



## BBVA Global Markets 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 residency in Spain)*

## BBVA Global Securities 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 residency in Spain)*

### **€10,000,000,000 Structured Medium Term Securities Programme**

***unconditionally and irrevocably guaranteed by***

## Banco Bilbao Vizcaya Argentaria, S.A.

*(incorporated with limited liability in Spain)*

***3(a)(2) Notes (as defined below) unconditionally and irrevocably guaranteed by***

## Banco Bilbao Vizcaya Argentaria, S.A., New York Branch

*(incorporated with limited liability in Spain)*

Under this €10,000,000,000 Structured Medium Term Securities Programme (the "**Programme**"), each of BBVA Global Markets B.V. and BBVA Global Securities B.V. may from time to time issue securities ("**Securities**") denominated in any currency agreed with the relevant Dealer (as defined below). Securities may be in the form of Notes ("**Notes**") or certificates ("**Certificates**") as specified in the applicable Issue Terms (as defined below). As used herein, "**Issuer**" means BBVA Global Markets B.V. or BBVA Global Securities B.V., as the context requires.

This document (this "**Base Prospectus**") constitutes a base prospectus in respect of all Securities other than Exempt Securities (as defined below) issued under the Programme for the purposes of Article 8 of the Prospectus Regulation (as defined below). The terms and conditions of the Securities (the "**Conditions**") will comprise the General Conditions and each Annex specified as applicable in the completed Issue Terms (each as defined below). This Base Prospectus, any supplement to this Base Prospectus (a "**Supplement to this Base Prospectus**"), any applicable Annex and the Issue Terms for a Series will comprise the "**Offering Documents**".

Certain Notes issued by BBVA Global Securities B.V. and the guarantee 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**").

The satisfaction of the Issuer's economic obligations (in cash and in deliverable assets (if applicable)) in respect of the Securities will be unconditionally and irrevocably guaranteed pursuant to a guarantee governed by Spanish law entered into by Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**" or the "**Guarantor**") (the "**Spanish Law Guarantee**"), except that the satisfaction of BBVA Global Securities B.V.'s economic obligations in respect of the 3(a)(2) Notes will be unconditionally and irrevocably guaranteed pursuant to a guarantee governed by New York law entered into by Banco Bilbao Vizcaya Argentaria, S.A., acting through its New York Branch (the "**New York Branch**") (the "**New York Law Guarantee**"). As used herein, "**Guarantee**" refers to the Spanish Law Guarantee or the New York Law Guarantee, or the Spanish Law Guarantee and the New York Law Guarantee collectively, as the context requires. The Guarantor and its consolidated subsidiaries are referred to herein as the "**Group**".

Securities may be issued in bearer or registered form (respectively "**Bearer Securities**" and "**Registered Securities**"); however, the 3(a)(2) Notes will be issued only as Registered Securities.

Securities may be issued whose return (whether in respect of any interest payable on such Securities and/or their redemption amount) is linked to one or more indices ("**Index Linked Securities**"), one or more shares or depositary receipts ("**Equity Linked Securities**"), one or more inflation indices ("**Inflation Linked Securities**"), one or more exchange traded fund shares ("**ETF Linked Securities**"), one or more fund shares or units ("**Fund Linked Securities**"), the credit of a specified entity or entities ("**Credit Linked Securities**"), one or more foreign exchange rates ("**Foreign Exchange (FX) Rate Linked Securities**"), one or more EUA contracts ("**EUA Contract Linked Securities**") or any combination thereof ("**Combination Securities**") as more fully described herein. Securities may provide that settlement will be by way of cash settlement ("**Cash Settled Securities**") or potentially physical delivery ("**Physically Settled Securities**") as provided in the Issue Terms.

The maximum aggregate nominal amount of all Securities from time to time outstanding under the Programme will not exceed €10,000,000,000 (or its equivalent in other currencies). Securities may be issued on a continuing basis to one or more dealers appointed from time to time by the Issuer (the "**Dealers**" and each a "**Dealer**"). References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Securities being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Securities as designated in each specific issue of Securities.

**Investors should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. An investment in Securities may involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Securities. For a discussion of these risks see the "**Risk Factors**" section on pages 17 to 65 below.**

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Securities which are to be admitted to trading on a regulated market in the European Economic Area (the "**EEA**") and/or offered to the public in the EEA other than in the circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation (as defined below). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid. This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or Guarantor or the quality of the Securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Securities. Such approval relates only to Securities that are to be admitted to trading on a regulated market for the purposes of the Prospectus Regulation (each

such regulated market being a "Regulated Market") and/or that are to be offered to the public in any member state of the EEA in circumstances that require the publication of a prospectus.

Application has been made by BBVA Global Markets B.V. to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Securities issued under the Programme by BBVA Global Markets B.V. during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the "**Official List**") and trading on the Regulated Market of Euronext Dublin. The Regulated Market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). Application may also be made for Securities issued under the Programme to be listed and/or admitted to trading on any other Regulated Market.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Securities which are to be admitted to trading on a Regulated Market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation and/or FinSA, as applicable. The requirement to publish a prospectus under FinSA only applies to Securities which are to be admitted to trading and/or publicly offered in Switzerland other than in circumstances where an exemption is available under Articles 36 et seq. FinSA. References in this Base Prospectus to "**Exempt Securities**" are to Securities for which no prospectus is required to be published under the Prospectus Regulation. The Central Bank of Ireland has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Securities. 3(a)(2) Notes will be Exempt Securities (as defined below) and will not be listed on any securities exchange or quotation system in the United States. BBVA Global Securities B.V. will only issue Exempt Securities.

