (Legal Entity Identifier 635400A8E8E8EKF4CB64). The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under and subject to the laws of the Netherlands on 15 November 2023 and registered with the Dutch Chamber of Commerce under RSIN 865840349 and Commercial Register number 91984602. The Issuer is a direct subsidiary of Banco Santander, S.A. and does not have any subsidiaries of its own.

The Issuer has its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, and its office address at Ciudad Grupo Santander | Edificio Encinar, Avda Cantabria, s/n, 28660 Boadilla del Monte, Spain. The telephone number of the Issuer is: 0034912572304.

Principal Activity

The principal objects of the Issuer are set forth in Article 3 of its Deed of Incorporation and are as follows:

(a) to incorporate, to participate in any way whatsoever in, to manage, to supervise businesses and companies;
(b) to finance businesses and companies;
(c) to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities;
(d) to render advice and services to businesses and companies with which the Issuer forms a group and to third parties;
(e) to grant guarantees, to bind the Issuer and to pledge its assets for obligations of businesses and companies with which it forms a group and on behalf of third parties;
(f) to acquire, alienate, manage and exploit registered property and items of property in general;
(g) to trade in currencies, securities and items of property in general;
(h) to develop and trade in patents, trade marks, licenses, know-how, copyrights, data base rights and other intellectual property rights;
(i) to perform any and all activities of an industrial, financial or commercial nature,

and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

The Issuer has not conducted any activities and is not expected to conduct any activities other than raising external funds for the purpose of on-lending to the Group in accordance with the Issuer's Deed of Incorporation.

As at the date of this Offering Memorandum, the Issuer's issued share capital amounts to EUR of 15,000, consisting of 150 shares with a nominal value of EUR 100 per share, all of which shares have been paid up and are held by Banco Santander, S.A.

Management Board

The management board (*bestuur*) of the Issuer consists of:

Name	Principal Occupation	Other Activities
Juan Andrés García Molinero	Director	Emisora Santander España S.A.U. (Director) Santander International Products, plc (Director)

Rubén Ibáñez Enériz	Director	Emisora Santander España S.A.U. (Director) Santander International Products, plc (Director)
Alfredo Madrigal Matute	Director	Santander International Products, plc (Director)
Carlos Ignacio Muñiz González-Blanch	Director	Santander International Products, plc (Director)
Iván Gordón Ortiz	Director	Santander International Products, plc (Director)
José Muñoz Pérez	Director	Santander International Products, plc (Director)
Juan Miguel Saffon Sanin	Director	Santander International Products, plc (Director)

The business address of each member of the management board of the Issuer is Ciudad Grupo Santander Edificio Encinar, Avda Cantabria, s/n, 28660 Boadilla del Monte, Spain.

Apex Financial Services Spain S.L.U., a company incorporated under the laws of Spain with register number B86474046 having its registered office at Paseo de Recoletos, 37, 3º Planta 28001, Madrid, Spain is the administrator of the Issuer. Its duties include the provision of certain administrative and related services including acting as company secretary. The appointment of the administrator may be terminated and the administrator may retire upon 90 days' written notice subject to the appointment of an alternative administrator.

The Issuer, as a financial company for the purposes of the Group with no employees, relies on the human resources, systems as well as the policies, processes and procedures of the Bank (including, without limitation, compliance, market abuse, risk, accounting, and audit committee).

The Issuer has established a bank account with the Bank in which proceeds of the Notes may be deposited, and which may be subject to certain security arrangements, entered into from time to time between the Issuer and the Bank.

Competition

As the Issuer's primary role is to support the Group by issuing securities and other financial instruments, the Issuer is not in direct competition with any other entities and as such there is currently no information to disclose in respect of its competitive position.

Conflicts of Interest

No member of the management board of the Issuer as listed above has any conflict of interest between their duties to the Issuer or the Group and their private interests or other duties.

Auditors

PricewaterhouseCoopers Accountants N.V. ("PwC Netherlands"), (Dutch Chamber of Commerce Registration Number 34180285) whose office address is at Fascinatio Boulevard 350, 3065 WB Rotterdam, the Netherlands, shall be appointed as the auditing firm for the Issuer Santander Global Issuances B.V.

Financial Statements

As of the date of this Offering Memorandum, the Issuer has not published any financial statements.

BANCO SANTANDER, S.A.

The description of the Bank is set out in certain sections of the 2024 Form 20-F. These sections have been incorporated by reference into this Offering Memorandum (see "*Information Incorporated by Reference*", which provides a table reconciling the content of this section with the corresponding page number(s) of the 2024 Form 20-F containing such information).

BANCO SANTANDER, S.A., NEW YORK BRANCH

DESCRIPTION OF BANCO SANTANDER, S.A., NEW YORK BRANCH

INFORMATION TO BE DISCLOSED ABOUT THE NEW YORK BRANCH

Banco Santander, S.A., New York Branch ("**New York Branch**") accepts responsibility for the information contained in this Offering Memorandum relating to the New York Branch.

The New York Branch is a Guarantor under this Offering Memorandum and assumes responsibility for the Guarantee.

The New York Branch is a branch of a public limited liability company (*sociedad anónima*) incorporated under the laws of the Kingdom of Spain and has its registered office at 437 Madison Avenue, New York, N.Y. 10022. The telephone number of the principal operating headquarters of the New York Branch is (212) 350 3500.

The New York Branch is federally licensed by the Office of the Comptroller of the Currency (the "**OCC**") to conduct a commercial banking business. The New York Branch's activity is mainly focused on wholesale banking, lending, markets activity on rates and currencies derivatives and transactional services to corporate and institutional investors.

Given the New York Branch is a branch of the Bank, no separate financial statements have been prepared for it. See "Banco Santander, S.A." above for information regarding the Bank.

The New York Branch is primarily regulated and examined by the OCC and is subject to banking laws and regulations applicable to a foreign bank that operates a federally-licensed branch in the United States.

The OCC has the authority to appoint a receiver to take possession of all of Banco Santander, S.A.'s property and assets in the United States, including the property and assets of the New York Branch, if: (i) the OCC revokes Banco Santander, S.A.'s authority to operate a federal branch or agency in the United States, including the New York Branch; (ii) any of Banco Santander, S.A.'s creditors obtains a judgment against Banco Santander, S.A. or the New York Branch arising out of a transaction with any of Banco Santander, S.A.'s federal branches or agencies, in any court of the United States or any state of the United States and such judgment has remained unpaid for thirty days; or (iii) the OCC determines that Banco Santander, S.A. is insolvent. In any such receivership, only the claims of Banco Santander, S.A.'s depositors and creditors who are not affiliated with Banco Santander, S.A. and whose claim(s) (x) arise out of transaction(s) with any of Banco Santander, S.A.'s branches or agencies located in the United States and (y) would represent legal obligation(s) against such branch or agency if such branch or agency were a separate legal entity (which would include claims with respect to the New York Law Guarantee of noteholders of the 3(a)(2) Notes that are not affiliated with Banco Santander, S.A.) may be satisfied out of the property in such receivership. In the event of a liquidation, winding-up or any other condition in which the New York Branch is unable to satisfy its obligations in respect of the New York Law Guarantee, such obligations shall remain obligations of Banco Santander, S.A.

If the OCC determines that there is reasonable cause to believe that Banco Santander, S.A. has violated or failed to comply with any applicable federal laws or regulations, or orders of the OCC, the OCC may revoke the license of the New York Branch. Additionally, the Federal Reserve Board may recommend to the OCC that the license of any federal branch of a foreign bank, including Banco Santander, S.A. or the New York Branch, be terminated if the Federal Reserve Board has reasonable cause to believe that (i) the foreign bank is not subject to comprehensive supervision on a consolidated basis in its home country (unless the home country is making demonstrable progress toward establishing such supervision) or (ii) the foreign bank, or an affiliate, has violated the law or engaged in an unsafe or unsound banking practice in the United States, and as a result, the continued operation of the branch would be inconsistent with the public interest or the purposes of the International Banking Act of 1978, as amended, Bank Holding Company Act of 1956, as amended ("**BHCA**"), or the Federal Deposit Insurance Act of 1950, as amended. If the New York Branch or the U.S. operations of Banco Santander, S.A. were to be closed by the OCC pursuant to such authority or Banco Santander, S.A. were voluntarily to discontinue its operations, the holders of the 3(a)(2) Notes would have recourse only against Banco Santander, S.A. with respect to the New York Law Guarantee, subject to any arrangements made for the payment of the New York Branch's liabilities by the relevant regulatory authorities.

In addition to the New York Branch being subject to banking laws and regulations applicable to a foreign bank that operates a federally-licensed branch in the United States, Banco Santander, S.A. is subject to certain state regulations and to United States federal regulation, including under the BHCA.

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in a Dealer Agreement dated March 21, 2025 (the "**Dealer Agreement**") between the Issuer, the Bank, the Arranger and the Dealers, the Notes will be offered from time to time by the Issuer to the Dealers. The Issuer and the Guarantor will pay the applicable Dealer a commission which will equal the percentage of the principal amount of any such Note sold through such Dealer. The Issuer and the Guarantor may sell Notes to a Dealer, as principal, at a discount from the principal amount thereof, and such Dealer may later resell such Notes to investors and other purchasers at varying prices related to prevailing market prices at the time of sale as determined by such Dealer. The Issuer has reserved the right to sell Notes through one or more other dealers in addition to the Dealers and directly to investors on its own behalf in those jurisdictions where it is authorised to do so. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

Each of the Issuer, failing whom the Bank, has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by the Issuer or, in relation to itself and the Issuer only, by any Dealer, at any time on giving not less than ten business days' notice.

In addition, the Dealers may offer the Notes they have purchased as principal to other Dealers. The Dealers may sell Notes to any dealer at a discount and, unless otherwise specified in the applicable Pricing Supplement, such discount allowed to any Dealer will not be in excess of the discount to be received by such Dealer from the Issuer. Unless otherwise indicated in the applicable Pricing Supplement, any Note sold to a Dealer as principal will be purchased by such Dealer at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to any agency sale of a Note of identical maturity, and may be resold by the Dealer to investors and other purchasers as described above. After the initial offering of Notes to be resold to investors and other purchasers, the offering price (in the case of Notes to be resold at a fixed offering price), the concession and discount may be changed. The maximum commission or discount that may be received by any member of Financial Industry Regulatory Authority ("**FINRA**") for sales of Notes, together with reimbursement of any counsel fees by us, will not exceed 8.00% of the initial gross proceeds from the sale of any notes being sold.

Delivery of the Notes will be made against payment therefor on or about the issue date specified in the applicable Pricing Supplement. As of May 28, 2024, under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in one business day after the date the Notes are priced ("T+1"), unless the parties to any such trade expressly agree otherwise. Accordingly, if the applicable Pricing Supplement specifies that the issue date is more than one business day after the date on which the Notes are priced, purchasers who wish to trade such Notes at any time prior to the first business day preceding the issue date will be required, by virtue of the fact that the Notes will not settle in T+1, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement; such purchasers should also consult their own advisors in this regard.

In connection with an offering of Notes, the Dealers may purchase and sell Notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the dealers of a greater aggregate principal amount of Notes than they are required to purchase in connection with any offering of Notes. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of Notes while an offering is in progress. The Dealers may also impose a penalty bid. This occurs when a particular Dealer repays to the Dealers a portion of the commission received by it because the Dealers have repurchased Notes sold by or for the account of such Dealers in stabilizing or short-covering transactions.

These activities by the Dealers may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Dealers at any time.

Conflicts of Interest

Santander US Capital Markets LLC is an affiliate of the Issuer and the Guarantor and, as such, will have a "conflict of interest" in any offering of 3(a)(2) Notes in which it participates, as either principal or agent, within the meaning of Rule 5121 of the FINRA (or any successor rule thereto) ("**Rule 5121**"). Consequently, any such offering will be conducted in compliance with the provisions of Rule 5121. Santander US Capital Markets LLC is not permitted to sell Notes in any such offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

United States of America

Non-3(a)(2) Notes

The Notes and the Spanish Law Instrument of Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, trading in the Notes has not been approved by the Commodity Futures Trading Commission pursuant to the United States Commodity Exchange Act of 1936, as amended and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A of the Securities Act. The Notes will be subject to restrictions on resale and transfer. See "*Transfer Restrictions*."

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver such Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date (the "**Resale Restriction Termination Date**"), within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes prior to the Resale Restriction Termination Date, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction .

Such Dealers as may be specified in the relevant Pricing Supplement may offer and sell Notes in accordance with Rule 144A under the Securities Act ("**144A Resales**") subject to compliance with all applicable United States selling restrictions.

In connection with any such 144A resale, each such Dealer has represented, undertaken and agreed that it has taken or will take reasonable steps to ensure that the purchaser is aware that the Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, that transfers of Notes are restricted as set forth herein and that the selling Dealer may rely upon the exemption provided by Rule 144A under the Securities Act. Please see "Transfer Restrictions."

Each Series of Notes may also be subject to such further United States selling restrictions as the Issuer and the relevant Dealer may agree and as indicated in the relevant Pricing Supplement.

3(a)(2) Notes

The Notes and the New York Law Guarantee have not been, and are not required to be, registered with the OCC or with the SEC under the Securities Act, or under the securities laws of any state in the United States. Trading in the Notes has not been approved by the Commodity Futures Trading Commission pursuant to the United States Commodity Exchange Act of 1936, as amended. The 3(a)(2) Notes and the New York Law Guarantee will be offered pursuant to the exemptions from registration provided by Section 3(a)(2) of the Securities Act and Regulation D under the Securities Act, and pursuant to the exemption from registration with the OCC provided by 12 C.F.R. § 16.7. The Notes are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency of the Kingdom of Spain, the United States or any other jurisdiction.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

In relation to each Tranche of Notes, the Dealers subscribing for or purchasing such Notes have represented to and agreed with, or will represent to and agree with, the Issuer, the Guarantor and each other such Dealer (if any) that:

(a) ***No deposit-taking***: in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(b) ***Financial promotion***: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or, in the case of the Guarantor, would not apply to the Guarantor if it was not an authorised person; and

(c) ***General compliance***: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Spain

Other than as may be provided in the Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Offering Memorandum as completed by the Pricing Supplement in relation thereto to the public in Spain except that the requirements to make such an offer under Regulation (EU) 2017/1129 (as amended or superseded) have been complied with. The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain without complying with all legal and regulatory requirements under Spanish securities laws.

The Notes may not be offered, sold or distributed, nor may the Notes be re-sold to Spanish tax-resident individuals.

Prohibition of sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

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

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

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the "**Prospectus Regulation**"); and

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

Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

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

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**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; and

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

Republic of Austria

In addition to the selling restrictions described in the section headed "Prohibition of Sales to EEA Retail Investors" (in particular the restrictions/requirements stipulated by the Prospectus Regulation), the Notes may be offered in Austria only in compliance with the provisions of the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*, Federal Law Gazette No 62/2019, as amended, the "**KMG 2019**"), which may require the filing of a notification pursuant to section 24 of the KMG 2019 with the Austrian Control Bank (*Oesterreichische Kontrollbank Aktiengesellschaft*) as soon as possible, but in any event prior to the commencement of the relevant offer of the Notes.

In addition, any offer and sale of the Notes must be made in compliance with the provisions of the Austrian Securities Supervision Act 2018 (*Wertpapieraufsichtsgesetz 2018*, Federal Law Gazette No 107/2017, as amended) and all other applicable legislation and regulations in Austria.

Principality of Andorra

Each Dealer has represented and agreed, and any further Dealer appointed under the Program will be required to represent and agree, that the Notes may only be offered, sold or distributed in the Principality of Andorra ("**Andorra**") in accordance with the requirements set forth by the laws of Andorra, in particular: Law 7/2013, 9, May, on the regime for the operating entities in the Andorran financial system and other provisions which govern the financial activities at the Principality of Andorra ("**Law 7/2013**") "*Llei 7/2013, del 9 de maig, sobre el règim jurídic de les entitats operatives del sistema financer andorrà i altres disposicions que regulen l'exercici de les activitats financeres al Principat d'Andorra*" and Law 8/2013, 9, May, on the organisational requirements and operating conditions of the operating entities in the Andorran financial system, the investor protection, the market abuse and financial securities agreements ("**Law 8/2013**") "*Llei 8/2013, del 9 de maig sobre els requisits organitzatius i les condicions de funcionament de les entitats operatives del sistema financer, la protecció de l'inversor, l'abús de mercat i els acords de garantia financera*", as well as or any other related regulations that may be in force from time to time, as further amended, supplemented or restated governing the issue, offer and sale of securities in Andorra.

Accordingly, the Notes can only be publicly offered, marketed, promoted or negotiated in Andorra by locally licensed financial entities "*entitats operatives del sistema financer andorrà*". Dealers may offer or distribute exclusively the Notes to locally licensed financial entities authorised by the Andorran Financial Authority "Autoritat Financera Andorrana" in accordance with the laws of Andorra, or sell them to Andorran professional

investors, as defined in Law 8/2013, as long as the selling of such securities is expressly solicited by such investors.

Republic of Chile

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that neither the Issuer nor the Notes have been, and will not be registered at the Chilean Financial Market Commission (*Comisión para el Mercado Financiero de Chile*) ("**CMF**") pursuant to Law No. 18,045 (*Ley de Mercado de Valores*) (the "**Securities Market Law**"), as amended, of the Republic of Chile and, accordingly, each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes within Chile or to, or for the account or benefit of persons in Chile except in circumstances which have not resulted and will not result in a public offering in Chile within the meaning of Article 4 of the Securities Market Law or if not offered pursuant to the safe-harbor contained in General Rule No. 336, as amended by General Rule No. 452, both issued by the CMF ("**Rule 336**").

Pursuant to Rule 336, Dealers may offer the Notes to prospective investors in Chile in accordance with the following requirements (all of which need to be satisfied by the specific offer):

(a) The offer must comply with the obligations related to information and safeguards set forth in section III and IV of Rule 336.

(b) The offer must not be carried out by means of Mass Media Broadcasting, as defined in Section II of Rule 336.

(c) The offer must meet at least one of the following conditions: (i) it shall be directed to Qualified Investors as listed in numbers 1 through 6 of Section II of General Rule No. 216 issued by the CMF ("**Rule 216**"); or (ii) it shall be directed to no more than 250 Qualified Investors as listed in numbers 7 and 8 of Section II of Rule 216, through a single or several consecutive offers, within a 12 month period. For this purpose, 50 non-Qualified Investors may be included within such 250 addressees; or (iii) it shall be directed to a maximum of 50 non-Qualified Investors. However, this letter (c) shall not apply regarding offerings whose unit value is equal to or greater than 3,000 *Unidades de Fomento* (U.S. $120,000 approximately).

(d) According to Section IV of Rule 336, the relevant Dealer shall be responsible for implementing the means and safeguards necessary to: (i) verify the identity of Qualified Investors and their status as such for which purpose the relevant Dealer may obtain a declaration from the purchaser of the Notes as provided thereto; and (ii) comply with the conditions, limits and amounts, as applicable, set forth in Rule 336; and evidence the compliance of the obligations established in Rule 336 upon any requirement made by the CMF.

(e) According to Section III of Rule 336, the relevant Dealer must include the following highlighted disclaimer in any communication or material (whether in paper or electronic form, including without limitation the offering memorandum) in English or Spanish.

The Issuer and the Notes will not be registered in the *Registro de Valores Extranjeros* (Foreign Securities Registry) maintained by the CMF and will not be subject to the supervision of the CMF. If such securities are offered within Chile, they will be offered and sold only pursuant to General Rule No. 336 of the CMF, an exemption to the registration requirements, or in circumstances which do not constitute a public offer of securities in Chile within the meaning of Article 4 of the Chilean Securities Market Law (Law No. 18,045). The commencement date of this offering is the one contained in the cover pages of this prospectus. The Issuer has no obligation to deliver public information in Chile. The Notes shall not be subject to public offering in Chile unless registered in the Foreign Securities Registry or exempt from registration in such registry in accordance with General Rule No. 352 of the CMF.

As a result of the above restrictions, Purchasers of Notes in Chile are advised to consult legal counsel prior to making any Purchase, Offer, Sale, Resale or other Transfer of such Notes.

Republic of Panama

In the Republic of Panama, notes cannot be publicly offered or sold without first registering with the Superintendence of the Securities Market (the "**Superintendence**"), in accordance with the requirements set forth in Decree Law 1 of 1999 and legislation that amended it, and Title II of Law 67 of 2011, (modified by Law No.

12 of the 3rd of April of 2012, and Law No. 56 of 2nd of October of 2012) (the "**Panama Securities Law**"). The following scenarios, however, exempt offers, sales, and transactions involving the Notes from registration requirements under the Panama Securities Law:

(a) Private placement Offers: An offer to no more than 25 investors in Panama (other than Institutional Investors), which results in sales to no more than 10 such investors within a year;

(b) Institutional investors: offers of securities and sales made to institutional investors, defined as those that, due to their experience in securities markets, have the knowledge and the financial capability to evaluate and assume the risks involved in investing in securities, and do not need the protection of the Superintendence of the Securities Market.

Regarding this, Agreement 1-2001 issued by the Superintendence establishes that the following juridical persons qualify as institutional investors:

(a) Banks, Insurance Companies, Reinsurance Companies, Investment companies registered before the Superintendence, Investment Trusts managed by companies with trust license, the regulated pension and retirement funds, and Broker-dealer houses for their own account and risks and in duly segregated investment accounts.

All aforementioned juridical persons shall be duly authorised to operate by the corresponding regulatory authority.

(b) Juridical persons (such as, but not limited to, corporations or private interest foundations) domiciled in the Republic of Panama with regular operations managing investments for at least 2 years before the date the offer and/or sale is made, with a net assets of at least one million dollars (US$.1,000,000.00) according to the last audited financial statements and whose Principal Officers, or in their absence, the majority of the Directors and Officers must have at least two years of experience in investment management. The juridical persons that under this category are part of operations involving securities not registered in the Superintendence, shall certify in writing that they meet these requirements and that, consequently, they do not require the protection of the provisions set forth in the Panama Securities Law. This certification should be signed by the legal representative of the respective juridical person.

(c) Sovereign States duly represented. Included under this category are the public entities that due to their nature are authorised to make investments (for example, but not limited to, "El Fondo Fiduciario para el Desarrollo" (Development Trust Fund) and "La Caja de Seguro Social" (Social Security Institution).

When marketing/selling in accordance with the Institutional Investor Exemption, notification requirements apply where the marketing/offering relates to Securities where the issuer (i.e. the entity that issues the Securities) is not from a Recognised Jurisdiction. The Superintendence recognises jurisdictions where legislation contains sufficient elements to be deemed as a Recognised Jurisdiction, as defined by the Panama Securities Law. In these cases the issuer shall submit to the Superintendence, the OE-3 Form within fifteen days from the date the offer was made.

See link below for list of Recognised Jurisdictions:

http://www.supervalores.gob.pa/files/Reglamentacion/Listado-Jurisdicciones-Reconocidas.pdf

Argentina

Each Dealer has represented and agreed, and any further Dealer appointed under the Program will be required to represent and agree, that the Notes and the information contained in this Offering Memorandum and any Transaction Documents have not been, and will not be, registered with the Argentinian securities commission (*Comisión Nacional de Valores* or "**CNV**") and will not be subject to the supervision of the CNV. Accordingly, this Offering Memorandum and any other document or material in connection with the offering may not be circulated or distributed, nor may the Notes be marketed, offered, or sold within the Argentine territory other than in compliance with the provisions of the Argentine Capital Markets Law No. 26,831 (as amended, and/or supplemented) and other applicable Argentine laws and regulations, including the CNV's General Resolution No. 622/2013 (as amended and/or supplemented from time to time).

Potential investors within the Argentine territory are advised to consult their legal and financial advisors prior to performing any action related to the Notes.

Brazil

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that the Notes will not be registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários) ("**CVM**") and, thus, will not be offered or sold to the public in Brazil. Any public offering or distribution, as defined under Brazilian laws and regulations, of the Notes in Brazil is not legal without prior registration under Brazilian laws and regulations, mainly Law No. 6,385, of 7 December 1976, as amended, and CVM Resolution No. 160, of 13 July 2022, as amended. Documents relating to such offering shall not be distributed to public or be used in connection with any offer for subscription or sale to the public in Brazil. The Notes will not be offered or sold in Brazil except in circumstances which do not constitute a public offering, placement, distribution or listing of securities in the Brazilian capital markets regulated by Brazilian legislation.

Canada

Each Dealer has represented, warranted and agreed that the Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations.* Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any supplement or amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (**NI 33-105**), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Colombia

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will represent and agree, that the Notes have not and will not be marketed, offered, sold or distributed in Colombia or to Colombian residents except in circumstances which do not constitute a public offer of securities in Colombia within the meaning of article 6.1.1.1.1 of Decree 2555 of 2010 as amended from time to time. Any offer of the Notes in Colombia will be addressed to less than one hundred specifically identified investors. The material in this Offering Memorandum is for the sole and exclusive use of the addressee as a determined individual/entity and cannot be understood as addressed for the use of any third party, including any of such party's shareholders, administrators or employees, or by any other third party resident in Colombia. The information contained in this Offering Memorandum is provided for illustrative purposes only and no representation or warranty is made as to the accuracy or completeness of the information contained herein. Accordingly, Notes will not be publicly offered, marketed or negotiated in Colombia through promotional or advertisement activities (as defined under Colombian law) except in compliance with the requirements of the Colombian Financial and Securities Market Regulation (Decree 2555 of 2010, Law 964 of 2005 and Organic Statute of the Financial System) as amended and restated, and decrees and regulations made thereunder. Each Dealer has acknowledged that the Notes listed in the Offering Memorandum have not been, and will not be, registered in the National Securities and Issuers Registry (*Registro Nacional de Valores y Emisores*) of the Colombian Financial Superintendence (*Superintendencia Financiera de Colombia*) or with any Colombian securities exchange or trading system, and therefore it is not intended for any public offer of the Notes in Colombia.

Investors acknowledge the Colombian laws and regulations (specifically foreign exchange and tax regulations) applicable to any transaction or investment consummated in connection with this Offering Memorandum and represent that they are the sole liable party for full compliance with any such laws and regulations.

Investors represent that investment in the Notes is a permitted investment for them under their corporate bylaws and/or particular investment regime that may be applicable.

Costa Rica

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that neither the Issuer nor the Notes have been, and will not be registered at the General Superintendency of Securities (*Superintendencia General de Valores*) ("**SUGEVAL**") pursuant to Law No. 7732 (*Ley de Mercado de Valores*) (the "**Securities Market Law**"), as amended, of the Republic of Costa Rica and, accordingly, each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes within Costa Rica or to, or for the account or benefit of persons in Costa Rica except in circumstances which have not resulted and will not result in a public offering in Costa Rica within the meaning of Article 2 of the Securities Market Law or article 5 of the Regulations on the Public Offering of Securities (*Reglamento sobre Oferta Pública de Valores)* (the "**Offering Regulations**"). Accordingly, the Notes cannot be offered or sold in Costa Rica, except if (i) the Notes were previously registered with SUGEVAL; or (ii) such offering is considered a private offering under the securities laws and regulations of Costa Rica. Any private offer of the Notes in Costa Rica will be addressed to less than 50 prospective investors, on a one-to-one basis, avoiding mass communication media, such as through newspapers, radio, television, or the internet but if exceeds one million U.S. dollars (or its equivalent in Costa Rican colones) it will be accredited before SUGEVAL. To conduct a private offering of the Notes, each Dealer must provide the following confirmations:

(a) written and signed proof by the relevant Dealer indicating it expressly requested the service and was not referred by a securities intermediary; and

(b) express proof that it was warned that the Issuer is not authorised to make public offerings of securities brokerage services, nor is it supervised by SUGEVAL.

Prior to each investment of a private offering, the relevant Dealers must have a signed consent that the following warnings have been made and are understood:

(a) The private offering does not constitute a public offering of securities under the terms of the Law N° 7732, therefore, it is not authorised by SUGEVAL, it does not have the regulation, supervision and sanction schemes provided by Law N° 7732 for public offering securities, nor is it registered in the National Registry of Securities and Intermediaries.

(b) By constituting a private offering of securities, Dealer does not have the provision of regulated periodic information according to the rules issued by the National Council of Supervision of the Financial System and SUGEVAL.

(c) Since it is not a public offering of securities registered in the National Registry of Securities and Intermediaries, the relevant Dealer cannot trade its securities in the secondary market of registered securities.

This documentation will be available for a minimum term of four years, counted from the cancellation of the Notes, in case it is requested by the SUGEVAL.

Dominican Republic

Nothing in this document constitutes a public offering of Notes for sale in the Dominican Republic. The Notes have not been, and will not be, registered with the Superintendence of the Securities Market of the Dominican Republic ("*Superintendencia del Mercado de Valores*" or "**SIMV**"), under Dominican Securities Market Law No. 249-17, and the Notes may not be publicly offered or sold within the territory of the Dominican Republic, except if the Notes were previously registered with the SIMV in accordance with applicable law and regulations governing the registration and trade of foreign publicly offered securities.

Ecuador

The Notes have not been and will not be registered in the Public Registry of the Securities Market (*Catastro Público del Mercado de Valores*), nor with the Quito Securites Exchange or the Guayaquil Securities Exchange, and each Dealer represents, warrants and agrees that it will not offer or sell Notes in Ecuador except through private transactions and under circumstances which do not constitute a public offering under the book II of the

Monetary and Financial Organic Code (*libro II del Código Orgánico Monetario y Financiero*) or the regulations issued thereunder.

France

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that: it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of the Offering Memorandum or any other offering material relating to the Notes.

Germany

Each Dealer has represented and agreed, and any further Dealer appointed under the Program will be required to represent and agree, that the Notes have not been and will not be offered, sold, distributed or publicly promoted or advertised by it in the Federal Republic of Germany other than in compliance with the provisions of the Prospectus Regulation, the German Securities Prospectus Act (*Wertpapierprospektgesetz*), each as amended, or any other laws applicable from time to time in the Federal Republic of Germany governing the issue, offering, sale and distribution of securities.

Guatemala

The Notes may not be offered to the general public in Guatemala, as it is required that the Issuer, each Dealer, any offeror and the Notes, are authorised by the Securities Exchange Market Registry, and according to article 4 of the *Ley del Mercado de Valores y Mercancías* ("**Securities Exchange Market Law**"), Congress Decree 34-96 (amended by Decree 49-2008). In compliance with such regulation, each Dealer represents and agrees, and each further Dealer appointed under the Program will be required to represent and agree, that it will not make an invitation for subscription or purchase of the Notes to indeterminate individuals, nor will it make known this Offering Memorandum, the Program or any offering circular related to them, in the territory of Guatemala through the Securities Exchange Market or any other means of mass communication or dissemination. Each Dealer has acknowledged that the public offering of the Notes has not been registered in the Securities Exchange Market Registry, and, therefore, cannot be offered to the general public in Guatemala. Any negotiation for the purchase or sale of Notes in Guatemala shall only be negotiated on an individual basis with determinate individuals or entities, in compliance with article 3 of the Securities Exchange Market Law. Therefore, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that any negotiation for the purchase or sale of the Notes in Guatemala will only be directed to:

(a) investors who are already partners or shareholders of the issuer of the Notes, provided that the latter are not registered in a public offering; or

(b) investors who are persons or entities considered as institutional investors, such as entities supervised and controlled by the *Superintendencia de Bancos de Guatemala* ("**Bank Superintendence of Guatemala**"), *Instituto Guatemalteco de Seguridad Social* ("**Social Security Institute**"), public or private social security entities, collective investment mechanisms and always considering that the offering is made without the intervention of a third party and without using mass market communications media; or

(c) less than 35 specific individuals and/or companies per calendar year.

Republic of Honduras

The Notes and the information contained in this offering memorandum has not been and will not be registered or approved by the Financial Regulator of Honduras (*Comisión Nacional de Bancos y Seguros* –, the "**CNBS**"). Each Dealer represents and agrees, that the Notes have not and will not be marketed, offered, sold or distributed in Honduras or to Honduran residents except in circumstances which do not constitute a public offer of securities in Honduras as stated in article 6 of Decree 8-2001 as amended from time to time. Any offer of the Notes in Honduras must be carried out directly towards a determined person without participation of a local registered broker. Each Dealer must conduct its offerings of securities on a one-to-one basis, without the participation of massive marketing activities, limit offerings of the same security interest to fifty (50) Honduran domiciled counterparts and avoid placements that could reach the equivalent of 15% of the issuance (the "**Private Offer Scope**"). Each

Dealer acknowledges that the Notes listed in the Offering Memorandum have not been, and will not be registered in the National Securities and Issuers Registry (*Registro Especial de Mercado de Valores*) of the CNBS.

Investors acknowledge the Honduran laws and regulations (specifically foreign exchange and tax regulations) applicable to any transaction or investment carried out in connection with this Offering Memorandum and represent that they are the sole liable party for full compliance with any such laws and regulations.

Investors represent that investments in the Notes or other securities in a cross-border manner is a permitted investment for Honduran nationals or residents under applicable Honduran laws.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "**structured product**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than: (i) to "**professional investors**" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

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

Ireland

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will represent and agree, that:

(a) it has not and will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2017 (as amended) (the "**MiFID II Regulations**") or any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998 (as amended);

(b) it has not and will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the Central Bank Acts 1942 to 2023 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);

(c) it has not and will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of Regulation (EU) 2017/1129/EU–Prospectus Regulation (PD3), the European Union (Prospectus) Regulations 2019 (S.I. No. 380/2019), and any rules and guidelines issued under Section 1363 of the Companies Act 2014 by the Central Bank of Ireland (the "**Central Bank**");

(d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Market Abuse Regulations (EU 596/2014) ("**MAR**"), the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU or CSMAD or MAD II), the European Union (Market Abuse) Regulations 2016, as amended ("**2016 Regulations**") and any rules and guidelines issued under Section 1370 of the Companies Act 2014 by the Central Bank; and

(e) no Notes will be offered or sold with a maturity of less than twelve months except in full compliance with Central Bank Notice BSD C 01/02 (as may be amended, replaced or updated from time to time), and will assist the Issuer in complying with its obligations thereunder.

Israel

The Notes and the offering of the Notes have not been approved and are not expected to be approved under the Securities Law, 5728–1968, of the State of Israel (the "Israeli Securities Law"), based on applicable exemptions. Accordingly, the Notes will only be offered and sold in Israel to persons who have confirmed in writing that (a) they meet one of the definitions of 'qualified investors' set forth in clauses (1)-(10) of the First Addendum of the Israeli Securities Law, are aware of the significance of qualifying as such an investor and consent thereto and (b) they are purchasing the Notes for their own account, for investment purposes only and without an intent to distribute.

Republic of Italy

Unless specified in the relevant Pricing Supplement that a non-exempt offer may be made in Italy, the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Memorandum (including the applicable Pricing Supplement) or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the "**Prospectus Regulation**") and any applicable provision of Italian laws and regulations; or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Memorandum (including the applicable Pricing Supplement) or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**"), CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, to the extent it is applicable where no exemption from the rules on public offerings applies under (i) and (ii) above, Notes which are initially offered and placed in Italy or abroad to qualified investors only but in the following year are regularly ("sistematicamente") distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Prospectus Regulation, the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Japan

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

Korea

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act (the "**FSCMA**"). The Notes may not be offered, sold or delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, as defined in the Foreign Exchange Transaction Law (the "**FETL**") except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the FETL and the decrees and regulations thereunder. Where the Notes are derivative-linked securities for the purpose of the FSCMA, the Notes do not satisfy the eligibility requirements to be issued in Korea or to any resident of Korea in reliance of the exemption from the licensing requirements for the issuance of the derivative-linked securities under the FSCMA and, accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea.

Mexico

The information contained in this Offering Memorandum is exclusively the responsibility of the Issuer and has not been and will not be reviewed by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*; the "CNBV"). The Notes have not been, and will not be, registered with the National Securities Registry (Registro Nacional de Valores) maintained by the CNBV and, therefore the Notes may not be publicly offered or sold nor be the subject of intermediation in Mexico, publicly or otherwise, except that the Notes may be offered in Mexico, by any person, including the Issuer or the Dealers, pursuant to one or more of the private placement exceptions set forth in Article 8 of the Mexican Securities Market Law and the regulations issued thereunder. This document is not intended to be distributed through mass media to indeterminate subjects.

No financial authority or securities exchange in Mexico, including the CNBV, has reviewed or assessed the particulars of the Notes or their offering, and in no case will they certify as to the investment quality of the Notes, the solvency, liquidity or credit quality of the Issuer or the accuracy or completeness of the information included in this Offering Memorandum. In making an investment decision, Mexican investors who may acquire Notes from time to time, must rely on their own review and examination of the Issuer and the information contained in this Offering Memorandum.

Paraguay

The Notes and information contained in this Offering Memorandum have not and are not intended to be registered by the National Commission of Securities (the "**CNV**", by its initials in Spanish) or the Asunción Securities Exchange (the "**BVPASA**", by its initials in Spanish). The Notes cannot be offered, sold, or distributed in Paraguay, except when proceeding through private offering. Public offering of securities is defined by Law 5810/2017 (the "**Securities Law**") as any offer to the public in general, to determined groups, or to more than one person. Accordingly, under no circumstances the Notes shall be offered to the public through mass media, including emails, social media, or any other resources. Any offer must comply with Paraguayan laws and other regulations.

Peru

The Notes and the information contained in this offering memorandum has not been and will not be registered or approved by the Peruvian Securities Market Superintendency (*Superintendencia del Mercado de Valores* the "**SMV**") and by the Lima Stock Exchange (*Bolsa de Valores de Lima* "**BVL**"). Accordingly, the Notes cannot be offered or sold in Peru, except if (i) the Notes were previously registered with the SMV, or (ii) such offering is considered a private offering under the securities laws and regulations of Peru. The Peruvian securities laws provides, among other things, that an offer directed exclusively to institutional investors (as defined by Peruvian law) qualifies as a private offering. In making and investment decision, institutional investors (as defined by Peruvian law) must rely in their own examination of the terms of the offering of the Notes to determine their ability to invest in the Notes. No offer or invitation to subscribe for or sell the Notes or beneficial interests therein can be made in the Republic of Peru, except in compliance with the securities laws thereof.

Poland

The Offering Memorandum has not been subject to the approval of the Polish Financial Supervisory Authority or any other competent Polish authority. Accordingly, Notes cannot be offered or sold in the Republic of Poland ("**Poland**") by way of a Public Offer (as defined below) and/or be admitted to a regulated market in Poland (the

"**Polish Admission**"), unless (i) such Public Offer and/or the Polish Admission is/are exempted from the obligation to produce a prospectus provided under the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"), or (ii) the Offering Memorandum is passported to Poland and duly published. In each case, Notes cannot be offered or sold in Poland or be subject to the Polish Admission unless it is done in compliance with the Prospectus Regulation, the Act on Public Offering and on the Conditions Governing the Introduction of Financial Instruments to an Organised Trading System and Public Companies dated 29 July 2005 (as amended) and any other applicable laws and regulations enacted under these acts or in substitution thereof from time to time.

For the purpose of this provision, the term "Public Offer" means an 'offer of securities to the public' as defined in the Prospectus Regulation, ie a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities.

The conduct of a Public Offer in Poland as well as subscription or sale relating to such Public Offer requires an intermediation of a licenced investment firm, except for certain Public Offers exempted from the prospectus obligation. Each Dealer acknowledges and each further Dealer appointed under the Program will be required to acknowledge that the sale to or acquisition and holding of the Notes by residents of Poland may be subject to additional requirements and restrictions imposed by Polish law, beyond the restrictions and requirements provided by generally applicable provisions of European Union law, including under foreign exchange regulations.

Portugal

In relation to the Notes, each Dealer has represented, warranted and agreed with the Issuer, and each further Dealer appointed under the Program will be required to represent and agree, that the Notes may not be and will not be offered to the public in Portugal or under circumstances which are deemed to be a public offer ("*oferta pública*") of securities under the Portuguese Securities Code ("*Código dos Valores Mobiliários"*), enacted by Decree Law no. 486/99 of 13 November 1999, as amended, remitting this matter to the relevant provisions of European Union law, including the Prospectus Regulation (Regulation (EU) 2017/1129, as amended), unless the requirements and provisions applicable to public offerings in Portugal are duly met, including registration, filing, approval or recognition procedure with the Portuguese Securities Exchange Commission ("*Comissão do Mercado de Valores Mobiliários"*) ("**CMVM**") is made. In particular, the offer of new securities might be made through a private placement ("*oferta particular*") in accordance with the relevant provisions of the Portuguese Securities Code and the Prospectus Regulation, as already mentioned in Prohibition of Sales to EEA Retail Investors above. In addition, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent and agree that in the case of an offer or sale or of public promotion or advertisement to retail investors, this must comply with the European Union regulation, namely the regulations mentioned above under "Prohibition of Sales to EEA Retail Investors", also directly applicable in Portugal.

El Salvador

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will represent and agree, that the Notes have not and will not be marketed, offered, sold or distributed in El Salvador or to Salvadoran residents except in circumstances which do not constitute a public offer of securities in El Salvador in accordance with article 2 of the Stock Market Law (*Ley del Mercado de Valores*) of El Salvador as amended from time to time. Any offer of the Notes in El Salvador will be addressed privately and to a determined person. The material in this Offering Memorandum is for the sole and exclusive use of the addressee as a determined individual/entity and cannot be understood as addressed for the use of any third party, including any of such party's shareholders, administrators or employees, or by any other third party resident in El Salvador. The information contained in this Offering Memorandum is provided for illustrative purposes only and no representation or warranty is made as to the accuracy or completeness of the information contained herein. Accordingly, there will be no call to subscribe, dispose or acquire the Notes via mass communication means or to an undetermined person in El Salvador. Each Dealer has acknowledged, and each further Dealer appointed under the Program will acknowledge, that the Notes listed in the Offering Memorandum have not been, and will not be, registered in the Stock Market Public Registry (*Registro Público Bursátil*) of the Salvadoran Financial System Superintendence (*Superintendencia del Sistema Financiero*) and therefore it is not intended for any public offer of the Notes in El Salvador.

Investors acknowledge the Salvadoran laws and regulations (specifically tax regulations) applicable to any transaction or investment consummated in connection with this Offering Memorandum and represent that they are the sole liable party for full compliance with any such laws and regulations.

Investors represent that investment in the Notes is a permitted investment for them under their corporate bylaws and/or particular investment regime that may be applicable.

Switzerland

This Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in any Notes. Neither this Offering Memorandum, any Pricing Supplement nor any other offering or marketing material relating to the Notes constitutes a prospectus compliant with the requirements of articles 35 et seq. of the Swiss Financial Services Act ("**FinSA**")) for a public offering of the Notes in Switzerland and no such prospectus has been or will be prepared for or in connection with the offering of the Notes in Switzerland. None of this Offering Memorandum, any Pricing Supplement nor any other offering or marketing material relating to the Notes have been or will be filed with or approved by a Swiss review body (*Prüfstelle*). No application has been or shall be made to admit the Notes to trading on any trading venue (SIX Swiss Exchange or on any other exchange or any multilateral trading facility) in Switzerland. Neither this Offering Memorandum, any Pricing Supplement nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of FinSA except (i) in any circumstances falling within the exemptions to prepare a prospectus listed in article 36 para. 1 FinSA or (ii) where such offer does not qualify as a public offer in Switzerland, provided always that no offer of Notes shall require the Issuer or any offeror to publish a prospectus pursuant to article 35 FinSA in respect to such offer and that such offer shall comply with the additional restrictions set out below (if applicable). **The Issuer has not authorised and does not authorise any offer of Notes which would require the Issuer or any offeror to publish a prospectus pursuant to article 35 FinSA in respect of such offer**. For purposes of this provision "*public offer*" shall have the meaning as such term is understood pursuant to article 3 lit. g and h FinSA and the implementing Swiss Financial Services Ordinance ("**FinSO**").

The Notes do not constitute participations in a collective investment scheme within the meaning of the Swiss Collective Investment Schemes Act ("**CISA**"). Therefore, the Notes are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority ("**FINMA**"), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.

Prohibition of Offer to Private Clients in Switzerland

No Key Information Document pursuant to article 58 FinSA (*Basisinformationsblatt für Finanzinstrumente*) or equivalent document pursuant to foreign law pursuant to article 59 para. 2 FinSA has been or will be prepared in relation to the Notes. Therefore the following additional restriction applies:

Notes qualifying as "*structured products*" pursuant to article 70 FinSA or as "*debt securities with a derivative character*" pursuant to article 86 para. 2 FinSO may not be offered, and none of this Offering Memorandum, any Pricing Supplement or any other offering or marketing material relating to such Notes may be made available, to any Private Client in Switzerland.