Application may be made to the Vienna Stock Exchange for Exempt Securities to be admitted to listing and trading on the Vienna Stock Exchange's multilateral trading facility (the "**Vienna MTF**") during the period of 12 months from the date of this Base Prospectus. The Vienna MTF is not a regulated market for the purposes of MiFID II. Application may also be made to the multilateral trading facility of securitised derivative financial instruments organised and managed by Borsa Italiana S.p.A ("**SeDeX**") for Securities to be admitted to trading on SeDeX, the Euro TLX, the multilateral trading facility organised and managed by Borsa Italiana S.p.A ("**Euro TLX**"), for Securities to be admitted to trading on Euro TLX and on the Taipei Stock Exchange and/or any other stock exchange specified in the applicable Issue Terms. SeDeX, Euro TLX and the Taipei Stock Exchange are not regulated markets for the purposes of MiFID II.

Save where expressly provided or the context otherwise requires, where Exempt Securities are to be admitted to trading on the Vienna MTF, or any other multilateral trading facility, references in this document to Base Prospectus shall be construed to be to Base Listing Particulars.

Neither the Offering Documents nor any other marketing materials in relation to the Securities shall be distributed in Spain without complying with all legal and regulatory requirements under Spanish securities laws and regulations and no publicity of any kind shall be made in Spain.

This Base Prospectus will be registered in Switzerland as a foreign prospectus with BX Swiss AG (prospectus office) as competent reviewing body under the Swiss Financial Services Act (the "**FinSA**"). Upon such registration this Base Prospectus will be deemed approved also in Switzerland pursuant to article 54 para. 2 FinSA, for inclusion in the list of approved prospectuses pursuant to article 64 para 5 FinSA and deposited with such reviewing body and published pursuant to article 64 FinSA. Pursuant thereto, the Issuer may make offers of Securities to the public in Switzerland.

**None of the Securities constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of June 23, 2006 ("CISA") and are neither subject to the authorisation nor the supervision by the Swiss Financial Market Supervisory Authority FINMA and investors do not benefit from the specific investor protection provided under the CISA. Investors bear the Issuer risk.**

This Base Prospectus may be supplemented from time to time under the terms of the Prospectus Regulation. Any such supplement will, after its approval by the relevant competent authority, be deposited with the reviewing body in Switzerland and published in accordance with Article 64 FinSA

This Base Prospectus is being provided in the United States to (i) a limited number of "qualified institutional buyers" (each a "**QIB**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") who are also "qualified purchasers" (each a "**QP**") within the meaning of Section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended (the "**1940 Act**"), and the rules and regulations thereunder, and a limited number of Institutional Accredited Investors (as defined below) (each an "**IAI**") who are also QPs that are investors in Securities issued by BBVA Global Markets B.V., (ii) a limited number of QIBs and IAIs (none of which must be QPs) that are investors in Securities issued by BBVA Global Securities B.V. (other than 3(a)(2) Notes) and (iii) investors in 3(a)(2) Notes, in each case, for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. The Securities (other than the 3(a)(2) Notes), the Spanish Law Guarantee and any Entitlement(s) (as defined below) have not been and will not be registered under the Securities Act or any U.S. state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**") unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. The 3(a)(2) Notes and the New York Law Guarantee will be offered pursuant to an exemption from registration provided by Section 3(a)(2) of the Securities Act. The 3(a)(2) Notes and the New York Law Guarantee are not required to be, and have not been, registered under the Securities Act or any U.S. state securities laws or with any governmental authority. See "*Form of Securities*" for a description of the manner and form in which Securities will be issued. The Securities are subject to certain restrictions on transfer, see "*Subscription and Sale and Transfer and Selling Restrictions*". Securities (other than 3(a)(2) Notes) offered in the United States subject to the foregoing restrictions may be offered by BBVA Securities Inc. (in such capacity, the "**Initial Purchaser**"). The Securities, the Guarantee and any Entitlement(s) do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the United States Commodity Exchange Act, as amended (the "**CEA**"), and trading in the Securities has not been approved by the U.S. Commodity Futures Trading Commission pursuant to the CEA. The Securities 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. BBVA Securities Inc. is an affiliate of BBVA Global Securities B.V. 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 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 "*Subscription and Sale and Transfer and Selling Restrictions—Conflicts of Interest*".

**IMPORTANT - PROHIBITION OF SALES TO EEA RETAIL INVESTORS AND UK RETAIL INVESTORS.** Unless otherwise specified in the Issue Terms relating to the Securities, the Securities issued under the Programme are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to (a) any EEA retail investor or (b) any UK retail investor. For these purposes, an "EEA retail investor" means a person who is one (or more) of: (i) a "retail client" as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"); or (iii) not a qualified investor as defined in the Prospectus Regulation. In addition, a "UK 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 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, 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 amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to EEA retail investors has been prepared and therefore offering or selling the Securities or otherwise making them available to any EEA retail investor may be unlawful under the PRIIPs Regulation. In addition, 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 Securities or otherwise making them available to UK retail investors has been prepared and therefore offering or selling the Securities or otherwise making them available to any UK retail investor may be unlawful under the UK PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE AND UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET** – The applicable Issue Terms in respect of any Securities may include a legend entitled (a) in the case of the EEA, "**MiFID II Product Governance**" and (b) in the case of the UK, "**UK MiFIR Product Governance**", which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (for the purposes of this paragraph, a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to (a) in the case of the EEA, MiFID II and (b) in the case of the UK, 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 Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for (a) the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, 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 and (b) for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, 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.

**EU BENCHMARK REGULATION** – Amounts payable under the Securities or assets deliverable under the Securities may be calculated or otherwise determined by reference to certain reference rates, indices or other variables, which may constitute a benchmark under the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**BMR**"). If any such reference rate, index or variable does constitute such a benchmark, the applicable Issue Terms in respect of any Securities which are not Exempt Securities will indicate whether or not the administrator thereof is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA Register**") pursuant to Article 36 of the BMR. Not every reference rate, index or variable will fall within the scope of the BMR. Furthermore, transitional provisions in the BMR may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Issue Terms. The registration status of any administrator under the BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update any Issue Terms to reflect any change in the registration status of any administrator.