For purposes of this provision "*Private Client*" means a person who is not one (or more) of the following:

(a) a professional client as defined in article 4 para. 3 FinSA (not having opted-in on the basis of article 5 para. 5 FinSA) or article 5 para. 1 FinSA; or

(b) an institutional client as defined in article 4 para. 4 FinSA; or

(c) a private client according to article 58 para. 2 FinSA.

"*offer*" means an offer as defined in article 58 FinSA.

Restrictions in relation to indirect offering of collective investment schemes

If the offering of Notes in Switzerland qualifies as an indirect offering of collective investment schemes pursuant to CISA ("**CIS**"), e.g. if more than one third of the value of the Notes is derived from a particular CIS, the following additional restriction applies: Such Note may only be offered in Switzerland to Qualified Investors. For purposes of this provision "*Qualified Investors*" shall have the meaning as such term is defined in article 10 para. 3 and 3ter CISA but not including high net worth private clients in the sense of article 5 para. 1 FinSA.

Taiwan

Unless the offer of the Notes has been and will be registered with the Financial Supervisory Commission or other regulatory authorities or agencies of Taiwan, the Republic of China pursuant to relevant securities laws and regulations, the Notes may not be sold, issued or offered within Taiwan, the Republic of China through a public offering or in a circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission or other regulatory authorities or agencies of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of any Notes in Taiwan, the Republic of China.

People's Republic of China

The Notes may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, the "**PRC**") in contravention of any applicable laws.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Issuer does not represent that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, it is not the Issuer's intention and no action has been taken by the Issuer which would permit a public offering of any Notes or distribution of this document in the PRC. Accordingly, the Notes are not being offered or sold within the PRC by means of this Offering Memorandum or any other document. Neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Singapore

Each Dealer has acknowledged, and each further Dealer to be appointed under the Program will be required to acknowledge that this Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Offering Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Notes, whether directly or indirectly, to any person in Singapore other than:

(i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA;

(ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Certain Restrictions applicable to Notes issued in Singapore dollars:

Notes denominated in Singapore dollars and issued to persons in Singapore by a person carrying on a deposit-taking business (whether in Singapore or elsewhere) with a maturity period of less than 12 months and a denomination of less than S$200,000 would be treated as deposits for the purposes of the Banking Act 1970 of Singapore (the "**Singapore Banking Act**"), unless the Notes are issued to certain persons, including either:

(a) an individual whose total net personal assets exceed in value S$2 million (or its equivalent in foreign currency) at the time of the subscription, whose financial assets (net of any related liabilities) exceed in value S$1 million (or equivalent in foreign currency) at the time of subscription, or whose income

in the 12 months preceding the time of subscription is not less than S$300,000 (or its equivalent in foreign currency) at the time of the payment; or

(b) a company whose total net assets (as determined by the last audited-balance sheet of the company) exceeds S$10 million (or its equivalent in foreign currency) at the time of subscription.

In determining the value of an individual's total net personal assets for the purposes of paragraph (a) above, the value of the individual's primary residence is taken to be the lower of the following:

(a) the value calculated by deducting any outstanding amounts in respect of any credit facility that is secured by the residence from the estimated fair market value of the residence; and

(b) S$1 million.

In addition, even where Notes issued in Singapore dollars with a denomination of less than S$200,000 are not treated as deposits for the purposes of the Singapore Banking Act, certain additional information is required to be furnished to investors in Singapore by an issuer which is carrying on a deposit-taking business. *In such case, please refer to the Pricing Supplement for such further information.*

Uruguay

The sale of the Notes qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627. The Notes must not be offered or sold to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. None of the Issuer, the Notes or the Offering Memorandum are nor will be registered with the Financial Services Superintendency of the Central Bank of Uruguay.

Bahamas

The Notes have not been, and will not be, offered, sold or distributed in the Bahamas except in compliance with applicable Bahamian laws. This Offering Memorandum is not, and shall not be construed as, an offer to sell, or a solicitation of an offer to buy, or a distribution of the Notes in, or to the public, in the Bahamas. The Notes shall not be offered, issued, transferred to, registered in favour of or beneficially owned by or otherwise disposed of in any way to any person (legal or natural) deemed "resident" in the Bahamas pursuant to the Exchange Control Regulations Act 1956 of the Bahamas and the regulations promulgated thereunder except with the prior approval of the Central Bank of the Bahamas.

General

The Dealer has represented, warranted and agreed, to the Issuer and the Guarantor that, to the best of its knowledge and belief, it will comply with all applicable laws and regulations in each country or jurisdiction in which it subscribes, offers, sells or delivers Notes or has in its possession or distributes such offering material, in all cases at its own expense.

Other persons into whose hands this Offering Memorandum or any Pricing Supplement comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, or distribute this Offering Memorandum or any Pricing Supplement or any related offering material, in all cases at their own expense.

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

Selling restrictions may be supplemented or modified. Any such supplement or modification may be set out in the applicable Pricing Supplement or in a supplement to this Offering Memorandum.

TAXATION AND DISCLOSURE OF INFORMATION IN CONNECTION WITH PAYMENTS

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of certain U.S. federal income tax consequences of the ownership and disposition of certain Notes described herein.

This discussion applies to you only if you:

- purchase the Notes in their initial offering at their stated issue price indicated in the applicable Pricing Supplement; and
- hold the Notes as capital assets for U.S. federal income tax purposes.

Subject to any additional discussion in the applicable Pricing Supplement, it is expected, and the discussion below assumes, that the stated issue price indicated in the applicable Pricing Supplement with respect to Notes treated as indebtedness for U.S. federal income tax purposes will be the first price at which a substantial amount of the Notes of the relevant Series is sold to the public (not including bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers).

This discussion does not describe all of the tax consequences that may be relevant in light of an investor's particular circumstances or to investors subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers and certain traders in securities or commodities;
- investors holding the Notes as part of a "straddle," conversion transaction, integrated transaction or constructive sale transaction;
- U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;
- regulated investment companies;
- real estate investment trusts;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- persons that own, directly, indirectly or constructively, 10% or more of the Issuer's or Guarantor's stock by vote or value; or
- persons holding Notes in connection with a trade or business conducted outside the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds a Note, the U.S. federal income tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. If you are a partnership considering purchasing Notes or a partner in such a partnership, you should consult your tax adviser as to the particular U.S. federal tax consequences of holding and disposing of a Note to you.

The Issuer will not attempt to ascertain whether any issuer of any shares of a corporation (or equity interests treated as shares of a corporation for U.S. federal income tax purposes) to which a Note relates (such shares hereafter referred to as "Underlying Shares") is treated as a "passive foreign investment company" (a

"PFIC") within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or as a "United States real property holding corporation" (a "USRPHC") within the meaning of Section 897 of the Code. If any issuer of Underlying Shares were so treated, certain adverse U.S. federal income tax consequences might apply to a U.S. Holder in the case of a PFIC, and to a Non-U.S. Holder (as defined below) in the case of a USRPHC, upon the sale, redemption, retirement, taxable exchange or other taxable disposition (each of which is referred to herein as a "disposition") of a Note. You should refer to information filed with the SEC or other governmental authorities by the issuers of the Underlying Shares and consult your tax adviser regarding the possible consequences to you if any issuer of Underlying Shares is or becomes a PFIC or USRPHC.

This discussion assumes that Notes will be settled only in cash.

This summary does not address any U.S. federal tax consequences other than U.S. federal income tax consequences (such as estate or gift tax consequences), nor does it address any minimum tax consequences, special tax accounting rules under Section 451 of the Code or consequences resulting from the Medicare tax on investment income.

This discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations and the income tax treaty between the United States and Spain (the "Treaty"), all as of the date hereof, changes to any of which subsequent to the date hereof may affect the tax consequences described herein, possibly with retroactive effect. Persons considering the purchase of Notes should consult their tax advisers with regard to the application of U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

The following discussion assumes that the Issuer will be treated as resident for income tax purposes only in Spain. If any Dutch or other foreign taxes are imposed in respect of a Note, U.S. Holders should consult their tax advisers regarding the creditability or deductibility for U.S. federal income tax purposes of any such Dutch or other foreign taxes.

In addition, based the relevant facts (including the manner in which the Notes are expected to be serviced), the Issuer expects that interest or coupon payments will constitute non-U.S.-source income. However, no assurance can be given that the IRS or a court will agree with this treatment or will not recharacterize interest or coupon payments as U.S.-source, in which case the consequences to U.S. Holders and Non-U.S. Holders (as defined below), including possible withholding consequences to Non-U.S Holders, will be different from those described below. The remainder of this discussion assumes that any interest or coupon payment by the Issuer will be treated as non-U.S. source income for U.S. federal income tax purposes.

This discussion is subject to any additional discussion regarding U.S. federal taxation contained in the applicable Pricing Supplement. Accordingly, you should also consult the applicable Pricing Supplement for any additional discussion of U.S. federal taxation with respect to the specific Notes offered thereunder.

UNCERTAIN TREATMENT

Due to the absence of statutory, judicial or administrative authorities that directly address the treatment of certain Notes described in the discussions below for U.S. federal income tax purposes, no assurance can be given that the U.S. Internal Revenue Service (the "IRS") or a court will agree with the treatment described herein. Accordingly, you should consult your tax adviser regarding all aspects of the U.S. federal tax consequences of an investment in the Notes (including possible alternative treatments) in general and in light of your particular circumstances, as well as with respect to any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction. The Issuer has not obtained an opinion as to the proper U.S. federal income tax treatment of any Note.

Moreover, if there is a change to the Notes that results in the Notes being treated as terminated and reissued for U.S. federal income tax purposes, as discussed below under "—*Possible Taxable Events*," the treatment of the Notes after such an event could differ from their prior treatment.

TAXATION AND DISCLOSURE OF INFORMATION IN CONNECTION WITH PAYMENTS

Unless otherwise stated, the following discussions assume that the Issuer's treatment of the Notes (as described in the discussions below) will be respected, that no deemed termination or reissuance of the Notes has occurred, and that interest or coupon payments are non-U.S. source.

TAX CONSEQUENCES TO U.S. HOLDERS

This section applies to you only if you are a U.S. Holder. As used herein, a "U.S. Holder" is a person that is, for U.S. federal income tax purposes, a beneficial owner of a Note and:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Notes Treated as Debt Instruments

The following discussion applies to Notes treated as debt instruments for U.S. federal income tax purposes. Except as otherwise provided in an applicable Pricing Supplement, the Issuer intends to treat Notes that are not issued at a premium and that provide for a payment at least equal to their entire principal amount at maturity as indebtedness. Other types of Notes may also be treated by the Issuer as indebtedness, depending on their terms, as may be described herein or in an applicable Pricing Supplement.

Stated Interest

Unless otherwise specified in the applicable Pricing Supplement and subject to the discussions below, stated interest paid on a Note will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with a U.S. Holder's method of accounting for U.S. federal income tax purposes. The amount of interest taxable as ordinary income will include amounts withheld in respect of Spanish taxes (if any) and, without duplication, any payments of Additional Amounts paid with respect thereto. See "*—General Considerations—Foreign Tax Credits*" below for a discussion of the creditability or deductibility of any Spanish taxes imposed on payments of interest on a Note.

Special rules governing the treatment of interest paid with respect to Discount Notes, Short-Term Notes, Floating Rate Notes, Foreign Currency Notes and Contingent Payment Notes are described under "*—Discount Notes,*" "*—Short-Term Notes,*" "*—Floating Rate Notes,*" "*—Foreign Currency Notes,*" and "*—Contingent Payment Notes*" below.

Discount Notes

General. A Note (other than a Short-Term Note or a Contingent Payment Note, each as defined below) that is issued at an issue price less than its "stated redemption price at maturity" will be considered to have been issued with "original issue discount" for U.S. federal income tax purposes (and will be referred to in this discussion as a "Discount Note"), unless the Note satisfies a prescribed *de minimis* threshold (as defined below). The "stated redemption price at maturity" of a Note equals the sum of all payments required under the Note other than payments of "qualified stated interest." "Qualified stated interest" is stated interest unconditionally payable as a series of payments (other than in debt instruments of the Issuer) at least annually during the entire term of the Note. For a Note that provides for interest only at a fixed rate payable at least annually, qualified stated interest is equal to the outstanding principal balance of the Note multiplied by the single fixed rate of interest. Subject to the discussion below under "*—Notes Subject to Early Redemption,*" if a Note provides for more than one fixed rate of stated interest, interest payable at the lowest stated fixed rate generally is qualified stated interest and the excess, if any, is included in the stated redemption price at maturity for purposes of determining whether the Note will be issued with original issue discount. See "*—Floating Rate Notes*" below with regard to qualified stated interest in the case of Floating Rate Notes. The amount of original issue discount is equal to the excess of the stated redemption price at maturity over the issue price.

A Note will not be considered to have original issue discount if the difference between the Note's stated redemption price at maturity and its issue price is less than a *de minimis* amount, defined by applicable Treasury regulations as ¼ of 1 percent of the stated redemption price at maturity multiplied by the number of complete years to maturity or, in the case of an installment obligation (as defined by applicable Treasury regulations), the weighted average maturity. The weighted average maturity is the sum of the following amounts determined for each payment under the Note other than a payment of qualified stated interest: (i) the number of complete years from the issue date of the Note until the payment is made, multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity.

A U.S. Holder of Discount Notes will be required to include any qualified stated interest payments in income in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes. U.S. Holders of Discount Notes will be required to include original issue discount in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest, without regard to the timing of the receipt of cash payments attributable to this income. Under this method, U.S. Holders of Discount Notes generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder may make an election to include in gross income all interest that accrues on any Note (including stated interest, original issue discount, *de minimis* original issue discount, market discount (as defined below), and *de minimis* market discount, as adjusted by any acquisition premium or amortizable bond premium (each as defined below)) in accordance with a constant yield method based on the compounding of interest (a "constant yield election"). Such election may be revoked only with the permission of the IRS.

Additional rules applicable to Discount Notes that are denominated in a specified currency other than the U.S. dollar, or have payments of interest or principal determined by reference to the value of one or more currencies other than the U.S. dollar, are described under "*—Foreign Currency Notes*" below.

Notes Subject to Early Redemption. A Note subject to redemption prior to maturity may be subject to rules that differ from the general rules described above for purposes of determining the yield and maturity of the Note (which may affect whether the Note is treated as issued with original issue discount and, if so, the timing of accrual of the original issue discount). Under applicable Treasury regulations, the Issuer generally will be presumed to exercise an unconditional option to redeem a Note if the exercise of the option will lower the yield on the Note. Conversely, a U.S. Holder generally will be presumed to exercise an unconditional option to require the Issuer to repurchase a Note if the exercise of the option will increase the yield on the Note. If such an option is not in fact exercised, the Note will be treated, solely for purposes of calculating original issue discount, as if it were redeemed and a new note were issued on the presumed exercise date for an amount equal to the Note's "adjusted issue price" on that date. A Note's "adjusted issue price" is defined as the sum of its issue price and the aggregate amount of previously accrued original issue discount, less any prior payments on the Note other than payments of qualified stated interest.

Under these rules, if a Note provides for a fixed rate of interest that increases over the term of the Note, the Note's issue price is not below its stated principal amount and the Issuer has an unconditional option to redeem the Note for an amount equal to the stated principal amount (plus accrued interest, if any) on or prior to the first date on which an increased rate of interest is in effect, the yield on the Note will be lowered if the Issuer redeems the Note before the initial increase in the interest rate, and therefore our redemption option will be treated as exercised. Since the Note will therefore be treated as if it were redeemed and reissued prior to the initial increase in the interest rate, the Note will not be treated as issued with original issue discount. If a Note is not treated as issued with original issue discount and if, contrary to the presumption in the applicable Treasury regulations, the Issuer does not redeem the Note before the initial increase in the interest rate, the same analysis will apply to subsequent increases in the interest rate. This means that the Note that is deemed reissued will be treated as redeemed prior to any subsequent increase in the interest rate, and therefore as issued without original issue discount. If the actual remaining term of a Note is one year or less at the time of a deemed reissuance, it is possible that the deemed reissued note would be treated as a short-term debt instrument. See "*—Short-Term Notes*" below. While a Note with a deemed remaining term of one year or less based on the presumed exercise of an option (but with an actual remaining term of more than one year) should not be treated as a short-term debt instrument, the IRS or a court might treat the stated

interest payable on the Note as original issue discount instead of qualified stated interest during that deemed remaining term. U.S. Holders should consult their tax advisers regarding this uncertainty.

Floating Rate Notes

General. A Floating Rate Note (other than a Short-Term Note, as defined below) will qualify as a "variable rate debt instrument" for U.S. federal income tax purposes if:

- the issue price does not exceed the total noncontingent principal payments due under the Floating Rate Note by more than a specified *de minimis* amount;
- it provides for stated interest, paid or compounded at least annually, at current values of:
  - one or more "qualified floating rates,"
  - a single fixed rate and one or more qualified floating rates,
  - a single "objective rate," or
  - a single fixed rate and a single objective rate that is a "qualified inverse floating rate," each as defined in the applicable Treasury regulations; and
- certain other conditions, as set forth in the applicable Treasury regulations, are satisfied.

In general, a qualified floating rate is any variable rate where variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Floating Rate Note is denominated. For example, the EURIBOR, SONIA and SOFR rates generally will be treated as qualified floating rates. In general, a variable rate is not a "qualified floating rate" if it is subject to (i) a restriction or restrictions on the maximum stated interest rate (a "cap"), (ii) a restriction or restrictions on the minimum stated interest rate (a "floor"), (iii) a restriction or restrictions on the amount of increase or decrease in the stated interest rate (a "governor"), or (iv) any other restrictions similar to (i), (ii) and (iii). Notwithstanding the preceding sentence, the following restrictions will not cause a variable rate to fail to be a "qualified floating rate":

- a cap, floor, or governor that is fixed throughout the term of the Floating Rate Note;
- a cap or similar restriction that is not reasonably expected as of the issue date to cause the yield on the Floating Rate Note to be significantly less than the expected yield determined without the cap;
- a floor or similar restriction that is not reasonably expected as of the issue date to cause the yield on the Floating Rate Note to be significantly more than the expected yield determined without the floor; or
- a governor or similar restriction that is not reasonably expected as of the issue date to cause the yield on the Floating Rate Note to be significantly more or significantly less than the expected yield determined without the governor.

In general, an objective rate is a rate that is not itself a qualified floating rate but that is determined using a single fixed formula that is based on objective financial or economic information. A qualified inverse floating rate is any objective rate where such rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate.

If a Floating Rate Note does not qualify as a "variable rate debt instrument," then such a Floating Rate Note generally will be treated as a "contingent payment debt instrument." For a description of the treatment of "contingent payment debt instruments," see the discussion under "—*Contingent Payment Notes*" below.

Floating Rate Notes that Provide for a Single Variable Rate. All stated interest on a Floating Rate Note will constitute qualified stated interest and will be taxable accordingly (as described under "*—Discount Notes—General*" above) if:

- the Floating Rate Note provides for stated interest at a single variable rate throughout the term thereof; and

- the stated interest on the Floating Rate Note is unconditionally payable in cash or other property (other than debt instruments of the Issuer) at least annually.

Thus, such a Floating Rate Note generally will not be treated as issued with original issue discount unless the Floating Rate Note is issued at an issue price below its stated principal amount and the difference between the issue price and the stated principal amount is equal to or greater than a specified *de minimis* amount, as described above under "*—Discount Notes—General.*" For this purpose, and for purposes of the discussion below under "*—Floating Rate Notes that Provide for Multiple Rates,*" if a Floating Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate, and if the variable rate on the Floating Rate Note's issue date is intended to approximate the fixed rate (which will be presumed to be the case if the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 0.25%), then the fixed rate and the variable rate together will constitute a single variable rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Floating Rate Note (which will be presumed to be the case for two or more qualified floating rates with values within 0.25% of each other as determined on the issue date) will be treated as a single qualified floating rate.

If a Floating Rate Note that provides for stated interest at a single variable rate is issued with a discount equal to or greater than the specified *de minimis* amount described above, the amount of qualified stated interest and the amount of original issue discount that accrues during an accrual period on such a Floating Rate Note are determined under the rules applicable to fixed rate debt instruments, discussed under "*—Discount Notes*" above, by assuming that the variable rate is a fixed rate equal to:

- in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate; or

- in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Floating Rate Note.

The qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period pursuant to the foregoing rules.

Floating Rate Notes that Provide for Multiple Rates. In general, a Floating Rate Note that provides for more than one variable rate will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of original issue discount and qualified stated interest on the Floating Rate Note. A Floating Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting, for any qualified floating rate or qualified inverse floating rate provided for under the terms of the Floating Rate Note, a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Floating Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Floating Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Floating Rate Note. In the case of a Floating Rate Note that provides for stated interest at a single fixed rate (other than an initial fixed rate for one year or less that is treated as part of a single variable rate, as described above) in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Floating Rate Note provides for a qualified inverse floating rate). Under such circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Floating Rate Note as of the Floating Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for the substitute qualified floating rate or qualified inverse floating rate, as appropriate, rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating

rate or a qualified inverse floating rate, the Floating Rate Note is then converted into an "equivalent" fixed rate debt instrument in the manner described above. Once the Floating Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of original issue discount and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general original issue discount rules to the "equivalent" fixed rate debt instrument, and a U.S. Holder of the Floating Rate Note will account for such original issue discount and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument, as described under "*—Discount Notes*" above. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest (or, in certain circumstances, original issue discount) assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that such amounts differ from the actual amount of interest accrued or paid on the Floating Rate Note during the accrual period.

Prior Accrued Interest on Additional Notes

Under the terms of the Notes, if the Issuer issues further notes that have the same CUSIP, ISIN or other identifying number of the outstanding Notes ("additional Notes"), the additional Notes and the outstanding Notes must be fungible for U.S. federal income tax purposes. U.S. Holders that purchase additional Notes upon their issuance may exclude from income the portion of the interest paid on the first interest date on additional Notes that relates to the period from the preceding interest payment date on the outstanding Notes to the issue date of the additional Notes ("prior accrued interest"). Prior accrued interest not included in income will not form part of any amortizable bond premium (as described under "*—Amortizable Bond Premium*" below). The amount of any prior accrued interest excluded from income will not form part of a U.S. Holder's tax basis in an additional Note.

Acquisition Premium

If a U.S. Holder purchases a Note (other than a Short-Term Note or a Contingent Payment Note, each as defined below) for an amount greater than its adjusted issue price at the purchase date and less than or equal to the sum of all amounts, other than qualified stated interest, payable on the Note after the purchase date, the excess is "acquisition premium." Under the rules applicable to acquisition premium, in general, the amount of original issue discount that must be included in income for the Note for any taxable year (or any portion of a taxable year in which the Note is held) will be reduced (but not below zero) by the portion of the acquisition premium allocated to the period. The amount of acquisition premium allocated to each period is determined by multiplying the original issue discount that otherwise would have been included in income by a fraction, the numerator of which is the excess of the cost over the adjusted issue price of the note and the denominator of which is the excess of the Note's stated principal amount over its adjusted issue price.

Amortizable Bond Premium

If a U.S. Holder purchases a Note (other than a Short-Term Note or a Contingent Payment Note, each as defined below) for an amount that is greater than the sum of all amounts payable on the Note other than qualified stated interest, the U.S. Holder will be considered to have purchased the Note with amortizable bond premium equal to such excess. The amortization of bond premium on a Note with an unconditional early redemption option may be subject to limitations during certain accrual periods. A U.S. Holder may generally use the amortizable bond premium allocable to an accrual period to offset qualified stated interest required to be included in such U.S. Holder's income with respect to the Note in that accrual period. A U.S. Holder who elects to amortize bond premium must reduce its tax basis in the Note by the amount of the premium previously amortized. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant yield election (as described under "*—Discount Notes*" above) for a Note with amortizable bond premium, such election will result in a deemed election to amortize bond premium for all of the U.S. Holder's debt instruments with amortizable bond premium then owned or thereafter acquired and may be revoked only with the permission of the IRS with respect to debt instruments acquired after revocation.

Market Discount

If a U.S. Holder purchases a Note (other than a Short-Term Note or a Contingent Payment Note, each as defined below) for an amount that is less than the Note's stated redemption price at maturity or, in the case of a Discount Note, for an amount that is less than the Note's adjusted issue price, the Note will be considered to have market discount (a "Market Discount Note"). The market discount rules are subject to a *de minimis* rule similar to the rule relating to *de minimis* original issue discount (as described under "*—Discount Notes* " above). Any gain recognised by a U.S. Holder on the taxable disposition of a Market Discount Note generally will be treated as ordinary income to the extent of the market discount that accrued on the Note while the U.S. Holder held such Note. For Notes providing for installment payments, the U.S. Holder will be required to recognise accrued market discount upon receipt of installment payments.

Alternatively, the U.S. Holder may elect to include market discount in income currently over the term of the Note. Such an election will apply to debt instruments with market discount acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS. Market discount will accrue on a straight-line basis, unless the U.S. Holder elects to accrue the market discount on a constant-yield method (as described under "*—Discount Notes*" above). Unless the U.S. Holder elects to include market discount in income on a current basis, as described above, the U.S. Holder generally will be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry the Note.

Sale or Other Taxable Disposition of the Notes

Upon the sale, redemption, retirement, taxable exchange or other taxable disposition (each of which is referred to herein as a "disposition") of a Note, a U.S. Holder will recognise taxable gain or loss equal to the difference between the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the Note. For these purposes, the amount realized does not include any amount attributable to accrued but unpaid qualified stated interest. Amounts attributable to accrued but unpaid qualified stated interest are treated as interest as described under "*—Stated Interest*" above. A U.S. Holder's adjusted tax basis in a Note will equal the cost of the Note to the U.S. Holder (not including any prior accrued interest excluded from income as described above in "*—Prior Accrued Interest on Additional Notes*"), increased by the amounts of any original issue discount and market discount previously included in income by the U.S. Holder with respect to the Note, and reduced by (i) any principal payments received by the U.S. Holder, (ii) the amounts of any bond premium previously amortized by the U.S. Holder and (iii) the amounts of any other payments received by the U.S. Holder that do not constitute qualified stated interest.

Except as described below or as otherwise provided in the applicable Pricing Supplement, gain or loss recognised on the disposition of a Note generally will be capital gain or loss, and will be long-term capital gain or loss if at the time of the disposition the Note has been held for more than one year. Exceptions to this general rule apply in the case of a Short-Term Note, to the extent of any accrued discount not previously included in the U.S. Holder's taxable income. See "*—Short-Term Notes*" below. In addition, other exceptions to this general rule apply in the case of certain Foreign Currency Notes and Contingent Payment Notes. See the discussions under "*—Foreign Currency Notes*" and "*—Contingent Payment Notes*" below.

Gain or loss generally will be U.S.-source for purposes of computing a U.S. Holder's foreign tax credit limitation. See "*—General Considerations—Foreign Tax Credits*" below for a discussion of the creditability or deductibility of any Spanish taxes on gains upon the disposition of a Note. The deductibility of capital losses may be subject to limitations.

Short-Term Notes

A Note that matures (after taking into account the last possible date that the Note could be outstanding under its terms) one year or less from its issue date will be treated as a "Short-Term Note." As described below, certain aspects of the tax treatment of Short-Term Notes with certain features are uncertain. U.S. Holders of Short-Term Notes should consult their tax advisers as to the U.S. federal income tax consequences of the ownership and disposition of such Short-Term Notes.

Tax Treatment Prior to Maturity of the Short-Term Notes. Under the applicable Treasury regulations, a Short-Term Note will be treated as being issued at a discount, the amount of which will be equal to the excess of the sum of all payments on the Short-Term Note (including any stated interest and supplemental

redemption amount) over its issue price. No payments on a Short-Term Note will be treated as qualified stated interest.

A U.S. Holder who is a cash-method taxpayer generally will not be required to include the discount in income as it accrues for U.S. federal income tax purposes unless the U.S. Holder elects to do so. A U.S. Holder who is a cash-method taxpayer and does not make such election should generally include any stated interest payments on the Short-Term Notes, if any, as ordinary interest income upon receipt. Except in the case of stated interest payments, cash-method U.S. Holders generally will not be required to recognise income with respect to the Short-Term Notes prior to maturity, other than pursuant to a disposition, as described below.

A U.S. Holder who is an accrual-method taxpayer (or that uses a cash method of tax accounting and has elected to include discount on short-term debt obligations as it accrues) generally will be required to include the discount in income as ordinary interest income as it accrues on a straight-line basis, unless the U.S. Holder makes an election to accrue the discount according to a constant yield method based on daily compounding.

For a discussion of the creditability or deductibility of any Spanish taxes imposed on payments of interest on a Note, see "*—General Considerations—Foreign Tax Credits*" below.

Sale or Other Taxable Disposition of the Short-Term Notes. Upon a disposition of a Short-Term Note, a U.S. Holder will recognise taxable gain or loss equal to the difference between the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the Short-Term Note. Any gain will be taxed as ordinary interest income to the extent of any accrued but unrecognised discount through the date of the disposition (see "*—Tax Treatment Prior to Maturity of the Short-Term Notes*" above). Otherwise, gain or loss on the disposition of a Short-Term Note will be short-term capital gain or loss. A U.S. Holder that recognises a loss that meets certain thresholds may be required to file a disclosure statement with the IRS. See "*—General Considerations—Disclosure Requirements*" below. For purposes of computing a U.S. Holder's foreign tax credit limitation, any capital gain or loss from a disposition of a Short-Term Note will be U.S.-source. See "*—General Considerations—Foreign Tax Credits*" below for a discussion of the creditability or deductibility of any Spanish taxes imposed on disposition gains.

Tax Treatment of Short-Term Notes that Provide for a Supplemental Redemption Amount that is Not Fixed as of the Issue Date. Except as specifically stated below, the tax treatment of Short-Term Notes that provide for a supplemental redemption amount or other amount that is not fixed as of the issue date ("Contingent Short-Term Notes") is the same as described above for Short-Term Notes. As described below, certain aspects of the tax treatment of Contingent Short-Term Notes are uncertain due to the lack of governing authority regarding the proper method of accrual of discount on contingent short-term debt instruments. Although accrual-method U.S. Holders and cash-method U.S. Holders that have elected to apply an accrual method of tax accounting to the Short-Term Notes generally are required to accrue the discount on the Short-Term Notes in income, in the case of Contingent Short-Term Notes, because the supplemental redemption amount with respect to the Contingent Short-Term Notes is uncertain, it is unclear how such accruals should be determined. Additionally, it is unclear whether or to what extent gain from a disposition prior to maturity of Contingent Short-Term Notes by a cash-method U.S. Holder should be treated as capital gain or ordinary income. U.S. Holders should consult their tax advisers regarding the proper treatment of an investment in Contingent Short-Term Notes.

Interest on Indebtedness Incurred to Purchase the Short-Term Notes. A cash-method U.S. Holder who does not elect to accrue interest income with respect to a Short-Term Note will be required to defer deductions for certain interest paid on indebtedness incurred to purchase or carry the Short-Term Note until the U.S. Holder includes the discount on the Note in income or disposes of the Note in a taxable transaction. As noted above, however, there is no authority regarding the proper method of accrual of discount on short-term debt instruments such as Contingent Short-Term Notes. It is therefore unclear how, if at all, the rules regarding deferral of interest deductions would apply to Contingent Short-Term Notes. U.S. Holders should consult their tax advisers regarding these deferral rules.

Foreign Currency Notes

General. The following discussion describes certain special rules applicable to a U.S. Holder of Notes, other than Contingent Payment Notes (as defined below), (i) that are denominated in a specified currency other

than the U.S. dollar or (ii) the payments of interest and principal on which are payable in (or determined by reference to) a specified currency other than the U.S. dollar, which the Issuer refers to as "Foreign Currency Notes."

The rules applicable to Notes that are denominated in a currency other than the U.S. dollar could require gain or loss realized upon a disposition (including retirement) of the Notes that is attributable to fluctuations in currency exchange rates to be recharacterized as ordinary income or loss. The rules applicable to Foreign Currency Notes are complex and their application may depend on the U.S. Holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. Holder should make any of these elections may depend on the U.S. Holder's particular U.S. federal income tax situation. U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of the ownership and disposition of Foreign Currency Notes.

Payments of Interest on Foreign Currency Notes. A U.S. Holder who uses the cash method of accounting for U.S. federal income tax purposes and who receives a payment of qualified stated interest (or who receives proceeds from a disposition (including retirement) attributable to accrued qualified stated interest) in a foreign currency with respect to a Foreign Currency Note will be required to include in income the U.S. dollar value of the foreign currency payment regardless of whether the payment is in fact converted to U.S. dollars at that time, and this U.S. dollar value will be the U.S. Holder's tax basis in the foreign currency. A cash-method U.S. Holder who receives a payment of qualified stated interest in U.S. dollars should include the amount of this payment in income upon receipt. To the extent that a cash-method U.S. Holder is required to accrue original issue discount on a Foreign Currency Note, rules similar to the rules described in the following paragraph will apply with respect to the original issue discount. For a discussion of the creditability or deductibility of any Spanish taxes imposed on payments of interest on a Note see "*—General Considerations—Foreign Tax Credits*" below.

In the case of a U.S. Holder that uses the accrual method of accounting for U.S. federal income tax purposes, the U.S. Holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount, but reduced by amortizable bond premium to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a Foreign Currency Note during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at an average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. Alternatively, a U.S. Holder may elect to translate interest income (including original issue discount) for an interest accrual period into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS. In addition to the interest income accrued as described above, the U.S. Holder will recognise U.S.-source ordinary income or loss (which will not be treated as interest income or expense) with respect to accrued interest income on the date the interest payments, or proceeds from the disposition attributable to accrued interest, are actually received. The amount of this additional ordinary income or loss will equal the difference between the U.S. dollar value of the foreign currency payment received (determined based on a spot rate on the date the payment is received) in respect of the accrual period (or, where a U.S. Holder receives U.S. dollars, the amount of the payment in respect of the accrual period) and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above).

Original Issue Discount and Amortizable Bond Premium on Foreign Currency Notes. The amount of any original issue discount or amortizable bond premium (each as described above) on a Foreign Currency Note will be determined in the relevant foreign currency. If an election to amortize bond premium is made, amortizable bond premium taken into account on a current basis will reduce interest income in units of the relevant foreign currency. Gain or loss will be recognised on amortized bond premium due to fluctuations in exchange rates with respect to any period, determined by treating the bond premium amortized for that period as a return of principal that is treated in the same manner as on the disposition of the Foreign Currency Note (as discussed below). Any such gain or loss will be U.S.-source ordinary income or loss as described below.

Tax Basis in Foreign Currency Notes. A U.S. Holder's tax basis in a Foreign Currency Note, and the amount of any subsequent adjustment to the U.S. Holder's tax basis, will be the U.S. dollar value of the foreign currency amount paid to acquire such Foreign Currency Note, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. However, in the case of a Foreign Currency Note that is traded on an "established securities market," a U.S. Holder that uses the cash method of tax accounting must, and a U.S. that uses the accrual method of tax accounting may elect to, determine the U.S. dollar value of the amount paid to acquire the Foreign Currency Note using the spot rate of exchange on the settlement date of the purchase. Such an election by an accrual-method U.S. Holder must be applied consistently by the accrual-method U.S. Holder to all debt instruments that are traded on established securities markets from year to year and can be changed only with the consent of the IRS.

Sale or Other Taxable Disposition of Foreign Currency Notes. A U.S. Holder will recognise taxable gain or loss equal to the difference between the amount realized on a disposition of a Foreign Currency Note (as described below) and the U.S. Holder's adjusted tax basis in the Foreign Currency Note (as described above). The amount realized on a disposition of a Foreign Currency Note will generally be the U.S. dollar value of the foreign currency received (except to the extent attributable to accrued interest), determined on the trade date of the disposition. However, in the case of a Foreign Currency Note that is traded on an established securities market, a cash-method U.S. Holder or an electing accrual-method U.S. Holder generally will determine the amount realized on the disposition of such Note based on the spot rate on the settlement date of the disposition.

Gain or loss realized upon the disposition of a Foreign Currency Note that is attributable to fluctuations in currency exchange rates ("exchange gain or loss") will be ordinary income or loss that will not be treated as interest income or expense. The amount of exchange gain or loss generally will equal the difference between (i) the U.S. dollar value of the U.S. Holder's purchase price (excluding any amortizable bond premium previously accrued) in the foreign currency of the Note, determined on the date the Note is disposed of, and (ii) the U.S. dollar value of the U.S. Holder's purchase price (excluding any amortizable bond premium previously accrued) in the foreign currency of the Note, determined on the date the U.S. Holder acquired the Note. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on Foreign Currency Notes described above. Exchange gain or loss realized upon the disposition of any Foreign Currency Note will be recognised only to the extent of the total gain or loss realized by a U.S. Holder on the disposition of the Foreign Currency Note. Any gain or loss realized by a U.S. Holder in excess of the exchange gain or loss will be capital gain or loss (except in the case of a Short-Term Note, to the extent of any discount not previously included in the U.S. Holder's income). If a U.S. Holder recognises an ordinary loss upon a disposition of a Foreign Currency Note and such loss is above certain thresholds, the U.S. Holder may be required to file a disclosure statement with the IRS. See "*—General Considerations—Disclosure Requirements*" below.

A U.S. Holder will have a tax basis in any foreign currency received on the disposition of a Foreign Currency Note equal to the U.S. dollar value of the foreign currency, determined at the time of such disposition. A cash-method taxpayer who buys or sells a Foreign Currency Note that is traded on an established market is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result with respect to such foreign currency from currency fluctuations between the trade date and the settlement of the purchase or sale. An accrual-method taxpayer may elect the same treatment for all purchases and sales of foreign currency obligations if such obligations are traded on an established securities market. This election cannot be changed without the consent of the IRS. Any gain or loss realized by a U.S. Holder on a disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase Foreign Currency Notes) will be U.S.-source ordinary income or loss.

Contingent Payment Notes

General. Unless otherwise noted in the applicable Pricing Supplement, a Note that (i) provides for one or more contingent payments, (ii) is not a Short-Term Note and (iii) does not qualify as a variable rate debt instrument, as described in "*—Floating Rate Notes*" above, generally will be treated as a "contingent payment debt instrument" for U.S. federal income tax purposes (a "Contingent Payment Note"). Contingent Payment Notes are subject to special rules set forth in applicable Treasury regulations (the "Contingent Debt Regulations"). The following discussion describes the U.S. federal income tax consequences of owning and

disposing of Contingent Payment Notes denominated in the U.S. dollar. The U.S. federal income tax consequences of owning and disposing of Contingent Payment Notes denominated in one or more non-U.S. currencies will be described in the applicable Pricing Supplement.

A U.S. Holder will be required to accrue interest income on a Contingent Payment Note on a constant yield basis, based on a "comparable yield," as described below, regardless of whether such U.S. Holder uses the cash or accrual method of accounting for U.S. federal income tax purposes. Accordingly, depending on the terms of the Contingent Payment Notes, a U.S. Holder may be required to include interest in income each year in excess of any stated interest payments actually received in that year. For a discussion of the creditability or deductibility of any Spanish taxes imposed on payments of interest on a Note, see "*—General Considerations—Foreign Tax Credits*" below.

The Contingent Debt Regulations provide that a U.S. Holder must accrue an amount of ordinary interest income, as original issue discount for U.S. federal income tax purposes, for each accrual period prior to and including the maturity date of the Contingent Payment Note that equals the product of:

- the "adjusted issue price" (as described below) of the Contingent Payment Note as of the beginning of the accrual period;
- the comparable yield (as described below) of the Contingent Payment Note, adjusted for the length of the accrual period; and
- a fraction, the numerator of which is the number of days during the accrual period that the U.S. Holder held the Contingent Payment Note and the denominator of which is the number of days in the accrual period.

The "adjusted issue price" of a Contingent Payment Note is its issue price, increased by any interest income previously accrued, determined without regard to any adjustments to interest accruals described below, and decreased by the projected amount of any payments previously made pursuant to the projected payment schedule described below (without regard to the actual amount paid).

The term comparable yield as used in the Contingent Debt Regulations means the greater of (i) the annual yield the Issuer would pay, as of the issue date, on a fixed-rate, nonconvertible debt instrument with no contingent payments, but with terms and conditions otherwise comparable to those of the Contingent Payment Notes, and (ii) the applicable federal rate.

The Contingent Debt Regulations require that the Issuer provides to U.S. Holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments (the "projected payment schedule") on the Contingent Payment Notes. The projected payment schedule must reflect each non-contingent payment and the projected amount of each contingent payment (determined under rules set forth in the Contingent Debt Regulations) on the Contingent Payment Notes. This schedule must produce a yield to maturity that equals the comparable yield.

A U.S. Holder is required under the Contingent Debt Regulations to use the comparable yield and the projected payment schedule established by the Issuer in determining interest accruals and adjustments thereto in respect of a Contingent Payment Note, unless the U.S. Holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

The comparable yield and the projected payment schedule will not be provided for any purpose other than to determine a U.S. Holder's interest accruals and adjustments thereto in respect of the Contingent Payment Notes for U.S. federal income tax purposes. They will not constitute a projection or representation by the Issuer regarding the actual amounts that will be paid on the Contingent Payment Notes.

Adjustments to Interest Accruals on the Notes. If, during any taxable year, a U.S. Holder of a Contingent Payment Note receives actual payments with respect to such Contingent Payment Note that, in the aggregate, exceed the total amount of projected payments for that taxable year, the U.S. Holder will incur a "net positive adjustment" under the Contingent Debt Regulations equal to the amount of such excess. The U.S. Holder will treat a net positive adjustment as additional interest income in that taxable year.

If a U.S. Holder receives in a taxable year actual payments with respect to the Contingent Payment Note that, in the aggregate, are less than the amount of projected payments for that taxable year, the U.S. Holder will incur a "net negative adjustment" under the Contingent Debt Regulations equal to the amount of such deficit. This net negative adjustment:

(i) will first reduce the U.S. Holder's interest income on the Contingent Payment Note for that taxable year;

(ii) to the extent of any excess after applying (i), will give rise to an ordinary loss to the extent of the U.S. Holder's interest income on the Contingent Payment Note during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments; and

(iii) to the extent of any excess after applying (i) and (ii), will be carried forward as a negative adjustment to offset future interest income with respect to the Contingent Payment Note or to reduce the amount realized on a disposition of the Contingent Payment Note.

With respect to non-corporate U.S. Holders, a net negative adjustment is not treated as a miscellaneous itemized deduction (which for non-corporate U.S. Holders would be non-deductible or, for taxable years beginning in 2026, subject to the "two percent floor" limitation on deductibility).

Generally, the disposition of a Contingent Payment Note will result in taxable gain or loss to a U.S. Holder. The amount of gain or loss on a disposition of a Contingent Payment Note will be equal to the difference between (a) the amount of cash plus the fair market value of any other property received by the U.S. Holder (the "amount realized"), from the disposition of the Contingent Payment Note and (b) the U.S. Holder's adjusted tax basis in the Contingent Payment Note. As discussed above, to the extent that a U.S. Holder has any net negative adjustment carryforward, the U.S. Holder may use such net negative adjustment from a previous year to reduce the amount realized on the disposition of the Contingent Payment Note.

For purposes of determining the amount realized on the scheduled retirement of a Contingent Payment Note, a U.S. Holder will be treated as receiving the projected amount of any contingent payment due at maturity. As previously discussed, to the extent that actual payments with respect to the Contingent Payment Notes during the year of the scheduled retirement are greater or less than the projected payments for such year, a U.S. Holder will incur a net positive or negative adjustment, resulting in additional ordinary income or loss, as the case may be.

A U.S. Holder's adjusted tax basis in a Contingent Payment Note generally will be equal to the U.S. Holder's original purchase price for the Contingent Payment Note, increased by any interest income previously accrued by the U.S. Holder (determined without regard to any adjustments to interest accruals described above) and decreased by the amount of any projected payments that previously have been scheduled to be made in respect of the Contingent Payment Note (without regard to the actual amount paid).

Gain recognised by a U.S. Holder upon a disposition of a Contingent Payment Note generally will be treated as ordinary interest income. Any loss will be ordinary loss to the extent of the excess of previous interest inclusions over the total net negative adjustments previously taken into account as ordinary losses in respect of the Contingent Payment Note, and thereafter capital loss (which will be long-term capital loss if the Contingent Payment Note has been held for more than one year). The deductibility of capital losses is subject to limitations. If a U.S. Holder recognises a loss upon a disposition of a Contingent Payment Note and such loss is above certain thresholds, the U.S. Holder may be required to file a disclosure statement with the IRS. See "*—General Considerations—Disclosure Requirements*" below.