**IMPORTANT – SWISS RETAIL INVESTORS** - If and to the extent the Securities will be offered, sold or advertised, directly or indirectly to retail clients (*Privatkundinnen und -kunden*) ("**Retail Clients**") pursuant to Article 4 para. 2 FinSA in Switzerland a key investor document (*Basisinformationsblatt*) within the meaning of Article 58 et seq. of FinSA relating to the Securities (a "**FinSA-KID**") would need to be prepared, unless the Retail Clients shall receive a key information document pursuant to the PRIIPs Regulation instead of a FinSA-KID.

**Each of BBVA Global Markets B.V. and BBVA Global Securities B.V. is incorporated under Dutch law and has its seat in Amsterdam, the Netherlands but has its tax residency in Spain. The Guarantor is incorporated and has its tax residency in Spain. The guarantor in respect of the 3(a)(2) Notes is Banco Bilbao Vizcaya Argentaria, S.A., acting through its New York Branch. Investors should note the statements on pages 585 to 591 (inclusive) regarding the tax treatment in Spain of income obtained in respect of the Securities.**

The Issuer and the Guarantor may agree with the relevant Dealer that Securities may be issued in a form not contemplated by the "*Terms and Conditions of the Securities*" set out herein, in which event a Supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Securities.

In connection with any offering of Securities under this Base Prospectus, the Dealers are not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to the offering.

***Arranger***

**BBVA**

***Dealers***

**BBVA**

**BBVA Securities Inc.**

The date of this Base Prospectus is 23 June 2023

Notice of the Aggregate Nominal Amount of Securities, interest (if any) payable in respect of Securities, the issue price of Securities and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Securities*") of Securities (other than in the case of Exempt Securities) will be set out either in (i) a final terms document (the "**Final Terms**") which will be filed with the Central Bank of Ireland and published on the website of Euronext Dublin (<https://www.euronext.com/en/markets/dublin>) or (ii) a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") (as described under "Applicable Issue Terms and Drawdown Prospectus" below). In the case of Exempt Securities, notice of the Aggregate Nominal Amount of Securities, interest (if any) payable in respect of Securities, the issue price of Securities and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the "**Pricing Supplement**").

References herein to "**Issue Terms**" mean either (i) where the Securities are not Exempt Securities, the applicable Final Terms or (ii) where the Securities are Exempt Securities, the applicable Pricing Supplement, and references should be construed accordingly. Copies of the Issue Terms will be available from the specified office set out below of the Principal Paying Agent (as defined below). Where the Security is issued under a standalone prospectus (a "**Drawdown Prospectus**"), references to the applicable Issue Terms, Final Terms or Pricing Supplement, as the case may be, shall be deemed to be references to the Drawdown Prospectus, as the context requires.

The Issuer and the Guarantor (the "**Responsible Persons**") accept responsibility for the information contained in this Base Prospectus and the Issue Terms for each Tranche of Securities issued under the Programme. To the best of the knowledge of the Responsible Persons, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus. Other than in relation to the documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus.

The language of this Base Prospectus 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 this Base Prospectus.

The Dealer(s) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealer(s) as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme.

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with (a) this Base Prospectus or (b) any other information supplied in connection with the Programme or the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealer(s).

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

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealer(s) expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme or to advise any investor in the Securities of any information coming to their attention.

## IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF SECURITIES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Dealer(s) do not represent that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor or the Dealer(s) which is intended to permit a public offering of any Securities or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither the Offering Documents nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession the Offering Documents or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of the Offering Documents and the offering and sale of Securities. In particular, there are restrictions on the distribution of the Offering Documents and the offer or sale of Securities in, without limitation, the United States, the United Kingdom and the EEA (including, without limitation, Spain, the Republic of Italy, Germany and France) (see "*Subscription and Sale and Transfer and Selling Restrictions*").

None of the Issuer, the Guarantor or the Dealer(s) makes any representation to any investor in the Securities regarding the legality of its investments under any applicable laws. Any investor in the Securities should be able to bear the economic risk of an investment in the Securities for an indefinite period of time.

The Securities may not be a suitable investment for all investors. Each investor in Securities should realise that investing in the Securities entails significant risks and may not be appropriate for investors lacking financial expertise. Investors should consult their own financial, tax and legal advisors as to the risks entailed by an investment in such Securities and the suitability of such Securities in light of their particular circumstances and ensure that its acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of its incorporation and/or in which it operates, and is a suitable investment for it to make. Each investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each investor may wish to consider, either on its own or with the help of its financial and other professional advisors, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Base Prospectus or any applicable Supplement to this Base Prospectus and all the information contained in the Issue Terms;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or interest payable in one or more currencies, or where the specified currency for principal or interest payments of the Securities is different from the potential investor's currency;
- (d) understands thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets;
- (e) in respect of Securities linked to the performance of, without limitation, one or more, or a combination of, underlying shares or depositary receipts, indices, rates of interest, other rates, foreign exchange rates, exchange traded fund shares, funds, inflation indices, EUA Contracts and/or entities (together, "**Reference Items**" and each, a "**Reference Item**") (in respect of such Securities, together, "**Reference Item Linked Securities**" and each a "**Reference Item Linked Security**"), understands thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) the nature of each such Reference Item Linked Security; and
- (f) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

None of the Issuer, the Guarantor, the Dealer or any affiliate of BBVA has given, and will not give, to any investor in the Securities (either directly or indirectly) any assurance, advice, recommendation or guarantee as to the merits, performance

or suitability of such Securities, and the investor should be aware that the Issuer is acting as an arm's-length contractual counterparty and not as an advisor or fiduciary.

In making an investment decision, investors must rely on their own examination of the Issuer and the Guarantor and the terms of the Securities being offered, including the merits and risks involved.

No website referred to in this Base Prospectus forms part of this Base Prospectus.

## SPANISH TAX RULES

Article 44 of Royal Decree 1065/2007, of July 27 ("**RD 1065/2007**"), as amended by Royal Decree 1145/2011, of July 29 ("**RD 1145/2011**"), sets out the reporting obligations applicable to preference shares and debt instruments (including debt instruments issued at a discount for a period equal to or less than twelve months) issued under the First Additional Provision of Law 10/2014, of June 26, on Organisation, Supervision and Solvency of Credit Entities ("**Law 10/2014**").