Special rules will apply if one or more contingent payments on a Contingent Payment Note become fixed. If one or more contingent payments on a Contingent Payment Note become fixed more than six months prior to the date each such payment is due, a U.S. Holder will be required to make a positive or negative adjustment, as appropriate, equal to the difference between the present value of the amounts that are fixed and the present value of the projected amounts of the contingent payments as provided in the projected payment schedule, using the comparable yield as the discount rate in each case. If all remaining scheduled contingent payments on a Contingent Payment Note become fixed substantially contemporaneously, a U.S. Holder will be required to make adjustments to account for the difference between the amounts treated as

fixed and the projected payments in a reasonable manner over the remaining term of the Contingent Payment Note. For purposes of the preceding sentence, a payment (including an amount payable at maturity) will be treated as fixed if (and when) all remaining contingencies with respect to it are remote or incidental within the meaning of the applicable Treasury regulations. A U.S. Holder's tax basis in the Contingent Payment Note and the character of any gain or loss on the disposition of the Contingent Payment Note will also be affected. U.S. Holders should consult their tax advisers concerning the application of these special rules.

Possible Alternative Tax Treatments of an Investment in a Note

Due to the absence of authorities that directly address the proper tax treatment of certain Notes, no assurance can be given that the IRS will accept, or that a court will uphold, the treatments described above. The IRS could, for instance, seek to analyze the U.S. federal income tax consequences of owning the Notes under the treatment described below under "*—Notes Not Treated as Debt Instruments.*" Even if the Notes are not so treated, other alternative treatments are possible, which, if applied, could significantly affect the timing and character of the income or loss with respect to the Notes. Prospective investors should consult their tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the Notes.

Credit Linked Notes

This discussion applies to Notes that provide for (i) periodic interest at either a fixed rate, or a variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Notes are denominated, and (ii) repayment at maturity of the principal amount in cash, unless a specified credit event has occurred with respect to a referenced principal-protected obligation of a specified entity unrelated to the Issuer, in which case the Notes will be redeemed early for a cash amount that is based on the value of the referenced obligation and thus may be less than the principal amount. The Issuer refers to these Notes as "Credit Linked Notes." Except as otherwise provided in an applicable Pricing Supplement, the Issuer intends (in the absence of an administrative determination or judicial ruling to the contrary) to treat Credit Linked Notes for U.S. federal income tax purposes as debt instruments, in which case they will be subject the rules set forth above under "*—Notes Treated as Debt Instruments*" and below under "*—General Considerations*". See "*—General Considerations—Foreign Tax Credits*" below for a discussion of the creditability or deductibility of any Spanish taxes (if any) imposed with respect to Credit Linked Note.

Possible Alternative Tax Treatments of an Investment in a Note

Due to the absence of authorities that directly address the proper tax treatment of a Credit Linked Note, no assurance can be given that the IRS will accept, or that a court will uphold, the treatment described above. The IRS could, for instance, seek to analyze the U.S. federal income tax consequences of owning the Notes under the treatment described below under "*—Notes Not Treated as Debt Instruments—Notes Treated as Put Rights and Deposits*." Even if the Notes are not so treated, other alternative treatments are possible, which, if applied, could significantly affect the timing and character of the income or loss with respect to the Notes. In addition, even if the Notes are treated as debt for U.S. federal income tax purposes, the consequences of a credit event may not be clear, depending on the circumstances. Prospective investors should consult their tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the Notes.

Notes Not Treated as Debt Instruments

The following discussion applies to Notes that are not treated in their entirety as debt instruments for U.S. federal income tax purposes.

This summary assumes that any Fund to which a Note relates will not be treated as a partnership for U.S. federal income tax purposes. If any such Fund were so treated, certain adverse U.S. federal income tax consequences might apply. You should consult your tax adviser regarding the possible consequences to you if any Fund to which a Note relates is or becomes treated as a partnership for U.S. federal income tax purposes.

Notes Treated as Open Transactions

This discussion applies to Notes that do not pay coupons and that provide for a single payment at maturity or early settlement that is determined by reference to the performance of a relevant Reference Item and that thus may be greater than or substantially lower than the Note's issue price. Except as otherwise provided in the applicable Pricing Supplement, under current law, the Issuer intends (in the absence of an administrative determination or judicial ruling to the contrary) to treat any such Note as a single financial contract that is an "open transaction" for U.S. federal income tax purposes.

Tax Treatment of Notes Treated as Open Transactions

Tax Treatment Prior to Settlement. Subject to the discussion below under "*—Possible Application of Section 1256 of the Code*," a U.S. Holder should not be required to recognise taxable income over the term of the Notes prior to settlement, other than pursuant to a disposition as described below.

Tax Basis. Subject to the discussion below under "*—Possible Application of Section 1256 of the Code*," a U.S. Holder's tax basis in a Note should equal the amount paid by the U.S. Holder to acquire the Note.

Sale or Other Taxable Disposition of a Note. Upon a disposition of a Note for cash, a U.S. Holder should recognise gain or loss equal to the difference between the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the Note. Subject to the discussion above regarding the possible application of the PFIC rules and the discussions below regarding the possible application of Sections 1260, 1258, 1256 and 988 of the Code, any gain or loss recognised should be long-term capital gain or loss if at the time of the disposition the Note has been held for more than one year, and short-term capital gain or loss otherwise.

Taxable gain upon the disposition of Notes, including any taxable gain attributable to fluctuations in currency exchange rates, should be treated as U.S.-source income. See "*—General Considerations—Foreign Tax Credits*" below for a discussion of the creditability or deductibility of any Spanish taxes imposed on gains upon the disposition of a Note. U.S. Holders should consult their tax advisers regarding additional U.S. federal income tax consequences of an investment in the Notes in light of their own particular circumstances.

Possible Application of Section 1260 of the Code. If a Note (other than a Note that provides for an upside payment only if the relevant Reference Item decreases in value over the term of the Note) is linked to an equity interest in one of a specified list of entities ("Pass-Thru Entities"), including an exchange-traded fund or other regulated investment company, a real estate investment trust, a partnership or a PFIC, there is a substantial risk that an investment in the Note will be treated as a "constructive ownership transaction," as defined in Section 1260 of the Code. If an investment in the Note is treated as a constructive ownership transaction, all or a portion of any long-term capital gain recognised by a U.S. Holder in respect of the Note could be recharacterized as ordinary income (the "Recharacterized Gain"). In addition, an interest charge would be imposed on any deemed underpayment of tax for each year that the constructive ownership transaction was outstanding. The amount of the interest charge is determined by treating any Recharacterized Gain as having accrued such that the gain in each successive year is equal to the gain in the prior year increased by the applicable federal rate (determined as of the date of disposition of the Note) during the term of the constructive ownership transaction.

The amount of the Recharacterized Gain (if any) that would be treated as ordinary income in respect of the Note equals the excess of (i) any long-term capital gain recognised by the U.S. Holder in respect of the Note over (ii) the "net underlying long-term capital gain" (as defined in Section 1260 of the Code). Even if an investment in the Note is treated as a constructive ownership transaction, the amount of net underlying long-term capital gain, and therefore the amount of Recharacterized Gain, is unclear. In particular, certain possible features of a Note (such as a Note linked to multiple Pass-Thru Entities, a Note linked to a Pass-Thru Entity as well as other types of equity interests, or a Note that provides for payments based on a multiple of the change in the value of an underlying Pass-Thru Entity) may give rise to uncertainty about the proper method for calculating the amount of Recharacterized Gain. Under Section 1260 of the Code, the amount of net underlying long-term capital gain is treated as zero unless otherwise "established by clear and convincing evidence." Furthermore, if a Pass-Thru Entity holds certain types of specified assets, such as certain metals, the long-term capital gain that a U.S. Holder would otherwise recognise in respect of the Note up to the amount of the net underlying long-term capital gain could, if the U.S. Holder is an individual or other non-corporate investor, be subject to tax at the higher rates applicable to "collectibles" instead of the general rates that apply to long-term capital gain.

The Issuer will not attempt to ascertain whether any given Note is linked to an equity interest in a Pass-Thru Entity. Moreover, even if the Issuer does provide a discussion in the applicable Pricing Supplement regarding potential consequences under Section 1260 of the Code, unless otherwise provided in the applicable Pricing Supplement, due to the lack of governing authority, the Issuer expects to be unable to express a view, or obtain an opinion, as to whether or how Section 1260 of the Code applies to Notes linked to Pass-Thru Entities. U.S. Holders should consult their tax advisers regarding the potential application of the "constructive ownership" rule to the Notes.

Possible Application of Section 1258 of the Code. It is possible that an investment in certain Notes, particularly those that provide for a single fixed upside payment, could be treated as a "conversion transaction" under Section 1258 of the Code. Generally, a conversion transaction is a transaction marketed or sold as producing capital gains and from which substantially all of the taxpayer's expected return is attributable to the time value of the taxpayer's net investment. If an investment in the Notes were treated as a conversion transaction, the gain from the disposition of the Notes would be treated as ordinary income to the extent of the "applicable imputed income amount." The applicable imputed income amount is an amount equal to the amount of interest that would have accrued on the taxpayer's net investment in the conversion transaction (*i.e.*, the amount paid by the U.S. Holder to acquire the Notes) for the period ending on the date of disposition (including under the mark-to-market treatment discussed below under "*—Possible Application of Section 1256 of the Code*") at a rate equal to 120 percent of the applicable federal rate. U.S. Holders should consult their tax advisers regarding the possible application of Section 1258 of the Code to the Notes.

Possible Application of Section 1256 of the Code. Special rules will apply if a Note constitutes, in whole or in part, a "Section 1256 Contract" under Section 1256 of the Code. Section 1256 Contracts include, among others, certain "listed options." Accordingly, if a Note is listed on (or subject to the rules of) an exchange, board of trade or market, it is possible that the Note may be treated, in whole or in part, as a Section 1256 Contract. If Section 1256 of the Code were to apply to a Note, U.S. Holders would be required (i) to mark to market all or a portion of the Note as if it were sold at its fair market value on the last business day of each year it is held, and (ii) to recognise any gain or loss in respect of the portion of the Note that is treated as a Section 1256 Contract as 40% short-term capital gain or loss and 60% long-term capital gain or loss. U.S. Holders should consult their tax advisers regarding the potential application of Section 1256 of the Code to the Notes.

Possible Application of Section 988 of the Code. References below to a foreign currency mean any currency other than the U.S. dollar. If the Reference Item in respect of a Note consists of one or more foreign currencies, foreign currency debt instruments, contingent foreign currency debt instruments, or indices or derivatives with respect to the foregoing, unless otherwise provided in the applicable Pricing Supplement, the Issuer intends to treat the Note as subject to Section 988 of the Code. In that case, any gain or loss recognised on the Note (including any gain or loss resulting from the possible application of Section 1256 of the Code, as discussed above) generally should be ordinary income or loss unless an election under Section 988(a)(1)(B) of the Code to treat such gain or loss as capital gain or loss (the "Section 988 election") is available and the U.S. Holder makes such election before the close of the day on which the U.S. Holder purchases the Note. While a taxpayer may make a Section 988 election to treat gain or loss on certain forward contracts, futures contracts or option contracts linked to one or more foreign currencies as capital gain or loss, it is unclear whether a Section 988 election is available for the Note. Unless otherwise provided in the applicable Pricing Supplement, due to the lack of governing authority, the Issuer will not seek any opinion as to whether the Section 988 election is available for the Note. U.S. Holders should consult their tax advisers about the potential application of Section 988 of the Code and the Section 988 election to the Note. In addition, a U.S. Holder might be subject to special reporting requirements that apply to foreign currency losses that exceed certain thresholds, as described below under "*—General Considerations—Disclosure Requirements.*"

Possible Alternative Tax Treatments of an Investment in a Note. Due to the absence of authorities that directly address the proper tax treatment of the Note, no assurance can be given that the IRS will accept, or that a court will uphold, the treatment described above. The IRS could, for instance, seek to analyze the U.S. federal income tax consequences of owning the Notes under the Contingent Debt Regulations as discussed above under "*—Notes Treated as Debt Instruments—Contingent Payment Notes.*" The risk that financial instruments providing for downside protection features would be recharacterized for U.S. federal income tax purposes as debt instruments rather than as open transactions, is greater than the risk of recharacterization

for comparable financial instruments that do not have such features. Even if the Notes are not treated as debt instruments for U.S. federal income tax purposes, other alternative treatments are possible, which, if applied, could significantly affect the timing and character of the income or loss with respect to the Notes. It is possible, for example, that a Note could be treated as a unit consisting of a loan and a forward contract, in which case a U.S. Holder might be required to accrue original issue discount into income on a current basis.

The U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments and have indicated that such transactions may be the subject of future Treasury regulations or other guidance. In addition, members of Congress have proposed legislative changes to the tax treatment of derivative contracts. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the Notes, possibly with retroactive effect.

Prospective investors should consult their tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the Notes, including the possible implications of the IRS notice.

Notes Providing for Upside Potential and Treated as Single Financial Contracts with Associated Coupons

This discussion applies to Notes that pay coupons and provide for a single payment at maturity or early settlement that is determined by reference to the performance of a relevant Reference Item and that thus may be greater than or substantially lower than the Note's issue price. The Issuer intends (in the absence of an administrative determination or judicial ruling to the contrary) to treat such a Note for U.S. federal income tax purposes as a single financial contract that provides for a coupon that will be treated as gross income to a U.S. Holder at the time received or accrued in accordance with the U.S. Holder's regular method of tax accounting.

Taxable gain upon the disposition of Notes will be treated as U.S.-source income. See "*—General Considerations—Foreign Tax Credits*" below for a discussion of the creditability or deductibility of any Spanish taxes imposed on payments of coupons on a Note and gains upon the disposition of a Note. U.S. Holders should consult their tax advisers regarding additional U.S. federal income tax consequences of an investment in the Notes in light of their own particular circumstances.

Tax Treatment of the Notes

Tax Basis. Subject to the discussion below under "*—Possible Application of Section 1256 of the Code*," a U.S. Holder's tax basis in a Note should equal the amount paid by the U.S. Holder to acquire the Note.

Coupon Payments on a Note. Any coupon payments on a Note should be taxable as ordinary income to a U.S. Holder at the time received or accrued, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

Sale or Other Taxable Disposition of a Note. Upon a disposition of a Note, a U.S. Holder should recognise gain or loss equal to the difference between the amount realized on the disposition and the U.S. Holder's tax basis in the Note. For this purpose, the amount realized does not include any coupon paid upon the disposition, and may not include disposition proceeds attributable to an accrued coupon, which may be treated as a coupon payment. Subject to the discussion above regarding the possible application of the PFIC rules and the discussions below regarding the possible application of Sections 1260, 1258, 1256 and 988 of the Code, any such gain or loss recognised should be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of the disposition, and should be short-term capital gain or loss otherwise. The ordinary income treatment of the coupon payments, in conjunction with the capital loss treatment of any loss recognised upon the disposition of a Note, could result in adverse tax consequences to U.S. Holders of a Note because the deductibility of capital losses is subject to limitations.

Possible Application of Section 1260 of the Code. If a Note (other than a Note that provides for only a single fixed upside payment if the relevant Reference Item increases in value over the term of the Note, or a Note that provides for an upside payment only if the relevant Reference Item decreases in value over the term of the Note) is linked to an equity interest in one of a specified list of entities ("Pass-Thru Entities"), including an exchange-traded fund or other regulated investment company, a real estate investment trust, a partnership

or a PFIC, there is a substantial risk that an investment in the Note will be treated as a "constructive ownership transaction," as defined in Section 1260 of the Code. If an investment in the Note is treated as a constructive ownership transaction, all or a portion of any long-term capital gain recognised by a U.S. Holder in respect of the Note could be recharacterized as ordinary income (the "Recharacterized Gain"). In addition, an interest charge would be imposed on any deemed underpayment of tax for each year that the constructive ownership transaction was outstanding. The amount of the interest charge is determined by treating any Recharacterized Gain as having accrued such that the gain in each successive year is equal to the gain in the prior year increased by the applicable federal rate (determined as of the date of disposition of the Note) during the term of the constructive ownership transaction.

The amount of the Recharacterized Gain (if any) that would be treated as ordinary income in respect of the Note equals the excess of (i) any long-term capital gain recognised by the U.S. Holder in respect of the Note over (ii) the "net underlying long-term capital gain" (as defined in Section 1260 of the Code). Even if an investment in the Note is treated as a constructive ownership transaction, the amount of net underlying long-term capital gain, and therefore the amount of Recharacterized Gain, is unclear. In particular, certain possible features of a Note (such as a Note linked to multiple Pass-Thru Entities, a Note linked to a Pass-Thru Entity as well as other types of equity interests, or a Note that provides for payments based on a multiple of the change in the value of an underlying Pass-Thru Entity) may give rise to uncertainty about the proper method for calculating the amount of Recharacterized Gain. Under Section 1260 of the Code, the amount of net underlying long-term capital gain is treated as zero unless otherwise "established by clear and convincing evidence." Furthermore, if a Pass-Thru Entity holds certain types of specified assets, such as certain metals, the long-term capital gain that a U.S. Holder would otherwise recognise in respect of the Note up to the amount of the net underlying long-term capital gain could, if the U.S. Holder is an individual or other non-corporate investor, be subject to tax at the higher rates applicable to "collectibles" instead of the general rates that apply to long-term capital gain.

The Issuer will not attempt to ascertain whether any given Note is linked to an equity interest in a Pass-Thru Entity. Moreover, even if the Issuer does provide a discussion in the applicable Pricing Supplement regarding potential consequences under Section 1260 of the Code, unless otherwise provided in the applicable Pricing Supplement, due to the lack of governing authority, the Issuer expects to be unable to express a view, or obtain an opinion, as to whether or how Section 1260 of the Code applies to Notes linked to Pass-Thru Entities. U.S. Holders should consult their tax advisers regarding the potential application of the "constructive ownership" rule to the Notes.

Possible Application of Section 1258 of the Code. It is possible that an investment in certain Notes, particularly those that provide for a single fixed upside payment, could be treated as a "conversion transaction" under Section 1258 of the Code. Generally, a conversion transaction is a transaction marketed or sold as producing capital gains and from which substantially all of the taxpayer's expected return is attributable to the time value of the taxpayer's net investment. If an investment in the Notes were treated as a conversion transaction, the gain from the disposition of the Notes would be treated as ordinary income to the extent of the "applicable imputed income amount." The applicable imputed income amount is an amount equal to the amount of interest that would have accrued on the taxpayer's net investment in the conversion transaction (i.e., the amount paid by the U.S. Holder to acquire the Notes) for the period ending on the date of disposition (including under the mark-to-market treatment discussed below under "*—Possible Application of Section 1256 of the Code*") at a rate equal to 120 percent of the applicable federal rate. U.S. Holders should consult their tax advisers regarding the possible application of Section 1258 of the Code to the Notes.

Possible Application of Section 1256 of the Code. Special rules will apply if a Note constitutes, in whole or in part, a "Section 1256 Contract" under Section 1256 of the Code. Section 1256 Contracts include, among others, certain "listed options." Accordingly, if a Note is listed on (or subject to the rules of) an exchange, board of trade or market, it is possible that the Note may be treated, in whole or in part, as a Section 1256 Contract. If Section 1256 of the Code were to apply to a Note, U.S. Holders would be required (i) to mark to market all or a portion of the Note as if it were sold at its fair market value on the last business day of each year it is held, and (ii) to recognise any gain or loss in respect of the portion of the Note that is treated as a Section 1256 Contract as 40% short-term capital gain or loss and 60% long-term capital gain or loss. U.S. Holders should consult their tax advisers regarding the potential application of Section 1256 of the Code to the Notes.

Possible Application of Section 988 of the Code. References below to a foreign currency mean any currency other than the U.S. dollar. If the Reference Item in respect of a Note consists of one or more foreign currencies, foreign currency debt instruments, contingent foreign currency debt instruments, or indices or derivatives with respect to the foregoing, unless otherwise provided in the applicable Pricing Supplement, the Issuer intends to treat the Note as subject to Section 988 of the Code. In that case, any gain or loss recognised on the Note (including any gain or loss resulting from the possible application of Section 1256 of the Code, as discussed above) generally should be ordinary income or loss unless an election under Section 988(a)(1)(B) of the Code to treat such gain or loss as capital gain or loss (the "Section 988 election") is available and the U.S. Holder makes such election before the close of the day on which the U.S. Holder purchases the Note. While a taxpayer may make a Section 988 election to treat gain or loss on certain forward contracts, futures contracts or option contracts linked to one or more foreign currencies as capital gain or loss, it is unclear whether a Section 988 election is available for the Note. Unless otherwise provided in the applicable Pricing Supplement, due to the lack of governing authority, the Issuer will not seek any opinion as to whether the Section 988 election is available for the Note. U.S. Holders should consult their tax advisers about the potential application of Section 988 of the Code and the Section 988 election to the Note. In addition, a U.S. Holder might be subject to special reporting requirements that apply to foreign currency losses that exceed certain thresholds, as described below under "*—General Considerations—Disclosure Requirements*."

Possible Alternative Tax Treatments of an Investment in a Note. Due to the absence of authorities that directly address the proper tax treatment of the Note, no assurance can be given that the IRS will accept, or that a court will uphold, the treatment described above. The IRS could, for instance, seek to analyze the U.S. federal income tax consequences of owning the Notes under the Contingent Debt Regulations as discussed above under "*—Notes Treated as Debt Instruments—Contingent Payment Notes.*" Alternatively, the IRS could require coupon payments on the Notes to be included in income at a time other than that described above. The risk that financial instruments providing for downside protection features would be recharacterized for U.S. federal income tax purposes as debt instruments rather than as single financial contracts with associated coupons, is greater than the risk of recharacterization for comparable financial instruments that do not have such features. Even if the Notes are not treated as debt instruments for U.S. federal income tax purposes, other alternative treatments are possible, which, if applied, could significantly affect the timing and character of the income or loss with respect to the Notes. It is possible, for example, that a Note could be treated as a unit consisting of a loan and a forward contract, in which case a U.S. Holder might be required to accrue original issue discount into income on a current basis.

The U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments and have indicated that such transactions may be the subject of future Treasury regulations or other guidance. In addition, members of Congress have proposed legislative changes to the tax treatment of derivative contracts. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the Notes, possibly with retroactive effect.

Prospective investors should consult their tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the Notes, including the possible implications of the IRS notice.

Notes Treated as Single Financial Contracts with Associated Coupons That Do Not Provide for Upside

This discussion applies to Notes that pay contingent coupons and provide for a single payment at maturity or early settlement that is determined by reference to the performance of a relevant Reference Item and that may be substantially lower than but may not exceed the Note's issue price (other than the contingent coupons). The Issuer intends (in the absence of an administrative determination or judicial ruling to the contrary) to treat the Notes for U.S. federal income tax purposes as a single financial contract that provides for a coupon that will be treated as gross income to a U.S. Holder at the time received or accrued in accordance with the U.S. Holder's regular method of tax accounting.

Taxable gain upon the disposition of Notes should be treated as U.S.-source income. See "*—General Considerations—Foreign Tax Credits*" below for a discussion of the creditability or deductibility of any Spanish taxes imposed on payments of coupons on a Note and gains upon the disposition of a Note. U.S.

Holders should consult their tax advisers regarding additional U.S. federal income tax consequences of an investment in the Notes in light of their own particular circumstances.

Tax Treatment of the Notes

Tax Basis. A U.S. Holder's tax basis in a Note should equal the amount paid by the U.S. Holder to acquire the Note.

Coupon Payments on a Note. Any coupon payments on a Note should be taxable as ordinary income to a U.S. Holder at the time received or accrued, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

Sale or Other Taxable Disposition of a Note. Upon a disposition of a Note, a U.S. Holder should recognise gain or loss equal to the difference between the amount realized on the disposition and the U.S. Holder's tax basis in the Note. For this purpose, the amount realized does not include any coupon paid upon the disposition, and may not include disposition proceeds attributable to an accrued coupon, which may be treated as a coupon payment. Subject to the discussions below regarding the possible application of Sections 1256 and 988 of the Code, any such gain or loss recognised should be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of the disposition, and should be short-term capital gain or loss otherwise. The ordinary income treatment of the coupon payments, in conjunction with the capital loss treatment of any loss recognised upon the disposition of a Note, could result in adverse tax consequences to U.S. Holders of a Note because the deductibility of capital losses is subject to limitations.

Possible Application of Section 1256 of the Code. Special rules will apply if a Note constitutes, in whole or in part, a "Section 1256 Contract" under Section 1256 of the Code. Section 1256 Contracts include, among others, certain "listed options." Accordingly, if a Note is listed on (or subject to the rules of) an exchange, board of trade or market, it is possible that the Note may be treated, in whole or in part, as a Section 1256 Contract. If Section 1256 of the Code were to apply to a Note, U.S. Holders would be required (i) to mark to market all or a portion of the Note as if it were sold at its fair market value on the last business day of each year it is held, and (ii) to recognise any gain or loss in respect of the portion of the Note that is treated as a Section 1256 Contract as 40% short-term capital gain or loss and 60% long-term capital gain or loss. U.S. Holders should consult their tax advisers regarding the potential application of Section 1256 of the Code to the Notes.

Possible Application of Section 988 of the Code. References below to a foreign currency mean any currency other than the U.S. dollar. If the Reference Item in respect of a Note consists of one or more foreign currencies, foreign currency debt instruments, contingent foreign currency debt instruments, or indices or derivatives with respect to the foregoing, unless otherwise provided in the applicable Pricing Supplement, the Issuer intends to treat the Note as subject to Section 988 of the Code. In that case, any gain or loss recognised on the Note (including any gain or loss resulting from the possible application of Section 1256 of the Code, as discussed above) generally should be ordinary income or loss unless an election under Section 988(a)(1)(B) of the Code to treat such gain or loss as capital gain or loss (the "Section 988 election") is available and the U.S. Holder makes such election before the close of the day on which the U.S. Holder purchases the Note. While a taxpayer may make a Section 988 election to treat gain or loss on certain forward contracts, futures contracts or option contracts linked to one or more foreign currencies as capital gain or loss, it is unclear whether a Section 988 election is available for the Note. Unless otherwise provided in the applicable Pricing Supplement, due to the lack of governing authority, the Issuer will not seek any opinion as to whether the Section 988 election is available for the Note. U.S. Holders should consult their tax advisers about the potential application of Section 988 of the Code and the Section 988 election to the Note. In addition, a U.S. Holder might be subject to special reporting requirements that apply to foreign currency losses that exceed certain thresholds, as described below under "*—General Considerations—Disclosure Requirements.*"

Possible Alternative Tax Treatments of an Investment in a Note. Due to the absence of authorities that directly address the proper tax treatment of the Note, no assurance can be given that the IRS will accept, or that a court will uphold, the treatment described above. The IRS could, for instance, seek to analyze the U.S. federal income tax consequences of owning the Notes under the "Contingent Debt Regulations" as discussed above under "*—Notes Treated as Debt Instruments—Contingent Payment Notes*." Alternatively, the IRS could require coupon payments on the Notes to be included in income at a time other than that described

above. The risk that financial instruments providing for downside protection features would be recharacterized for U.S. federal income tax purposes as debt instruments rather than as single financial contracts with associated coupons, is greater than the risk of recharacterization for comparable financial instruments that do not have such features. Even if the Notes are not treated as debt instruments for U.S. federal income tax purposes, other alternative treatments are possible, which, if applied, could significantly affect the timing and character of the income or loss with respect to the Notes.

The U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments and have indicated that such transactions may be the subject of future Treasury regulations or other guidance. In addition, members of Congress have proposed legislative changes to the tax treatment of derivative contracts. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the Notes, possibly with retroactive effect.

Prospective investors should consult their tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the Notes, including the possible implications of the IRS notice.

Notes Treated as Put Rights and Deposits

This discussion applies to Notes that pay periodic coupons at a fixed rate, payable at least annually, and provide for a single payment at maturity or early settlement that is determined by reference to the performance of a relevant Reference Item and that may be substantially lower than but may not exceed the Note's issue price (other than the coupon).

General. Except as otherwise provided in the applicable Pricing Supplement, the Issuer intends (in the absence of an administrative determination or judicial ruling to the contrary) to treat each Note, under current law, for U.S. federal income tax purposes, as a unit consisting of the following:

(i) a put right (the "Put Right") written by the investor to the Issuer that, if exercised, requires the investor to pay the Issuer an amount equal to the Deposit (as defined below) in exchange for a cash amount based on the performance of the relevant Reference Item; and

(ii) a deposit with the Issuer of a fixed amount of cash, equal to the issue price, to secure the investor's obligation under the Put Right (the "Deposit") that pays interest based on the Issuer's cost of borrowing at the time of issuance (the "Yield on the Deposit").

Assuming the characterization of the Notes as set forth above is respected, a portion of the coupon on the Notes will be treated as Yield on the Deposit and the remainder will be attributable to the premium on the Put Right (the "Put Premium"). The Yield on the Deposit will be determined as of the pricing date and set forth in the applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, the Issuer will allocate 100% of the issue price of the Notes to the Deposit and none to the Put Right. The Issuer's allocation of the issue price between the Put Right and the Deposit will be binding on investors in the Notes, unless an investor timely and explicitly discloses to the IRS that its allocation is different from the Issuer's allocation. The treatment of the Notes described above and the Issuer's allocation are not, however, binding on the IRS or a court. No statutory, judicial or administrative authority directly addresses the treatment of the Notes or instruments similar to the Notes for U.S. federal income tax purposes, and no ruling is being requested from the IRS with respect to the Notes.

Taxable gain upon the disposition of Notes and the portion of any coupon payments attributable to the Put Premium, should be treated as U.S.-source income. See "*—General Considerations—Foreign Tax Credits*" below for a discussion of the creditability or deductibility of any Spanish taxes imposed on payments of coupons on a Note and gains upon the disposition of a Note. U.S. Holders should consult their tax advisers regarding additional U.S. federal income tax consequences of an investment in the Notes in light of their own particular circumstances.

Unless otherwise provided in the applicable Pricing Supplement, the following U.S. federal income tax consequences should result.

Notes with a Term Equal to or Less Than One Year. The following discussion describes certain U.S. federal income tax consequences of ownership and disposition of a Note with a term that is equal to or less than one year (taking into account the last possible date that the Note could be outstanding under its terms).

Coupon Payments on a Note. Under the characterization described above under "*—General*," only a portion of the coupon payments on a Note should be attributable to the Yield on the Deposit. The remainder of the coupon payments should represent payments attributable to the Put Premium. The Put Premium generally should not be taxable to a U.S. Holder upon receipt, but instead should be accounted for as described below.

The Deposit should be treated as a "short-term obligation" for U.S. federal income tax purposes as described above under "*—Notes Treated as Debt Instrument—Short-Term Notes*". Accordingly, to the extent attributable to the Yield on the Deposit, coupon payments on a Note generally should be taxable to a U.S. Holder as ordinary interest income, as set forth therein.

Additionally, a cash-method U.S. Holder who does not elect to accrue the Yield on the Deposit should be required to defer deductions for certain interest paid on indebtedness incurred to purchase or carry the Notes until the Yield on the Deposit is included in income (or the U.S. Holder disposes of the Note). The amount of deductions required to be deferred should not exceed the amount of the Yield on the Deposit the U.S. Holder would have taken into income under an election to accrue such amounts.

Tax Basis. Based on our determination set forth above, the U.S. Holder's tax basis in the Put Right should be zero, and the U.S. Holder's tax basis in the Deposit should be 100% of the issue price, increased by any accrued Yield on the Deposit previously included in income and decreased by the amount of any payment received on the Deposit.

Receipt of Stated Principal Amount upon Settlement or Early Redemption of a Note. If a U.S. Holder receives the stated principal amount of a Note upon settlement or early redemption of a Note, the Put Right should be deemed to have expired unexercised. In that case, the U.S. Holder should not recognise any gain upon the return of the Deposit but should recognise the total amount of Put Premium received by the U.S. Holder over the term of the Note (including Put Premium received at maturity) as short-term capital gain at such time.

Receipt of Cash Based on the Performance of the Reference Item Upon Maturity of a Note. If a U.S. Holder receives an amount upon maturity of a Note that is less than the stated principal amount of the Note (such difference, the "Deficit"), the Put Right should be deemed to have been exercised and the U.S. Holder should be deemed to pay the Deficit to the Issuer upon settlement of the Put Right. In that case, the U.S. Holder should recognise short-term capital gain or loss with respect to the Put Right in an amount equal to the difference between (i) the total Put Premium received by the U.S. Holder over the term of the Note (including Put Premium received at maturity) and (ii) the Deficit.

Sale or Other Taxable Disposition of a Note Prior to Maturity. Upon a disposition of a Note prior to maturity, a U.S. Holder generally should recognise gain or loss with respect to the Deposit and the Put Right. For the purpose of determining such gain or loss, a U.S. Holder should apportion the amount realized on the disposition between the Deposit and the Put Right based on their respective values on the date of such disposition. The amount of gain or loss on the Deposit should equal the amount realized that is attributable to the Deposit, less the U.S. Holder's adjusted tax basis in the Deposit. Such gain should be treated as ordinary interest income to the extent of the amount of any accrued but unpaid Yield on the Deposit not previously included in income, and any remaining gain should be treated as short-term capital gain. Loss on the Deposit should be treated as short-term capital loss. The amount realized that is attributable to the Put Right, together with the total Put Premium received by the U.S. Holder over the term of the Note, should be treated as short-term capital gain.

If the value of the Deposit on the date of the disposition exceeds the amount realized, the U.S. Holder should be treated as having (i) sold the Deposit for an amount equal to its value on that date and (ii) made a payment (the "Put Right Assumption Payment") to the purchaser of the Notes equal to the amount of the excess, in exchange for the purchaser's assumption of the U.S. Holder's rights and obligations under the Put Right. In that case, the U.S. Holder should recognise gain or loss in respect of the Put Right, as set forth in the previous paragraph, in an amount equal to the total Put Premium received by the U.S. Holder over the term of the Note, less the amount of the Put Right Assumption Payment deemed to be made by the U.S. Holder.

Notes with a Term of More Than One Year. The following discussion describes certain U.S. federal income tax consequences of ownership and disposition of a Note with a term of more than one year (taking into account the last possible date that the Note could be outstanding under its terms).

Coupon Payments on a Note. Under the characterization described above under "—*General*," only a portion of the coupon payments on a Note should be attributable to the Yield on the Deposit. The remainder of the coupon payments should represent payments attributable to the Put Premium. The Put Premium generally should not be taxable to a U.S. Holder upon receipt, but instead should be accounted for as described below.

To the extent attributable to the Yield on the Deposit, coupon payments on a Note generally should be taxable to a U.S. Holder as ordinary interest income at the time accrued or received, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes. The Issuer expects that the portion of any coupon payments attributable to the Yield on the Deposit should be treated as non-U.S. source income.

Tax Basis. Based on our determination set forth above, the U.S. Holder's tax basis in the Put Right should be zero, and the U.S. Holder's initial tax basis in the Deposit should be 100% of the issue price.

Receipt of Stated Principal Amount upon Settlement or Early Redemption of a Note. If a U.S. Holder receives the stated principal amount of a Note upon settlement or early redemption of a Note, the Put Right should be deemed to have expired unexercised. In that case, the U.S. Holder generally should not recognise any gain upon the return of the Deposit but should recognise the total amount of Put Premium received by the U.S. Holder over the term of the Note (including Put Premium received at maturity) as short-term capital gain at such time.

Receipt of Cash Based on the Performance of the Reference Item Upon Maturity of a Note. If a U.S. Holder receives an amount upon maturity of a Note that is less than the stated principal amount of the Note (such difference, the "Deficit"), the Put Right should be deemed to have been exercised and the U.S. Holder should be deemed to pay the Deficit to the Issuer upon settlement of the Put Right. In that case, the U.S. Holder should not recognise any gain in respect of the Deposit but should recognise short-term capital gain or loss in an amount equal to the difference between (i) the total Put Premium received by the holder over the term of the Notes (including Put Premium received at maturity) and (ii) the Deficit.

Sale or Other Taxable Disposition of a Note Prior to Maturity. Upon a disposition of a Note prior to maturity, a U.S. Holder generally should recognise long-term capital gain or loss with respect to the Deposit if the U.S. Holder has held the Notes for more than one year at the time of such sale or exchange and short-term capital gain or loss otherwise. The U.S. Holder should also generally recognise short-term capital gain or loss with respect to the Put Right. For the purpose of determining gain or loss, a U.S. Holder should apportion the amount realized on the disposition of the Note (excluding any amount attributable to accrued but unpaid Yield on the Deposit, which would be taxed as described above under "—*Coupon Payments on a Note*") between the Deposit and the Put Right based on their respective values on the date of such disposition. The amount of capital gain or loss on the Deposit should equal the amount realized that is attributable to the Deposit, less the U.S. Holder's adjusted tax basis in the Deposit. The amount realized that is attributable to the Put Right, together with the total Put Premium received by the U.S. Holder over the term of the Note, should be treated as short-term capital gain.

If the value of the Deposit on the date of the disposition exceeds the total amount realized, the U.S. Holder should be treated as having (i) sold the Deposit for an amount equal to its value on that date and (ii) made a payment (the "Put Right Assumption Payment") to the purchaser of the Notes equal to the amount of the excess, in exchange for the purchaser's assumption of the U.S. Holder's rights and obligations under the Put Right. In that case, the U.S. Holder should recognise short-term capital gain or loss in respect of the Put Right in an amount equal to the total Put Premium received by the U.S. Holder over the term of the Note, less the amount of the Put Right Assumption Payment deemed to be made by the U.S. Holder.

Other Tax Considerations Pertaining to Notes. The following discussion describes certain U.S. federal income tax consequences of the ownership and disposition of a Note, regardless of the length of the term of the Note.

Possible Application of Section 988 of the Code. References below to a foreign currency mean any currency other than the U.S. dollar. If the Reference Item in respect of a Note consists of one or more foreign currencies, foreign currency debt instruments, contingent foreign currency debt instruments, or indices or derivatives with respect to the foregoing, unless otherwise provided in the applicable Pricing Supplement, the Issuer intends to treat the Note as subject to Section 988 of the Code. In that case, any gain or loss recognised on the Note generally should be ordinary income or loss unless an election under Section 988(a)(1)(B) of the Code to treat such gain or loss as capital gain or loss (the "Section 988 election") is available and the U.S. Holder makes such election before the close of the day on which the U.S. Holder purchases the Note. While a taxpayer may make a Section 988 election to treat gain or loss on certain forward contracts, futures contracts or option contracts linked to one or more foreign currencies as capital gain or loss, it is unclear whether a Section 988 election is available for the Note. In addition, any such election, if available, would not apply to the Deposit portion of the Note. Unless otherwise provided in the applicable Pricing Supplement, due to the lack of governing authority, the Issuer will not seek any opinion as to whether the Section 988 election is available for the Note. U.S. Holders should consult their tax advisers about the potential application of Section 988 of the Code and the Section 988 election to the Note. In addition, a U.S. Holder might be subject to special reporting requirements that apply to foreign currency losses that exceed certain thresholds, as described below under "*—General Considerations—Disclosure Requirements.*"

With respect to a Note treated as a Put Right and a Deposit that is denominated in or the payment on which is determined by reference to a foreign currency and is not described in the preceding paragraph, the Deposit (but not, generally, a Put Right that references a non-currency Reference Item) may be subject to special rules under Section 988 of the Code that are applicable to foreign currency debt. In that event, (i) amounts paid on the Deposit will be translated from the relevant foreign currency into U.S. dollars pursuant to applicable Treasury regulations and (ii) U.S. Holders generally will be required to recognise foreign currency gain or loss, as ordinary gain or loss, on the taxable disposition of the Note, to the extent gain or loss recognised on the Deposit is attributable to changes in the value of the relevant foreign currency, or with respect to interest payments on the Deposit, to the extent the U.S. dollar value of the foreign currency payment received differs in value from the U.S. dollar amount (if any) previously included in income with respect to the interest payment. It is unclear whether a Section 988 election would be available for a Put Right that references a non-currency Reference Item. Prospective purchasers should consult their tax advisers regarding the potential application of Section 988 of the Code to a Note treated as a Put Right and a Deposit.

Possible Alternative Tax Treatments of an Investment in a Note. Due to the absence of authorities that directly address the proper tax treatment of the Note, no assurance can be given that the IRS will accept, or that a court will uphold, the treatment described above. The IRS could, for instance, seek to treat the entire Note as a debt instrument. The risk that financial instruments providing for downside protection features would be recharacterized for U.S. federal income tax purposes as debt instruments in their entirety, rather than as a Put Right plus a Deposit, is greater than the risk of recharacterization for comparable financial instruments that do not have such features. If the entire Note were recharacterized as a debt instrument, the U.S. federal income tax consequences to the U.S. Holder would depend on the terms of the Note and could be materially adverse to the U.S. Holder. For a description of the tax treatment of Notes that are treated as debt instruments, see the discussion above under "*—Notes Treated as Debt Instruments*."

Even if debt treatment does not apply to the entire Note, other alternative U.S. federal income tax treatments of the Note are possible, which, if applied, could significantly affect the timing and character of the income or loss with respect to the Note.

The U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments and have indicated that such transactions may be the subject of future Treasury regulations or other guidance. In addition, members of Congress have proposed legislative changes to the tax treatment of derivative contracts. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the Notes, possibly with retroactive effect.

Prospective investors should consult their tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the Notes, including the possible implications of the IRS notice.

General Considerations

Payments in a Currency Other Than U.S. Dollars

General. Subject to the discussions above under (i) "*—Notes Treated as Debt Instruments—Foreign Currency Notes,*" and (ii) each of the headings titled "*—Possible Application of Section 988 of the Code*" under "*—Notes Not Treated as Debt Instruments,*" the following discussion describes certain special rules applicable to a U.S. Holder of Notes if the U.S. Holder acquires a Note with a currency other than the U.S. dollar or receives a payment on a Note or proceeds of a sale of a Note in a currency other than the U.S. dollar.

Subject to the discussions below under "*—Payments of Contingent Coupons to Accrual Method Taxpayers,*" a U.S. Holder who receives a payment in a foreign currency with respect to a Note generally should determine the amount received based on the U.S. dollar value of the foreign currency payment regardless of whether the payment is in fact converted to U.S. dollars at that time, and this U.S. dollar value should be the U.S. Holder's tax basis in the foreign currency. Any gain or loss realized by a U.S. Holder on a subsequent sale or other disposition of the foreign currency received should be ordinary income or loss.

Payments of Contingent Coupons to Accrual Method Taxpayers. While there are no clear authorities to address how a U.S. Holder that uses the accrual method of accounting for U.S. federal income tax purposes should account for contingent coupons paid in a foreign currency with respect to a Note, the Issuer believes that it is reasonable for such a U.S. Holder to determine the U.S. dollar value of the amount of the coupon payment that has accrued and is otherwise required to be taken into account with respect to a Note during an accrual period by translating the coupon at an average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year.

In addition to the coupons accrued as described above, the U.S. Holder should recognise foreign currency gain or loss as ordinary income or loss (which should not be treated as interest income or expense) with respect to accrued coupon payments on the date the coupon payment or proceeds from the disposition (including retirement) attributable to an accrued coupon are actually received. The amount of ordinary income or loss recognised should equal the difference between the U.S. dollar value of the foreign currency payment received (determined based on a spot rate on the date the payment is received) in respect of the accrual period (or, where a U.S. Holder receives U.S. dollars, the amount of the payment in respect of the accrual period) and the U.S. dollar value of the coupon payment that has accrued during the accrual period (as determined above).

Backup Withholding and Information Reporting

Payments of coupons and proceeds from the sale of a Note that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is an exempt recipient (and demonstrates that status if required to do so) or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that such U.S. Holder is not subject to backup withholding. The amount of any backup withholding from a payment should be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisers concerning the application of information reporting and backup withholding rules.

Disclosure Requirements

Applicable Treasury regulations require taxpayers that participate in certain "reportable transactions" to disclose their participation to the IRS by attaching Form 8886 to their tax returns and to retain a copy of all documents and records related to the transaction. In addition, organizers and sellers of such transactions are required to maintain records, including lists identifying investors in the transaction, and must furnish those records to the IRS upon demand. A transaction may be a "reportable transaction" based on any of several criteria. Whether an investment in a Note constitutes a "reportable transaction" for any holder depends on the holder's particular circumstances. U.S. Holders should consult their tax advisers concerning any possible disclosure obligation that they may have with respect to their investment in the Notes and should be aware

that the Issuer (or other participants in the transaction) may determine that the disclosure or investor list maintenance requirement applies to the transaction and comply accordingly with these requirements.

In October 2015, Treasury and the IRS released notices designating certain "basket options," "basket contracts" and substantially similar transactions as "reportable transactions." In July 2024, Treasury and the IRS issued proposed regulations that include rules substantially similar to the notices but that, if finalized, would instead designate all such transactions as "listed transactions" (whereas under the notices only basket options were identified as listed transactions, while other basket contracts were identified as "transactions of interest"). The notices and proposed regulations apply to specified transactions in which a taxpayer or its "designee" exercises discretion to change the assets underlying a financial instrument. Certain exceptions apply (*e.g.*, in the case of Notes treated as "contingent payment debt instruments" or "variable rate debt instruments" for U.S. federal income tax purposes, or if the Reference Item is an Index that is widely used or tracks a broad market or market segment). If the Issuer, an Index Sponsor, a calculation agent or other person were to exercise certain discretion under the terms of a Note (for example to change the Reference Items (or in the case of an index, the index components)) and were treated as a holder's designee for these purposes, unless an exception applied certain holders of the relevant Notes may be required to report certain information to the IRS, as set forth in the applicable Treasury regulations or be subject to substantial penalties and other adverse consequences. The Issuer may also be required to report information regarding the transaction to the IRS. Once the proposed regulations are finalized, reporting may be required even with respect to certain Notes issued prior to the date of finalization.