### *General*

The procedure described in this Base Prospectus for the provision of information required by Spanish laws and regulations is a summary only. **Holders of Securities must seek their own advice to ensure that the relevant procedures to ensure correct tax treatment of their Securities are complied with.** None of the Issuer, the Guarantor, the Dealer(s), the Paying Agents, the European Clearing Systems or DTC assumes any responsibility therefor.

According to Article 100.3 of the Spanish Personal Income Tax Law, in the case of any individual with tax residence in Spain (each a "**Spanish Individual**") acquired an Implicit Yield Security (as defined below), this Individual will only be entitled to either sale or obtain the reimbursement of the Implicit Yield Securities should the income derived from the Securities be subject to withholding tax, if the previous acquisition of these Securities was made with the intervention of a notary or a financial institution in a way that the previous acquisition is duly accredited, as well as the price of the aforementioned acquisition. The issuer or the financial institution in charge of the acquisition that should not make the reimbursement to the holder of the security according to the previous paragraph, must constitute a deposit for said amount at the disposal of the judicial authority

**"Implicit Yield Securities"** means Securities in respect of which the income derives from (a) the difference between the redemption amount and the issue price of the Securities, 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 Securities.

For the purposes of this Base Prospectus and in accordance with Spanish tax regulations, Securities with the characteristics set out in paragraph (b) above will only be deemed Implicit Yield Securities 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 per cent. of the weighted average rate fixed in the preceding calendar quarter for a (a) 3 year Spanish Government Bond issues, if the Securities have a term of 4 years or less, (b) 5 year Spanish Government Bond issues, if the Securities have a term of more than 4 years but equal or less than 7 years, or (c) 10, 15 or 30 year Spanish Government Bond issues, if the Securities have a term of more than 7 years, all as determined by the Calculation Agent in a commercially reasonable manner.

## U.S. INFORMATION

This Base Prospectus is being provided in the United States to (i) a limited number of QIBs who are also QPs and a limited number of "Accredited Investors" (as defined in Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the Securities Act) that are institutions (each, an "**IAI**") who are also QPs (each as defined under "*Form of Securities*") that are investors in Securities issued by BBVA Global Markets B.V., (ii) a limited number of QIBs and IAIs (none of which must be QPs) that are investors in Securities issued by BBVA Global Securities B.V. (other than 3(a)(2) Notes) and (iii) investors in 3(a)(2) Notes, in each case, for informational use solely in connection with the consideration of the purchase of the Securities being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Neither the Securities, the Spanish Law Guarantee nor any Entitlement(s) have been or will be registered under the Securities Act. The 3(a)(2) Notes and the New York Law Guarantee will be offered pursuant to an exemption from

registration provided by Section 3(a)(2) of the Securities Act. The 3(a)(2) Notes and the New York Law Guarantee are not required to be, and have not been, registered under the Securities Act or any U.S. state securities laws or with any governmental authority. Trading in the Securities has not been approved by the CFTC under the CEA. Subject to certain exceptions, Securities (other than 3(a)(2) Notes) may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. The Securities 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.

The Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder.

Registered Securities issued by BBVA Global Markets B.V. may be offered or sold within the United States only to QIBs who are also QPs or to IAIs who are also QPs and Registered Securities issued by BBVA Global Securities B.V. (other than 3(a)(2) Notes) may be offered or sold within the United States only to QIBs or to IAIs, in each case, in transactions exempt from registration under the Securities Act in reliance on Rule 144A or any other applicable exemption. Each U.S. purchaser of Registered Securities (other than 3(a)(2) Notes) is hereby notified that the offer and sale of any Registered Securities to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A and one or more exemptions and/or exclusions from regulation under the CEA, as amended.

Purchasers of Definitive IAI Registered Securities (as defined under "*Form of Securities – Registered Securities*") and Securities represented by a Rule 144A Global Security will be required to execute and deliver an Investment Letter (as defined under "*Terms and Conditions of the Securities*"). Each purchaser or holder of Definitive IAI Registered Securities, Securities represented by a Rule 144A Global Security or any Securities issued in registered form in exchange or substitution therefor (together "**Legended Securities**") will be deemed, by its acceptance or purchase of any such Legended Securities, to have made certain representations and agreements intended to restrict the resale or other transfer of such Securities as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of Securities*".

The Securities have not been approved or disapproved by the United States Securities and Exchange Commission, the New York State Department of Financial Services or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is unlawful.

In addition, the Securities may not be offered, sold or transferred to any U.S. person that is a benefit plan investor, is using the assets of a benefit plan investor to acquire such Securities or that will at any time hold such Securities for a benefit plan investor (including assets that may be held in an insurance company's separate or general accounts where assets in such accounts may be deemed "plan assets" for purposes of ERISA). For the purposes hereof, the term "**benefit plan investor**" means (A) any employee benefit plan (as defined in section 3(3) of ERISA), (B) any plan described in section 4975(e)(1) of the U.S. Internal Revenue Code, or (C) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (within the meaning of the U.S. Department of Labor Regulations section 2510.3-101 as modified by section 3(42) of ERISA) and the term "**ERISA**" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

#### AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Securities that are "restricted securities" within the meaning of the Securities Act, each of Issuer and the Guarantor have undertaken in a deed poll dated June 23, 2023 (in the case of Securities issued by BBVA Global Markets B.V.) or in a deed poll dated June 23, 2023 (in the case of Securities issued by BBVA Global Securities B.V.) (the deed poll applicable to a Tranche of Securities, the "**Deed Poll**") to furnish, upon the request of a holder of such Securities or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Securities remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and the Issuer or the Guarantor, as the case may be, is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

## **SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES**

The Issuer and the Guarantor are corporations organised under the laws of the Netherlands and Spain respectively. All or most of the officers and directors of the Issuer and the Guarantor named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and the Guarantor and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the Netherlands and Spain upon the Issuer and Spain upon the Guarantor or such persons, or to enforce judgments against them obtained in courts outside the Netherlands and Spain predicated upon civil liabilities of the Issuer and the Guarantor or such directors and officers under laws other than the laws of the Netherlands and the laws of Spain, including any judgment predicated upon United States federal securities laws.