Foreign Tax Credits

Subject to applicable limitations, which vary depending upon a U.S. Holder's circumstances, Spanish income taxes (if any) withheld from amounts treated as interest income on a Note for Spanish income tax purposes at a rate not exceeding any applicable rate under the Treaty (which generally provides for an exemption from Spanish tax on interest income) may be creditable against the U.S. Holder's U.S. federal income tax liability. Spanish income taxes withheld in excess of any applicable Treaty rate (or that are otherwise refundable under Spanish law) will not be eligible for credit against a U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex. For example, subject to the discussion below regarding the IRS notice, Treasury regulations provide that, in the absence of an election to apply the benefits of an applicable income tax treaty, in order for non-U.S. income taxes on interest to be creditable, the relevant non-U.S. income tax rules must be consistent with certain U.S. federal income tax principles, and the Issuer has not determined whether the Spanish income tax system meets these requirements. In addition, these Treasury regulations provide that non-U.S. taxes on disposition gains generally are not creditable, unless an applicable income tax treaty provides otherwise. The IRS released a notice that provides relief from certain of the provisions of the Treasury regulations described above for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). However, because any gain from dispositions of Notes generally will be U.S.-source, even if these Treasury regulations will not deny a U.S. Holder's right to claim a foreign tax credit with respect to Spanish taxes (if any) on disposition gains, other limitations under the foreign tax credit rules may preclude a U.S. Holder from claiming a foreign tax credit, in whole or in part, with respect to these taxes.

In lieu of claiming a credit, a U.S. Holder may be able to elect to deduct any Spanish taxes in computing its taxable income, subject to generally applicable limitations (or, in the case of Spanish taxes on disposition gains, the Spanish tax may reduce the amount realized on the disposition). An election to deduct non-U.S. taxes instead of claiming foreign tax credits applies to all non-U.S. taxes paid or accrued in the relevant taxable year.

U.S. Holders should consult their tax advisers regarding the creditability or deductibility of any Spanish taxes imposed on or in respect of the Notes in their particular circumstances.

TAX CONSEQUENCES TO NON-U.S. HOLDERS

This section applies to you only if you are a Non-U.S. Holder. As used herein, a "Non-U.S. Holder" is a person that is, for U.S. federal income tax purposes, a beneficial owner of a Note and:

- an individual nonresident alien;

- a foreign corporation; or
- a foreign estate or trust.

The term "Non-U.S. Holder" does not include any of the following holders:

- an individual present in the United States for 183 days or more in the taxable year of disposition and who is not otherwise a resident of the United States for U.S. federal income tax purposes;
- certain former citizens or residents of the United States; or
- a holder for whom income or gain in respect of the Notes is effectively connected with the conduct of a trade or business in the United States.

Such holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the Notes.

Notes Treated as Debt Instruments

As described above, the Issuer expects that interest income on the Notes will be income from non-U.S. sources. Therefore, and subject to the discussions below concerning the possible application of the backup withholding rules, Section 871(m) of the Code, and FIRPTA, the Issuer currently does not intend to withhold U.S. federal income taxes on payments under the Notes. However, even if the interest income on the Notes were income from U.S. sources, subject to the discussions below concerning backup withholding, Section 871(m) of the Code, and FIRPTA, a Non-U.S. Holder would not be subject to U.S. federal income or withholding tax in respect of amounts paid (including original issue discount, if any) on a Note, provided that:

- the Non-U.S. Holder does not own, directly or by attribution, 10% or more of the total combined voting power of all classes of our stock entitled to vote;
- the Non-U.S. Holder is not a controlled foreign corporation related, directly or indirectly, to us through stock ownership;
- the Non-U.S. Holder is not a bank receiving interest under Section 881(c)(3)(A) of the Code;
- if the Note is linked to commodities, securities or other property (including indices of such property), such property is actively traded; and
- the beneficial owner of the Note (or a financial institution holding the Note on behalf of the beneficial owner) furnishes to the applicable withholding agent an applicable IRS Form W-8, on which the beneficial owner certifies under penalties of perjury that it is not a U.S. person.

Assuming that interest income on the Notes will be income from non-U.S. sources, except as otherwise provided in the applicable Pricing Supplement, and subject to the discussions below concerning the possible application of the backup withholding rules, Section 871(m) of the Code, and FIRPTA, payments on the Notes, and any gain realized on a disposition of a Note (including at maturity or early redemption) will not be subject to U.S. federal income tax (including withholding tax).

Notwithstanding the above, if the Issuer determines that there is a material risk that U.S. withholding is required on any payments on the Notes, the Issuer may withhold on any such payments at a 30% rate unless a Non-U.S. Holder has submitted a properly completed IRS Form W-8 appropriate to its particular circumstances that reduces or eliminates such U.S. withholding.

Notes Treated as Put Rights and Deposits

The discussions above under "*—Tax Consequences To Non-U.S. Holders—Notes Treated as Debt Instruments*" apply to (i) the Yield on the Deposit with respect to a Note that the Issuer intends to treat as a unit consisting of a Put Right and a Deposit (as described above under "*—Tax Consequences to U.S. Holders—Notes Not Treated as Debt Instruments —Notes Treated as Put Rights and Deposits*"), or (ii) to the entire coupon on such Note if it were recharacterized as a debt instrument. For a discussion of possible alternative treatments of a Note, see discussion above under "*—Tax Consequences to U.S. Holders—Notes Not Treated as Debt Instruments —Notes Treated as Put Rights and Deposits—Possible Alternative Tax Treatments of an Investment in a Note.*"

Notes Not Treated as Debt Instruments or as Put Rights and Deposits

General

Except as otherwise provided in the applicable Pricing Supplement, and subject to the discussions below concerning the possible application of the backup withholding rules, Section 871(m) of the Code, and FIRPTA, payments on the Notes and any gains realized on a disposition of the Notes (including at maturity or early redemption) are not expected to be subject to U.S. federal income tax (including withholding tax).

Notwithstanding the above, because significant aspects of the tax treatment of the Notes are uncertain, it is possible that the Issuer, the Guarantor or any person having withholding responsibility in respect of the Notes may treat a portion or all of each coupon or other payment on a Note as subject to U.S. withholding tax. If the Issuer or Guarantor or any other person having withholding responsibility determines that U.S. withholding should apply, payments on the Notes may be subject to withholding at a 30% rate, unless a Non-U.S. Holder has submitted to the relevant payor a properly completed IRS Form W-8 appropriate to its particular circumstances that establishes an entitlement to a reduction or exemption from such U.S. withholding. No additional amounts will be payable in respect of any such withholding.

Possible Treatment as a Debt Instrument

Due to the absence of authorities that directly address the proper tax treatment of a Note, no assurance can be given that the IRS will not seek to treat a Note as a debt instrument. The risk that financial instruments providing for downside protection features would be recharacterized for U.S. federal income tax purposes as debt instruments is greater than the risk of recharacterization for comparable financial instruments that do not have such features.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on a Note or of proceeds from a disposition of a Note that are made within the United States or through certain U.S.-related intermediaries, and such payments may be subject to backup withholding obligations, unless the Non-U.S. Holder complies with certification procedures to establish that it is not a U.S. person for U.S. federal income tax purposes or otherwise establishes an exemption. The certification procedures will be satisfied if the Non-U.S. Holder (or a financial institution holding the Note on behalf of the Non-U.S. Holder) furnishes to the applicable withholding agent an applicable IRS Form W-8, on which the Non-U.S. Holder certifies under penalties of perjury that it is not a U.S. person. The amount of any backup withholding from a payment to a Non-U.S. Holder will be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Section 871(m) Withholding Tax on Dividend Equivalents

Section 871(m) of the Code and Treasury regulations promulgated thereunder ("Section 871(m)") impose a withholding tax of 30% (or lower treaty rate applicable to dividends) on certain "dividend equivalents" paid or deemed paid to Non-U.S. Holders with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities. Subject to the discussion of the IRS notice below, Notes linked to U.S. equities or indices that include U.S. equities (a "U.S. equity linked security") generally will be subject to the Section 871(m) withholding regime if on the calculation date it (i) has a "delta" of 0.80 or higher with respect

to the underlying U.S. equity or (ii) substantially replicates the economic performance of the underlying U.S. equity, as determined by a "substantial equivalence" test that, among other factors, takes into account the initial number of shares of the underlying U.S. equity needed to hedge the transaction fully. The tests described above are set forth in the regulations, and the applicable test will depend on the terms of the relevant U.S. equity linked securities. Under these rules, withholding may apply even where the relevant U.S. equity linked securities do not provide for any payment that is explicitly linked to a dividend. The regulations provide for certain exceptions to the withholding requirements, in particular for instruments linked to certain broad-based indices (a "qualified index") that meet standards set forth in the regulations, as well as certain securities that track a qualified index.

Under an IRS notice, Section 871(m) will not apply to securities issued before January 1, 2027 that do not have a "delta" of one with respect to any U.S. equity. If the terms of a U.S. equity linked security are subject to a "significant modification" (including in the case described below under "*—Possible Taxable Events*"), the U.S. equity linked security generally will be treated as reissued for this purpose at the time of the significant modification.

The calculations of "delta" are generally made at the "calculation date," which is the earlier of (i) the time of pricing of the security, *i.e.*, when all material terms have been agreed on, and (ii) the issuance of the security. However, if the time of pricing is more than 14 calendar days before the issuance of the security, the calculation date is the date of the issuance of the security. In those circumstances, information regarding our final determinations for purposes of Section 871(m) may be available only after the issuance of the Notes. Accordingly, a Non-U.S. Holder should acquire such Notes only if it is willing to accept the risk that the Notes may be subject to withholding (without a corresponding gross up obligation).

The amount of a "dividend equivalent" is equal to, for a "simple" contract, the product of (a) the per-share dividend amount, (b) the number of shares of the underlying U.S. equity referenced in the U.S. equity linked security and (c) the delta, and, for a "complex" contract, the product of (a) the per-share dividend amount and (b) the initial hedge.

The dividend equivalent amount will be determined on the earlier of (a) the record date of the dividend and (b) the day prior to the ex-dividend date. The dividend equivalent amount will include the amount of any actual or, under certain circumstances, estimated dividend. If a U.S. equity linked security is subject to withholding in respect of dividend equivalents, withholding will, depending on the applicable withholding agent's circumstances, generally be required either (i) on the underlying dividend payment date or (ii) when cash payments are made on the relevant U.S. equity linked security or upon the date of maturity, lapse or other disposition thereof by the Non-U.S. Holder.

When relevant, the Issuer will disclose further information regarding the application of Section 871(m) withholding to any particular issuance of Notes in the applicable Pricing Supplement. The Issuer's determination as to whether Section 871(m) withholding applies to the Notes is binding on Non-U.S. Holders, but it is not binding on the IRS and the IRS may disagree with this determination.

Section 871(m) is complex and its application may depend on the Non-U.S. Holder's particular circumstances. For example, the application of Section 871(m) may be affected if a Non-U.S. Holder enters into another transaction in connection with the acquisition of a U.S. equity linked security. Accordingly, Non-U.S. Holders should consult their tax advisers regarding the potential application of Section 871(m) to the Notes in their particular circumstances.

If withholding under Section 871(m) applies, the Issuer will withhold at a rate of 30% (regardless of whether the Non-U.S. Holder is entitled to a reduced tax rate) and will not be required to pay any additional amounts with respect to amounts withheld.

FIRPTA

Section 897 of the Code, commonly referred to as "FIRPTA," applies to certain interests in entities that beneficially own significant amounts of United States real property interests (each, a "USRPI"). As discussed above, the Issuer will not attempt to ascertain whether any Reference Item should be treated as a USRPHC for purposes of Section 897 of the Code (including a non-corporate entity treated for relevant purposes of Section 897 of the Code as a USRPHC). If a Reference Item were so treated, it is possible that, subject to

the exceptions discussed in the following paragraph, a Note could be treated as a USRPI, in which case any gain from the disposition of the Note would generally be subject to U.S. federal income tax and would be required to be reported by you on a U.S. federal income tax return, generally in the same manner as if you were a U.S. Holder, and would in certain cases be subject to withholding in the amount of 15% of the gross proceeds of such disposition.

An exception to the FIRPTA rules applies in respect of interests in entities that have a regularly traded class of interests outstanding. Under this exception, a Note that is not itself "regularly traded" on an established securities market generally should not be subject to the FIRPTA rules unless its fair market value upon acquisition exceeds 5% of the Reference Item's regularly traded class of interests as specified in the applicable Treasury regulations. In the case of Notes that are regularly traded, a holding of 5% or less of the outstanding Notes of that class or series generally should not be subject to the FIRPTA rules. Certain attribution and aggregation rules apply, and prospective purchasers are urged to consult their tax advisers regarding whether their ownership interest in the Notes will be subject to an exemption from the FIRPTA rules in light of their circumstances, including any other interest they might have in a Reference Item.

POSSIBLE TAXABLE EVENTS

A change in the methodology by which an index to which a Note relates is calculated, a change in the components of a Reference Item, a discontinuation of a Reference Item, a designation of a successor to a Reference Item or any other circumstance resulting in a material change to a Reference Item could result in the treatment of a Note as terminated and reissued, in whole or in part, for U.S. federal income tax purposes. In that event, a U.S. Holder might be required to recognise gain or loss (subject to the possible application of the wash sale rules) with respect to the Notes, and its holding period for the Notes could be affected. Moreover, depending on the facts at the time of the change, the reissued Notes could be characterized for U.S. federal income tax purposes in a manner different from their original treatment, which could have a significant and potentially adverse effect on the timing and character of income the U.S. Holder recognises with respect to the Notes after the change.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "FATCA," a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Spain and the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In addition, instruments characterised as debt, or which are not otherwise characterised as equity and have a fixed term for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally will be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

TAXATION AND DISCLOSURE OF INFORMATION IN CONNECTION WITH PAYMENTS

NETHERLANDS

The following summary outlines certain principal Dutch tax consequences of the acquisition, holding, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For purposes of Dutch tax law, a holder of Notes may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Offering Memorandum, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch corporate and individual income tax consequences for:

(a) investment institutions (*fiscale beleggingsinstellingen*);

(b) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Dutch corporate income tax;

(c) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutorily defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit-sharing rights in the Issuer;

(d) persons to whom the Notes and the income therefrom are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);

(e) entities which are a resident of Aruba, Curaçao or Sint Maarten and that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative; and

(f) individuals to whom the Notes or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to 'the Netherlands' or 'Dutch', such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

This summary does not describe the consequences of the exchange or the conversion of the Notes.

Dutch Withholding Tax

All payments made by the Issuer under the Notes may - except in certain very specific cases as described below - be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that the Notes do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

However, as the Issuer is incorporated in the Netherlands, it qualifies as a Dutch tax resident under the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*). Consequently, Dutch withholding tax may apply on certain (deemed) interest due and payable to an affiliated (*gelieerde*) entity of the Issuer if such entity (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states

and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), or (vi) is a reverse hybrid whereby the jurisdiction of residence of a higher-tier beneficial owner (*achterliggende gerechtigde*) that has a qualifying interest (*kwalificerend belang*) in the reverse hybrid treats the reverse hybrid as tax transparent and that higher-tier beneficial owner would have been taxable based on one (or more) of the items in (i)-(v) above had the interest been due to him directly, all within the meaning of the Dutch Withholding Tax Act 2021.

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder of Notes is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25.8%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Notes and gains realised upon the redemption or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 49.5%) under the Dutch Income Tax Act 2001, if:

(a) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or

(b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) above applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is determined based on the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*) (EUR 57,000 in 2023). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January The individual's deemed return is calculated by multiplying the individual's yield basis with a 'deemed return percentage' (*effectief rendementspercentage*), which percentage depends on the actual composition of the yield basis, with separate deemed return percentages for savings (*banktegoeden*), other investments (*overige bezittingen*) and debts (*schulden*). As of 1 January 2023, the percentage for other investments, which include the Notes, is set at 6.17%. The deemed return on savings and investments is taxed at a rate of 32%.

Non-residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Notes and gains realised upon the redemption or disposal of the Notes, unless:

(a) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Notes are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of

an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable. This income is subject to Dutch corporate income tax at up to a maximum rate of 25.8%.

(b) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable or (2) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the Notes that exceed regular, active portfolio management , or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.5%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under "Residents of the Netherlands").

Gift and Inheritance tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the Notes by way of gift by, or on the death of, a holder of Notes, unless:

(a) the holder of the Notes is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or

(b) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of the Notes.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.]

SPAIN

The following summary refers solely to certain Spanish tax consequences of the acquisition, ownership and disposition of the Notes, and it is based on the laws presently in force in Spain (without prejudice of regional tax regimes in the Historical Territories of the Basque Country and the Community of Navarre or provisions passed by Autonomous Communities which may apply to investors for certain taxes). It does not purport to be a complete analysis of all tax consequences relating to the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which might be subject to special rules.

Prospective investors should consult their own tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Notes and receiving any payments under the Notes. This summary is based upon the law as in effect on the date of this Offering Memorandum and is subject to any change in law and the interpretation and application thereof, which could be made with retroactive effect. References in this section to holders include the beneficial owners of the Notes.

The Issuer does not assume any responsibility for the withholding of taxes at source.

TAXATION AND DISCLOSURE OF INFORMATION IN CONNECTION WITH PAYMENTS

Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this document:

(a) of general application, Additional Provision One of Law 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions ("**Law 10/2014**"), as well as Royal Decree 1065/2007 of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply takes, as amended by Royal Decree 1145/2011, of 29 July (**Royal Decree 1065/2007**);

(b) for individuals resident for tax purposes in Spain which are subject to the Personal Income Tax (**PIT**), Law 35/2006 of 28 November, on the PIT and on the partial amendment of the Corporate Income Tax Law, Non-Resident Income Tax Law and Wealth Tax, as amended, and Royal Decree 439/2007 of 30 March promulgating the PIT Regulations, as amended, along with Law 19/1991, of 6 June on Wealth Tax, as amended; Law 29/1987, of 18 December on the Inheritance and Gift Tax, as amended, and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes, as amended;

(c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax (**CIT**), Law 27/2014, of 27 November, on the CIT, as amended, and Royal Decree 634/2015, of 10 July, approving the CIT Regulations, as amended; and

(d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax (**NRIT**), Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004 of 30 July promulgating the NRIT Regulations, as amended, along with Law 19/1991, of 6 June on Wealth Tax as amended; Law 29/1987, of 18 December on the Inheritance and Gift Tax as amended, and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes, as amended.

Indirect taxation

Whatever the nature and residence of the holder of a beneficial interest in the Notes (each, a **Beneficial Owner**), the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, for example exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December, regulating such tax, as amended from time to time.

Individuals with Tax Residence in Spain

The sale, transfer, or acquisition of Implicit Yield Notes, including, but not limited to, Zero Coupon Notes, to or by individuals (*personas físicas*) who are tax resident in Spain (**Spanish Individual**) is forbidden in all cases. Any transfer of Implicit Yield Notes to or by Spanish Individuals is not permitted and such transfer will be considered null and void by the Issuer and the Guarantor. Accordingly, neither the Issuer nor the Guarantor (i) will recognise any Spanish Individual as an owner of Implicit Yield Notes or (ii) list any Implicit Yield Notes.

That is why we anlysise only the Spansih tax implications for Spanish individuals who obtain income derived from the transfer, redemption or repayments of the Notes issued in accordance with Law 10/2014, other than Implicit Yield Notes.

Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Spanish individuals (*personas fisicas*) with tax residence in Spain (**Spanish Individual**) are subject to PIT on a worldwide basis. Both interest payments periodically received and income derived from the transfer, redemption or repayments of the Notes obtained by individuals who are resident in Spain constitute a return on investment

obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25 of the PIT Law, and therefore must be included in the investor's PIT savings taxable base pursuant to the provisions of the aforementioned law. The fact that a Spanish company pays interest or guarantees payments under a Note will not lead an individual to be considered tax-resident in Spain.

The PIT savings taxable base is taxed at the following rates: (i) 19% for taxable income up to EUR 6,000; (ii) 21% for taxable income from EUR 6,001 to EUR 50,000; (iii) 23% from EUR 50,000.01 up to EUR 200,000; and (iv) 27% from EUR 200,000.01 up to EUR 300,000, and (v) 30% for any amount in excess of EUR 300,000.

Income from the transfer of the Notes is computed as the difference between their transfer value and their acquisition or subscription value. Also, ancillary acquisition and disposal charges are taken into account, insofar as adequately evidenced, in calculating the income.

Negative income derived from the transfer of the Notes, in the event that the holder had acquired other homogeneous securities within the two months prior or subsequent to such transfer or exchange, shall be included in his or her PIT base as and when the remaining homogeneous securities are transferred.

When calculating the net income, expenses related to the management and deposit of the Notes will be deductible, excluding those pertaining to discretionary or individual portfolio management.

Article 44 of the Royal Decree 1065/2007 has established information procedures for debt instruments issued under the Law 10/2014 (which do not require identification of the Noteholders) and has provided that the interest will be paid by the Issuer to the Principal Paying Agent for the gross amount, provided that such information procedures are complied with, so that any payment under the Notes will not be subject to withholding tax to the extent that the new simplified information procedures (which do not require identification of the Noteholders) are complied with by the Principal Paying Agent as it is described under "*—Information about the Notes in Connection with Payments—Notes issued in accordance with Law 10/2014 or Implicit Yield Notes with a duration equal to or less than 12 months*". If these information procedures are not complied within the manner indicated, the Issuer may be required to withhold tax and may pay income in respect of such principal amount net of the Spanish withholding tax applicable to such payments (currently at the rate of 19%)

However, in the case of such Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the general rate of 19% which will be made by the depositary or custodian.

Amounts withheld may be credited against the final PIT liability.

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are individuals resident in Spain for tax purposes.

Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)

Individuals with tax residence in Spain are subject to Wealth Tax to the extent that their net worth exceeds EUR 700,000. Therefore, they should take into account the value of the Notes which they hold as at 31 December of each year, the applicable rates ranging between 0.2% and 3.5%. The Autonomous Communities may have different provisions in this respect.