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## GENERAL DESCRIPTION OF THE PROGRAMME

### GENERAL DESCRIPTION OF THE PROGRAMME

The following must be read as an introduction to this Base Prospectus and any decision to invest in the Securities should be based on a consideration of this Base Prospectus as a whole, the Issue Terms and the documents incorporated by reference.

#### *Information relating to the Issuers*

##### **BBVA Global Markets B.V.**

Legal Entity Identifier (LEI): 213800L2COK1WB5Q3Z55.

BBVA Global Markets B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), was incorporated under the laws of the Netherlands on October 29, 2009 for an unlimited duration.

BBVA Global Markets B.V. has its seat (*zetel*) in Amsterdam, the Netherlands and its principal place of business at Calle Saucedo, 28, Edificio Asia, 28050 Madrid, Spain (tel: +34 913745123).

BBVA Global Markets B.V. is registered in the trade register of the Netherlands Chamber of Commerce under number 34363108.

##### Business:

The principal business of BBVA Global Markets B.V. is to raise funds on the capital and money markets to finance the business activities of, and enter into other financial agreements with, the Guarantor and its subsidiaries.

##### Directors:

The Directors of BBVA Global Markets B.V. are as follows:

<b>Name</b>	<b>Position at BBVA Global Markets B.V.</b>	<b>Present Occupation of BBVA Global Markets B.V.</b>	<b>Principal Outside of BBVA Global Markets B.V.</b>
Marian Coscarón Tomé	Managing Director	Head of Global Securities of BBVA	
Christian Højbjerg Mortensen	Managing Director	Global Securities Manager of BBVA	

##### **BBVA Global Securities B.V.**

Legal Entity Identifier (LEI): 7245002K0ECNIA1YTU43

BBVA Global Securities B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), was incorporated under the laws of the Netherlands on December 7, 2020 for an unlimited duration.

BBVA Global Securities B.V. has its seat (*zetel*) in Amsterdam, the Netherlands and its principal place of business at Calle Saucedo, 28, Edificio Asia, 28050 Madrid, Spain (tel: +34 913745123).

BBVA Global Securities B.V. is registered in the trade register of the Netherlands Chamber of Commerce under number 81185774.

##### Business:

The principal business of BBVA Global Securities B.V. is to raise funds on the capital and money markets to finance the business

## GENERAL DESCRIPTION OF THE PROGRAMME

activities of, and enter into other financial agreements with, the Guarantor and its subsidiaries.

Directors:

The Directors of BBVA Global Securities B.V. are as follows:

Name	Position at BBVA Global Securities B.V.	Present Principal Occupation Outside of BBVA Global Securities B.V.
Juan Garat Pérez	Managing Director	Head of Geographies and Global Cross Border CIB
Víctor Martínez San Martín	Managing Director	Managing Director in BBVA

### *Information Relating to the Guarantor*

The Guarantor and the Group:

Banco Bilbao Vizcaya Argentaria, S.A. (in the case of 3(a)(2) Notes, acting through its New York Branch)

Legal Entity Identifier (LEI): K8MS7FD7N5Z2WQ51AZ71

BBVA's predecessor bank, BBV (Banco Bilbao Vizcaya), was incorporated as a public limited company (a "sociedad anónima" or S.A.) under the Spanish Corporations Law on October 1, 1988. BBVA was formed following the merger of Argentaria into BBV (Banco Bilbao Vizcaya), which was approved by the shareholders of each entity on December 18, 1999 and registered on January 28, 2000. It conducts its business under the commercial name "**BBVA**". BBVA is registered with the Commercial Registry of Vizcaya (Spain). It has its registered office at Plaza de San Nicolás 4, Bilbao, Spain, 48005, and operates out of Calle Azul, 4, 28050, Madrid, Spain (Telephone: +34-91-374-6201).

Business:

The BBVA Group is a customer-centric global financial services group founded in 1857. Internationally diversified and with strengths in the traditional banking businesses of retail banking, asset management and wholesale banking, the Group is committed to offering a compelling digital proposition focused on customer experience.

For this purpose, the Group is focused on increasingly offering products online and through mobile channels, improving the functionality of its digital offerings and refining the customer experience, contributing to the delivery of our strategy in a sustainable and inclusive way. BBVA is committed to sustainability, which is impacting the banking business as part of its daily activities, encompassing not only relations with customers but also internal processes. In 2021, the number of digital and mobile customers and the volume of digital sales continued to increase.

Board of Directors:

The members of the Board of Directors of BBVA as of the date of this Base Prospectus are as follows:

Carlos Torres Vila  
Onur Genç

## GENERAL DESCRIPTION OF THE PROGRAMME

José Miguel Andrés Torrecillas  
Jaime Félix Caruana Lacorte  
Sonia Lilia Dulá  
Raúl Catarino Galamba de Oliveira  
Belén Garijo López  
Connie Hedegaard Koksbang  
Lourdes Máiz Carro  
José Maldonado Ramos  
Ana Cristina Peralta Moreno  
Juan Pi Llorens  
Ana Leonor Revenga Shanklin  
Carlos Vicente Salazar Lomelín  
Jan Paul Marie Francis Verplancke

### *Description of the Programme*

Description: €10,000,000,000 Structured Medium Term Securities Programme (the "**Programme**").

Arranger and Dealer: Banco Bilbao Vizcaya Argentaria, S.A.

Dealers: Banco Bilbao Vizcaya Argentaria, S.A. and BBVA Securities Inc.

The Issuer may from time to time terminate the appointment of any Dealer(s) under the Programme or appoint additional dealers either in respect of a single Tranche or in respect of the Programme.

Principal Paying Agent: Deutsche Bank AG, London Branch

Registrars: Deutsche Bank Luxembourg S.A.

The Bank of New York Mellon

Banco Bilbao Vizcaya Argentaria, S.A.

Listing: This Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation. The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

Application has been made by BBVA Global Markets B.V. to Euronext Dublin for certain Securities issued by BBVA Global Markets B.V. to be admitted to the Official List and for the securities to be admitted to trading on its regulated market.

Application has been made to the Vienna Stock Exchange for certain Securities issued under the Programme during the period of twelve months after the date of this Base Prospectus to be listed and admitted to trading on the Vienna MTF.

Application may also be made for Securities issued under the Programme to be admitted to trading and to be listed on SeDex, Euro TLX, Taipei Stock Exchange and/or any other Stock Exchange specified in the applicable Issue Terms.

## GENERAL DESCRIPTION OF THE PROGRAMME

Size:	The maximum aggregate nominal amount of all Securities from time to time outstanding under the Programme will not exceed €10,000,000,000 (or its equivalent in other currencies).
Currencies:	Subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, Securities may be denominated in any currency agreed with the relevant Dealer. Payments in respect of Securities may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Securities are denominated.
Maturities:	Any maturity, subject to compliance with all relevant laws, regulations, central bank requirements and directives.
Denomination:	The Securities will be issued in such denominations (or in such number of units) as may be agreed between the relevant Issuer and the relevant Dealer.
Final Terms, Drawdown Prospectus or Pricing Supplement:	The issue terms of each Tranche of Securities other than Exempt Securities will be set out and completed by Part A of the applicable Final Terms or in a Drawdown Prospectus, as applicable. The issue terms of each Tranche of Exempt Securities, will be set out in a pricing supplement documented by Part A of the applicable Pricing Supplement and in the case of a further issue of Exempt Securities in bearer form, at the election of the Issuer, as set out in and amended by the Tranche specific terms in a fungible tranche Pricing Supplement.
Method of Issue:	The Securities will be issued on a syndicated or non-syndicated basis. The Securities 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 Securities 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 Securities may be issued as part of an existing Series.
Form of Securities:	The Securities of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Securities will be issued outside the United States in reliance on Regulation S. 3(a)(2) Notes will be issued only as Registered Securities. Registered Securities will not be exchangeable for Bearer Securities and <i>vice versa</i> . See " <i>Form of Securities</i> ".
Issue Price:	Securities may be issued at their nominal amount. Partly Paid Securities may also be issued, the Issue Price of which will be payable in two or more instalments. The Issue Price and amount of Securities to be issued under the Programme will be determined by the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Type of Securities:	The applicable Issue Terms will specify the following type for a Security: <ul style="list-style-type: none"><li>Fixed Rate Security</li><li>Floating Rate Security</li><li>Specified Interest Amount Security</li></ul>

## GENERAL DESCRIPTION OF THE PROGRAMME

Zero Coupon Security  
Instalment Security  
Dual Currency Security  
Partly Paid Security  
Reference Item Linked Security

The applicable Issue Terms will specify the Interest Basis for Reference Item Linked Interest Securities which may be where the Interest Basis is: Index Linked Interest, an "**Index Linked Interest Security**"; Equity Linked Interest, an "**Equity Linked Interest Security**"; Inflation Linked Interest, an "**Inflation Linked Interest Security**"; Reference Item Rate Linked Interest, a "**Reference Item Rate Linked Interest Security**"; ETF Linked Interest a "**ETF Linked Interest Security**"; Fund Linked Interest, a "**Fund Linked Interest Security**"; Credit Linked Interest, a "**Credit Linked Interest Security**" or "**Credit Linked Security**"; Foreign Exchange (FX) Rate Linked Interest, a "**Foreign Exchange (FX) Rate Linked Interest Security**", EUA Contract Linked Interest, an "**EUA Contract Linked Interest Security**" or where a combination of any two or more Interest Bases, a "**Combination Interest Security**" (each, a "**Reference Item Linked Interest Security**").

The applicable Issue Terms will specify the Redemption Basis for Reference Item Linked Redemption Securities which may be where the Redemption Basis is: Index Linked Redemption; an "**Index Linked Redemption Security**"; Equity Linked Redemption, an "**Equity Linked Redemption Security**"; ETF Linked Redemption, a "**ETF Linked Redemption Security**" Fund Linked Redemption; a "**Fund Linked Redemption Security**"; Inflation Linked Redemption, an "**Inflation Linked Redemption Security**"; Reference Item Rate Linked Redemption, a "**Reference Item Rate Linked Redemption Security**"; Foreign Exchange (FX) Rate Linked Redemption, a "**Foreign Exchange (FX) Rate Linked Redemption Security**"; Credit Linked Redemption, a "**Credit Linked Redemption Security**"; or "**Credit Linked Security**", or EUA Contract Linked Redemption, an "**EUA Contract Linked Redemption Security**" or where a combination of any two or more Redemption Bases, a "**Combination Redemption Security**" (each, a "**Reference Item Linked Redemption Security**").

Interest Periods and Interest Rates:

The length of the interest periods for the Securities and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Securities may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the applicable Issue Terms.

Settlement of the Securities:

A Security may, as provided in the Issue Terms, provide that settlement will be by way of cash settlement ("**Cash Settled Securities**") or by way of physical delivery ("**Physically Settled Securities**")

Optional Redemption:

The Issue Terms issued in respect of each issue of Securities will state whether such Securities may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or

## GENERAL DESCRIPTION OF THE PROGRAMME

the Securityholders, and if so the terms applicable to such redemption.

Information requirements under Spanish Law: 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 Securities.

If the Principal Paying Agent or U.S. Paying Agent, as the case may be, fails to provide the Issuer with the required information described under "*Spanish Taxation*" in respect of the Securities, 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%).

None of the Issuer, the Guarantor, the Arranger, the Dealers, or the ICSDs assumes any responsibility therefore.