In addition to the above, the so-called "Solidarity Tax" was approved in December 2022, which is a two-year direct wealth tax that, in general terms, applied, under certain conditions, to those residents in an autonomous region were the Wealth Tax is partial or fully exempt (as Madrid and Andalusia). As regards the Basque Country and Navarra, its application is excluded, although it is foreseen that its application will be agreed in the Mixed Commission of the Economic Agreement with the Basque Country and the Commission of the Economic Agreement with Navarra.

The rates of the "Solidarity Tax" are (i) 1.7% on a net worth between EUR 3,000,000 and EUR 5,000,000, (ii) 2.1% on a net worth between EUR 5,000,000.01 and EUR 10,000,000, and (iii) 3.5% on a net worth of more than 10,000,000. Note that the regulation lays down a minimum exempt amount of EUR 700,000 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, is greater than EUR 3,700,000.

Prospective investors are advised to seek their own professional advice in this regard.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable tax rates currently range between 0% (full exemption) and 81.6% depending on relevant factors, although the final tax rate may vary depending on any applicable regional tax laws.

Legal Entities with Tax Residence in Spain

Corporate Income Tax (Impuesto sobre Sociedades)

Both interest received periodically and income derived from the transfer, redemption or repayment of the Notes are subject to CIT (at the current general tax rate of 25%) in accordance with the rules for this tax. This general rate will not be applicable to all CIT taxpayers and, for instance, it will not apply to banking institutions (which will be taxed at the rate of 30%). Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Please note that there are reduced CIT rates depending on the annual net turnover of the taxpayer, as follows:

For entities whose net turnover for the immediately preceding tax period is less than EUR 1 million, the following rates will apply:

- For the portion of the taxable base between EUR 0 and 50,000, at a rate of 17%.
- For the remaining portion of the taxable base, at a rate of 20%.

For entities whose net turnover for the immediately preceding tax period is less than EUR 10 million, a 20% rate will apply.

Newly created entities that engage in economic activities will be taxed at a rate of 15 percent for the first tax period in which the taxable base is positive and for the following period.

It should be noted that the reduced CIT rates of 20%, 17%, and 15% will not apply to entities that are considered passive holding companies, as defined in section 2 of article 5 of the Spanish CIT Law (*Ley 27/2014, de 27 de noviembre, del Impuesto sobre Sociedades*).

In accordance with Law 10/2014 and Section 44.5 of Royal Decree 1065/2007 and in the opinion of the Issuer, there is no obligation to withhold tax on income payable under the Notes issued in accordance with the Law 10/2014 and on the reimbursement of the Implicit Yield Notes with a duration of equal to or less than 12 months to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds).

Consequently, the Issuer will not withhold tax on interest payments under the Notes or on the reimbursement of the above Implicit Yield Notes to Spanish CIT taxpayers to the extent that the new simplified information procedures (which do not require identification of the Noteholders) are complied with by the Principal Paying Agent as it is described under "*—Information about the Notes in Connection with Payments—Notes issued in accordance with Law 10/2014 or Implicit Yield Notes with a duration equal to or less than 12 months*". If these information procedures are not complied within the manner indicated, the Issuer may be required to withhold tax and may pay income in respect of such principal amount net of the Spanish withholding tax applicable to such payments (currently at the rate of 19%).

According to Article 61.q) of the CIT Regulations, the Issuer would not be obliged to withhold taxes in Spain on any income paid under the Implicit Yield Notes with a duration of more than 12 months provided that such Implicit Yield Notes would be issued in book entry form and admitted to trading on an official secondary securities market or in the Alternative Fixed Income Market in Spain. In addition, according to Article 61.s) of the CIT Regulations, the Issuer would not be obliged to withhold taxes in Spain on any income paid under the Implicit Yield Notes

with a duration of more than 12 months to Spanish CIT taxpayers provided that such Implicit Yield Notes would be listed and admitted to trading on an official securities market in an OECD country.

Likewise, in relation to the Implicit Yield Notes referred in the two preceding paragraphs, the information procedures set out in the CIT Regulations would also need to be observed. In this respect, the Issuer will proceed to reimburse them provided that the holder thereof accredits their prior acquisition and the corresponding acquisition price by means of the legally required certificate that has been issued by a Spanish financial institution or established in Spain. In accordance with the legislation currently in force, in case of failure to provide such certificate, the Issuer will not proceed to pay to the holder the reimbursement thereof.

However, in the case of Notes held by Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the generally applicable rate, currently 19%, if the Notes do not comply with applicable exemption requirements including those specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 in which case the required withholding tax will be made by the depositary or custodian.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are legal persons or entities resident in Spain for tax purposes.

Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)

Legal entities resident in Spain for tax purposes are neither subject to Wealth Tax nor to Solidarity Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the Notes in their taxable income for Spanish CIT purposes.

Individuals and Legal Entities with no Tax Residency in Spain

Non-Resident Income Tax (Impuesto sobre la Renta de No Residentes)

With permanent establishment in Spain

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those previously set out for Spanish CIT taxpayers. See "*—Legal Entities with Tax Residence in Spain—Corporate Income Tax (Impuesto sobre Sociedades)*". Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

In the same way, the reimbursement of Implicit Yield Notes with a duration of more than 12 months will follow the same procedure as those for Spanish CIT taxpayers

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to holders of the Notes who are individuals or legal entities not resident in Spain for tax purposes who act with respect to the Notes through a permanent establishment in Spain.

With no permanent establishment in Spain

Both interest payments received periodically and income derived from the transfer, redemption or repayment of the Notes issued in accordance with the Law 10/2014 and Implicit Yield Notes with a duration equal to or less than 12 months, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT on the same

terms laid down for income from public debt provided that the relevant information about such Notes is duly submitted to the Issuer.

In order for the exemption to apply, in respect to the Notes issued in accordance with the Law 10/2014 and Implicit Yield Notes with a duration equal to or less than 12 months, it is necessary to comply with certain information obligations relating to such Notes, in the manner described under "*—Information about the Notes in Connection with Payments—Notes issued in accordance with Law 10/2014 or Implicit Yield Notes with a duration equal to or less than 12 months*" as laid down in section 44 of Royal Decree 1065/2007. If these information obligations are not complied within the manner indicated, the Issuer may be required to withhold tax and may pay income in respect of such principal amount net of the Spanish withholding tax applicable to such payments (currently at the rate of 19%).

In the case of Implicit Yield Notes with a duration of more than 12 months, the Issuer would not be obliged to withhold taxes in Spain to NRIT taxpayers if the holder provides the Issuer with a certificate of tax residence issued by the tax authorities of the relevant country (according to Spanish legislation currently in force, such certificates are valid for a period of one year since the date of issuance).

In both cases, the holder must provide the Issuer with a certificate of tax residence issued by the tax authorities of the relevant country (according to Spanish legislation currently in force, such certificates are valid for a period of one year since the date of issuance).

To make the above exemptions effective, it will be necessary to comply with the information provision obligations described below. For these purposes, it is necessary to distinguish the procedure to be followed in the case of Notes issued in accordance with Law 10/2014 or Implicit Yield Notes with a duration equal to or less than 12 months, from the procedure applicable to Implicit Yield Notes with a duration of more than 12 months.

Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)

Non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed EUR 700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2% and 3.5%. However, non-Spanish resident individuals will be exempt from Wealth Tax in respect of the Notes which income is exempt from NRIT as described above.

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Wealth Tax would generally not be subject to such tax.

If the exemptions outlined do not apply, individuals who are not resident in Spain for tax purposes may apply the rules approved by the Spanish region where the assets and rights with more value: (i) are located; (ii) can be exercised; or (iii) must be fulfilled.

In addition to the above, the so-called "Solidarity Tax" was approved in December 2022, which is two-year direct wealth tax that applies, in general terms and under certain conditions, to those Non-Spanish tax resident individuals whose properties and rights are located in Spain, or that can be exercised within the Spanish territory when the highest value of their assets and rights are located, can be exercised or must be fulfilled on an autonomous region were the Wealth Tax is partial or fully exempt (as Madrid and Andalusia). As regards the Basque Country and Navarra, its application is excluded, although it is foreseen that its application will be agreed in the Mixed Commission of the Economic Agreement with the Basque Country and the Commission of the Economic Agreement with Navarra.

The rates of the "Solidarity Tax" are (i) 1.7% on a net worth between EUR 3,000,000 and EUR 5,000,000, (ii) 2.1% on a net worth between EUR 5,000,000.01 and EUR 10,000,000, and (iii) 3.5% on a net worth of more than EUR 10,000,000. Note that the Non-Spanish tax resident individuals do not have access to the general tax exemption of €700,000 which means that they are taxed when the net wealth located in Spain is greater than €3,000,000.

Non-Spanish resident legal entities are neither subject to Wealth Tax nor to Solidarity Tax.

Prospective investors are advised to seek their own professional advice in this regard.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and state rules, unless they reside in a country for tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax. In such case, the provisions of the relevant double tax treaty will apply.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with Spanish legislation applicable in the relevant autonomous region (*Comunidad Autónoma*). The applicable Spanish Inheritance and Gift Tax rate would range between 0% (full exemption) and 81.6%, depending on relevant factors.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), except as provided in any applicable double tax treaty entered into by Spain. In general, double tax treaties provide for the taxation of this type of income in the country of tax residence of the Holder.

Obligation to inform the Spanish tax authorities of the ownership of the Notes

With effect as from 1 January 2013, Law 7/2012, of 29 October, as implemented by Royal Decree 1558/2012, of 15 November, introduced new annual reporting obligations applicable to Spanish residents (i.e. individuals, legal entities, permanent establishments in Spain of non-resident entities) in relation to certain foreign assets or rights.

Consequently, if the Notes are deposited with or placed in the custody of a non-Spanish entity, holders resident in Spain will be obliged, if certain thresholds are met as described below, to declare before the Spanish tax authorities, between 1 January and 31 March every year, the ownership of the Notes held on 31 December of the immediately preceding year (e.g. to declare between 1 January 2024 and 31 March 2024 the Notes held on 31 December 2023).

This obligation would only need to be complied with if certain thresholds are met: specifically, if the only rights/assets held abroad are the Notes, this obligation would only apply if the value of the Notes together with other qualifying assets held on 31 December exceeds €50,000 (with the corresponding valuation to be made in accordance with Wealth Tax rules). If this threshold is met, a declaration would only be required in subsequent years if the value of the Notes together with other qualifying assets increases by more than €20,000 as against the declaration made previously. Similarly, cancellation or extinguishment of the ownership of the Notes before 31 December should be declared if such ownership was reported in previous declarations.

Information about the Notes in Connection with Payments

Notes issued in accordance with Law 10/2014 or Implicit Yield Notes with a duration equal to or less than 12 months

In the case of Notes issued in accordance with Law 10/2014 or Implicit Yield Notes with a duration equal to or less than 12 months, the Issuer is currently required by Spanish law to file an annual return with the Spanish tax authorities in which it reports on certain information relating to the Notes. In that sense, Royal Decree 1065/2007 sets out the procedures to be followed in order to make payments under Notes issued in accordance with Law 10/2014 or Implicit Yield Notes with a duration equal to or less than 12 months, without withholdings or deductions for or on account of Spanish taxes.

The procedures set out in the Agency Agreement provide that the Issuer will pay on each Interest Payment Date the full amount of the payment due and payable to the Principal Paying Agent. The Principal Paying Agent, on behalf of the Issuer, will deliver a statement in the required form to the Issuer the business day immediately before the relevant Interest Payment Date. The statement shall contain the following information:

(a) identification of the Notes (as applicable) in respect of which the relevant payment is made;

(b) the date on which relevant payment is made (or refund if the Notes are issued at a discount or segregated);

(c) the total amount of the relevant payment(or total amount to be refunded if the Notes are issued at a discount or segregated); and

(d) the amount of the relevant payment corresponding to each entity that manages a clearing and settlement system for securities situated outside Spain.

In particular, the Principal Paying Agent must certify the information above about such Notes by means of a certificate the form of which is attached as

Annex I of this Offering Memorandum. In light of the above, the Issuer and the Principal Paying Agent arranged certain procedures to facilitate the collection of information concerning such Notes. Investors should note that the Issuer does not accept any responsibility relating to the procedures established for the collection of information concerning the Notes.

Accordingly, the Issuer will not be liable for any damage or loss suffered by any holder who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding. See "*Risk Factors*". The procedures for providing documentation referred to in this section are set out in detail in the Agency Agreement which may be inspected during normal business hours at the specified office of the Principal Paying Agent.

If, following clarifications by the Spanish Tax Authorities, procedures in relation to Royal Decree 1065/2007 are subsequently amended, the Issuer, the Principal Paying Agent will implement such procedures as may be required to enable the Issuer to comply with its obligations under applicable legislation as clarified by the Spanish Tax Authorities.

TAXATION AND DISCLOSURE OF INFORMATION IN CONNECTION WITH PAYMENTS

Annex I. Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in

Annex I *and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.*

Implicit Yield Notes with a duration of more than 12 months

In case of Implicit Yield Notes with a duration of more than 12 months, the reimbursement proceeding requires that the holder (i) provides the Issuer with a certificate of tax residence issued by the tax authorities of the country of its tax residence, in the case of Non-Resident Income Tax taxpayers, according to which no withholding tax should apply upon such reimbursement and (ii) accredits their prior acquisition and the corresponding acquisition price by means of the legally required certificate that has been issued by a Spanish financial institution or established in Spain.

In accordance with the legislation currently in force, in the case of failure to provide the certificate in relation to the prior acquisition and the corresponding acquisition price, the Issuer will not proceed to pay to the holder the reimbursement thereof.

The arrangements for collecting relevant certifications in respect of Implicit Yield Notes will be agreed directly between the Issuer and the investors in the Implicit Yield Notes at the time of issuance.

Tax Rules for Notes not Listed

Withholding on Account of IIT, CIT and NRIT

If the Notes are not listed on any Payment Date, payments to holders will be subject to withholding tax at the general rate, currently 19%, except in the case of holders which are: (a) resident in a Member State of the European Union (other than Spain) or in a member state of the European Economic Area (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, and obtain the interest income either directly or through a permanent establishment located in another Member State of the European Union (other than Spain) or in a member state of the European Economic Area (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, provided that such holders (i) do not obtain the interest income on the Notes through a permanent establishment in Spain and (ii) are not resident of, or are not located in, nor obtain income through, a non-cooperative jurisdiction (as defined by the Law 36/2006, of 29 November, on prevention measures and actions against tax fraud, as amended through Law 11/2021, of 9 July, and as amended); (b) Spanish securitisation funds which comply with the requirements established in Article 61.k) of Royal Decree 634/2015, of 10 July 2015; or (c) resident for tax purposes of a country which has entered into a double tax treaty with Spain which provides for an exemption from Spanish tax or a reduced withholding tax rate with respect to interest payable to any holder.

The Proposed EU Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common Financial Transactions Tax (the **EU FTT**) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear.

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

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

In the ECOFIN meeting of 17 June 2016, the EU FTT was discussed between the EU Member States. It was reiterated in this meeting that participating Member States envisage introducing an EU FTT by means of the so-called enhanced cooperation process.

The proposed Directive defines how the EU FTT would be implemented in participating Member States. It involves a minimum 0.1% tax rate for transactions in all types of financial instruments, except for derivatives that would be subject to a minimum 0.01% tax rate.

On 3 December 2018, the finance ministers of France and Germany outlined a joint proposal for a limited FTT based on a system already in place in France. Under the new proposal, the tax obligation would apply only to transactions involving shares issued by domestic companies with a market capitalisation of over EUR 1 billion.

However, the Commission's Proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and participating Members States may withdraw.

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

Spanish FTT

The Spanish law which implements the Spanish FTT was approved on 7 October 2020 (the **FTT Law**) and the FTT Law was published in the Spanish Official Gazette (*Boletín Oficial del Estado*) on 16 October 2020. The Spanish FTT came into force three months after the publication of the FTT Law in the Spanish Official Gazette (that is, on 16 January 2021).

Spanish FTT charges a 0.2% rate on specific acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds EUR 1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction. The tax payer will be the financial traders that transfer or execute the purchase order and must submit an annual tax return.

The list of the Spanish companies with a market capitalisation exceeding EUR 1 billion at 1 December of each year will be published on the Spanish tax authorities' website before 31 December each year. For the purposes of transactions closed during 2023, the Spanish tax authorities issued a list of entities whose market capitalisation exceeded EUR 1 billion as of 1 December 2022, that will fall within the scope of the Spanish FTT. This being said, the Spanish FTT would not apply in relation to the Notes since the Spanish FTT only applies on the acquisition of shares of certain Spanish companies, so transactions involving bonds or debt or similar instruments, such as preferred securities or derivatives, are not affected by such tax.

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

Annex I

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal (…)[(1)], en nombre y representación de (entidad declarante), con número de identificación fiscal (….)[(1)] y domicilio en (…) en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number (...)[(1)], in the name and on behalf of (entity), with tax identification number (....)[(1)] and address in (...) as (function – mark as applicable):

(a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.

(a) Management Entity of the Public Debt Market in book entry form.

(b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.

(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.

(c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.

(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.

(d) Agente de pagos designado por el emisor.

(d) Paying agent appointed by the issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

1. En relación con los apartados 3 y 4 del artículo 44:

1. In relation to paragraphs 3 and 4 of Article 44:

1.1 Identificación de los valores……

1.1 Identification of the securities……

1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)

1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)……..

1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)

1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora .....

1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved.....

1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).

1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).

2. En relación con el apartado 5 del artículo 44.

2. In relation to paragraph 5 of Article 44.

2.1 Identificación de los valores……

2.1 Identification of the securities……..

2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados) ……

2.2 Income payment date (or refund if the securities are issued at discount or are segregated) ……

2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados .....……..

2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)

2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.

2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.

2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.

2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.

2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

Lo que declaro en .....….a …. de .....…de ….

TAXATION AND DISCLOSURE OF INFORMATION IN CONNECTION WITH PAYMENTS

I declare the above in ..... on the.... of ..... of ....

(1)En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia

(1)In case of non-residents (individuals or corporations) without permanent establishment in Spain, the number or identification code which corresponds to their country of residence shall be included.

GENERAL INFORMATION

1. Application shall be made to the Vienna Stock Exchange for the Notes to be admitted to listing and trading on the Vienna MTF of the Vienna Stock Exchange (the "**Vienna MTF**").

However, Notes may be issued pursuant to the Program which will not be admitted to listing, trading and/or quotation by the Vienna MTF but which will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems and/or may be unlisted, as the Issuer and the relevant Dealer(s) may agree.

2. Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in connection with the update of the Program and the issue and performance of the Notes and the guarantees relating to them. The update of the Program was authorised by the resolution of the board of directors of the Issuer passed on 24 February 2025, and the update of the Program and the giving of the guarantees relating to the Notes by the Guarantor was authorised by a resolution of the executive committee of the Guarantor passed on 3 March 2025.

3. Save as outlined in the sub-section entitled "Tax-related litigation" and "Non-tax related litigation" in the "Banco Santander, S.A." section of this Offering Memorandum, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the previous 12 months up to the date of this Offering Memorandum, significant effects on the Issuer and/or the Group's financial position or profitability.

4. Since 31 December 2024 there has been no material adverse change in the prospects of the Issuer.

5. Since 31 December 2024 there has been no significant change in the financial position or financial performance of the Issuer.

6. Clearing systems

Notes may be accepted for clearance through the Euroclear, Clearstream and/or DTC systems. The Common Code and the International Securities Identification Number (ISIN) will be set out in the relevant Pricing Supplement. The CUSIP and/or CINS numbers for such Registered Notes, together with the relevant ISIN and (if applicable) common code, will be specified in the Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II B-120 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JK Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

7. For so long as the Program remains in effect or any Notes remain outstanding, the following documents will be available for inspection from the website of the Guarantor (https://www.santander.com/en/shareholders-and-investors):

(i) the Spanish Law Instrument of Guarantee;

(ii) the New York Law Guarantee;

(iii) the Agency Agreement;

(iv) the Deed of Incorporation of the Issuer;

(v) a copy of this Offering Memorandum;

(vi) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Offering Memorandum; and

(vii) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream Luxembourg with respect to the settlement in Euroclear and Clearstream Luxembourg of Unrestricted International Global Note Certificates held under the NSS).

8. The financial statements incorporated in this Offering Memorandum by reference to the Annual Report on Form 20-F for the year ended 31 December 2024, and the effectiveness of internal control over

financial reporting as of 31 December 2024 have been audited by PricewaterhouseCoopers Auditores, S.L., an independent registered public accounting firm, as stated in their report incorporated herein. Given its recent incorporation, no financial statements have been prepared in respect of the Issuer as at the date of this Offering Memorandum. Additionally, given the New York Branch is a branch of the Bank, no separate financial statements have been prepared for it.

9. Copies of the latest financial statements of the Issuer and the annual report and audited consolidated financial statements of the Bank may be obtained, and copies of the Agency Agreement will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, following the Noteholder's prior written request and provision of proof of holding and identity in a form satisfactory to the relevant Paying Agent, so long as any of the Notes is outstanding. The Guarantor does not prepare audited interim financial statements. The Issuer does not intend to prepare audited interim financial statements.

10. Any uniform resource locators given in respect of website addresses in the Offering Memorandum are inactive textual references only and it is not intended to incorporate the contents of any such websites into this Offering Memorandum (except as specified in the section "*Information Incorporated by Reference*") nor should the contents of such websites be deemed to be incorporated into this Offering Memorandum.

11. Allen Overy Shearman Sterling LLP has acted as legal adviser to the Issuer as to Dutch law and Allen Overy Shearman Sterling has acted as legal adviser to the Arranger as to Spanish law, in relation to the Program.

12. Cleary Gottlieb Steen & Hamilton LLP has acted as legal adviser to the Arranger and the Dealer as to New York law, in relation to the Program.

13. Davis Polk & Wardwell LLP has acted as legal adviser to the Issuer and the Guarantor as to New York law, in relation to the Program.

14. In relation to this Program, Banco Santander, S.A. acts in its capacity as Arranger of the Program. Prospective investors should note that Banco Santander, S.A. is also the Guarantor under the Program.

15. There are no material contracts which could result in any member of the Banco Santander consolidated group of companies being under an obligation that is material to the Issuer's ability to meet its obligations to the Noteholders.

16. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantor and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer or the Guarantor routinely hedge their credit exposure to the Issuer or the Guarantor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Program. Any such short positions could adversely affect future trading prices of Notes issued under the Program. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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