Governing Law: The terms and conditions of the Securities, all related contractual documentation and any non-contractual obligations arising out of or in connection with the Certificated Securities and all related contractual documentation will be governed by, and shall be construed in accordance with, English law.

Any New York Law 3(a)(2) Notes, the provisions of the Agency Agreement to the extent they relate solely to such New York Law 3(a)(2) Notes, and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, the laws of the State of New York. Guarantee will be governed by Spanish law, save for the Guarantee for 3(a)(2) Notes, which will be governed by New York law.

Rule 144A: Offers and sales in accordance with Rule 144A under the Securities Act will be permitted if specified in the applicable Issue Terms, subject to compliance with all relevant legal and regulatory requirements of the United States of America.

Selling Restrictions: United States, European Economic Area (EEA), EEA Retail Investors, Austria, Finland, France, Germany, Ireland, Portugal, Republic of Italy, Spain, Sweden, The Netherlands, Argentina, Chile, Colombia, Hong Kong, Mexico, Monaco, Panama, Peru, Republic of Korea, Singapore, Switzerland, Taiwan, The Bahamas, Turkey, United Kingdom, UK Retail Investors, Uruguay and Venezuela. See "*Subscription and Sale and Transfer and Selling Restrictions*".

In connection with an offering and sale of a particular Tranche of Exempt Securities, additional selling restrictions may be imposed which will be set out in the Pricing Supplement.

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

## GENERAL DESCRIPTION OF THE PROGRAMME

### Risk Factors:

Investors should understand the risks of investing in any type of Security before they make their investment decision. They should make their own independent decision to invest in any type of Security and as to whether an investment in such Security 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 Securities, 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 Security.

### Meetings of Securityholders:

The Agency Agreement contains provisions for convening meetings of Securityholders to consider matters affecting their interests.



## RISK FACTORS

### RISK FACTORS

*In purchasing Securities, investors expose themselves to the risk that the Issuer and the Guarantor may become insolvent, subject to early intervention or resolution measures, or otherwise be unable to make all payments due in respect of the Securities or under the Guarantee. Each of the Issuer and the Guarantor believes that the "Risk Factors relating to the Issuer" and the "Risk Factors relating to the Guarantor" sections below describe the principal risks that may affect their ability to fulfil their obligations under Securities issued under the Programme. Most of these factors are contingencies which may or may not occur and the inability of the Issuer or the Guarantor to perform its obligations in respect of any Securities may occur for other reasons which may not, based on information currently available to them, be considered significant risks by either the Issuer or the Guarantor or which they may not currently be able to anticipate.*

**The Securities are subject to risks generally associated with an investment in conventional debt securities, and are senior unsecured obligations of the Issuer. Any payments to be made on the Securities depend on the ability of the Issuer and the Guarantor to satisfy their obligations as they come due. Investors are subject to the credit risk, and to changes in the market's view of the creditworthiness of the Issuer and the Guarantor, and in the event the Issuer and the Guarantor were to default on its obligations, an investor may not receive any amounts owed to it under the terms of the Securities.**

**In addition, factors which are material for the purpose of assessing the market risks associated with the type of Securities issued under the Programme and the principal risks inherent in investing in Securities issued under the Programme are also described below. These are risks that are additional to the risks associated with an investment in conventional debt securities.**

*Investors in the Securities should consider carefully, among other things in the light of their financial circumstances and investment objectives, all of the information in this Base Prospectus and, in particular, the risk factors set forth below before making an investment decision. Investors may lose the value of their entire investment in certain circumstances.*

References herein to "**BBVA**" or to the "**Bank**" shall be read and construed as references to the Guarantor.

The Risk Factors set out below appear under the following headings:

1. **Risk Factors relating to the Issuer.**
  - 1.1 The Issuer is dependent on the Guarantor to make payments on the Securities
  - 1.2 Certain considerations in relation to the forum upon insolvency of the Issuer
  - 1.3 The Issuer may become taxable in a jurisdiction other than Spain
2. **Risk Factors relating to the Guarantor.**
  - 2.1 Macroeconomic Risks and Geopolitical Risks
  - 2.2 Business Risks
  - 2.3 Financial Risks
  - 2.4 Legal, Regulatory, Tax and Compliance Risks
  - 2.5 Operational Risks
  - 2.6 Risks related to early intervention and resolution
3. **Risk Factors relating to the Securities.**
  - 3.1 Risk Factors associated with Securities that are linked specific types of Reference Items.
  - 3.2 Risk Factors associated with Securities that are linked to Reference Item linked Securities.

## RISK FACTORS

- 3.3 Risk Factors relating to Securities with certain features.
- 3.4 Risk Factors regarding the purchase, holding and selling of Securities generally.
- 3.5 Risk Factors relating to termination and adjustment rights of the Issuer, the Guarantor and/or the Calculation Agent
- 3.6 Risk Factor relating to Sustainable Securities.

### 1. Risk Factors relating to the Issuer

#### 1.1 The Issuer is dependent on the Guarantor to make payments on the Securities

The Issuer is a wholly-owned subsidiary of the Guarantor which was established for the purpose of, among others, issuing Securities and on-lending the proceeds within the Group. The Issuer is therefore dependent upon other members of the Group paying interest on and repaying their debts in a timely fashion. Should the Guarantor fail to pay interest on or repay any debt in a timely fashion, this will have a material adverse effect on the ability of the Issuer to fulfil its obligations under Securities issued under the Programme.

By virtue of its dependence on the Guarantor, each of the risks described below that affect the Guarantor will also indirectly affect the Issuer.

#### 1.2 Certain considerations in relation to the forum upon insolvency of the Issuer

In the event of insolvency of the Issuer, the court having jurisdiction to open insolvency proceedings and the law applicable to those proceedings and their effects will be determined in accordance with the provisions of Council Regulation (EC) No 848/2015, of May 20, 2015, on insolvency proceedings ("**Regulation 848/2015**"), the Royal Legislative Decree 1/2020, of May 5, 2020, that approved the recast version of the Spanish Insolvency Act (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) (as amended, the "**Spanish Insolvency Law**") and the Dutch Insolvency Law (*faillissementswet*) of September 30, 1893 (as amended, the "**Dutch Insolvency Law**"). Pursuant to these provisions, the courts of the place where the Issuer has its centre of main interests shall have jurisdiction to open insolvency proceedings against it and the law applicable to the insolvency proceedings and their effects will be the law of the place where such proceedings are opened.

Under Regulation 848/2015, the centre of main interests should correspond to the place where the debtor conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. In the case of a company or legal person, Regulation 848/2015 presumes, in the absence of proof to the contrary, that the place of its registered office is the centre of its main interests. Based on this presumption, a Dutch court may consider that it has jurisdiction to open insolvency proceedings against the Issuer. Notwithstanding this presumption, it is arguable that the centre of main interests of the Issuer should be considered to be located in Spain and that the Spanish courts should be the courts with jurisdiction to open insolvency proceedings against it. In addition, even if the centre of main interests of the Issuer were not in Spain, the Spanish court could still open insolvency proceedings (named territorial insolvency proceedings) if they consider that the Issuer has an establishment within the territory of Spain, the effects of which would be limited to the assets of the Issuer situated in Spain.

Securityholders should be aware that, in accordance with the above, in the case of an eventual insolvency of the Issuer, there is uncertainty as to whether the insolvency proceedings would be opened in the Netherlands or in Spain.

#### 1.3 The Issuer may become taxable in a jurisdiction other than Spain and this may increase the aggregate tax burden on the Issuer

Since its incorporation, the Issuer has had, on a continuous basis, its place of "effective management" in Spain. For Spanish tax purposes, the Issuer will therefore qualify as a tax resident of Spain on the basis of Spanish domestic law and subject to Spanish taxes. For Dutch tax purposes, a company is considered a tax resident of the Netherlands, irrespective the company's place of "effective management", if it is incorporated under Dutch law (the so-called "**Incorporation Rule**") and will as such in principle be subject to Dutch taxes.

## RISK FACTORS

This would result in the Issuer being a tax resident in both Spain and the Netherlands. In such event, the so-called tie-breaker provision (the "**Tie-Breaker Provision**") included in Article 4(4) of the Convention between the Netherlands and Spain for the Avoidance of Double Taxation with respect to Taxes on Income and on Net Wealth (the "**Convention**"), determines that the Issuer should qualify solely as a tax resident in Spain for purposes of the Convention, provided that the Issuer's place of "effective management" is in Spain.

The test of "effective management" is largely a question of fact and degree based on all the circumstances, rather than a question of law. Nevertheless, the relevant case law and OECD guidance suggest that the Issuer is likely to be regarded as having become Spanish tax resident from incorporation and remaining so if, as the Issuer intends, (i) most meetings of its executive directors are prepared and held in Spain (and none will be held in presence in the Netherlands) with a majority of executive directors present in Spain for those meetings; (ii) at those meetings there are full discussions of, and decisions are made regarding, the key strategic issues affecting the Issuer and its subsidiaries; (iii) those meetings are properly minuted; (iv) a majority of its executive directors, together with supporting staff, are based in Spain; and (v) the Issuer has permanent staffed office premises in Spain. These facts and circumstances may change (for example, the directors or the place where board of directors meetings take place may change), and this may result in the Issuer becoming (also) a tax resident of the Netherlands or another jurisdiction.

Furthermore, the applicable tax laws or interpretations thereof, applicable tax treaties, including the Convention and the Tie-Breaker Provision, may change. In the event that the Convention would change, or if Spain and the Netherlands would designate the Convention as a so-called 'covered tax agreement' subject to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**"), the Issuer may become (also) a tax resident of the Netherlands (at least until the moment Spain and the Netherlands will reach an agreement on our tax residency for purposes of the Convention).

Moreover, the Issuer may become subject to income taxes in other countries with regard to the income generated in the respective other country, for example, due to the existence of a permanent establishment or a permanent representative in such other country.

As a consequence, the Issuer's overall effective income tax rate and income tax expense could materially increase, which could have a material adverse effect the Issuer's financial condition.

## 2. Risk Factors relating to the Guarantor

The description of the risks inherent to the activity of the Group, its businesses and its operations, as well as the quantitative information on the different risks, based on data referring to the 2022 and 2021 financial years, and, where appropriate, data referring to the three-month period ended March 31, 2023, are described in this section and it complements what is included in the consolidated financial statements ("**Consolidated Financial Statements**") and the consolidated management report ("**Consolidated Management Report**") and the auditor's report (the "**Auditor's Report**") for the year ended December 31, 2022 and 2021 and the quarterly report for the three months ended March 31, 2023.

In the Chapter "*Risk Management*" of the Management Report attached to the Consolidated Financial Statements for 2022, both the risk factors and the risk principles and policies of the Group are indicated, as well as the corporate governance scheme on risk management, the internal control model and the tools, circuits and relevant procedures.

The main risk factors that the Group takes into consideration at the date of this Base Prospectus are detailed below.

### 2.1 Macroeconomic and Geopolitical Risks

*A deterioration in economic conditions, including inflationary pressures, or the institutional environment in the countries where the Group operates could have a material adverse effect on the Group's business, financial condition and results of operations*

The Group is sensitive to the deterioration of economic conditions or the alteration of the institutional environment of the countries in which it operates, and especially Spain, Mexico and Turkey, which respectively represented 59.7 per cent., 20.5 per cent. and 9.6 per cent. of the Group's assets as of March 31, 2023 (60.0 per cent., 20.0 per cent. and 9.3 per cent. as of December 31, 2022, respectively, and 62.4 per cent., 17.8 per cent. and 8.5 per cent. as of December 31, 2021, respectively). For the periods ended December 31, 2022 and 2021, the Group's attributable profit amounted to €6,358

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million and €4,653 million, respectively (€1,846 million and €1,325 million, respectively, for the periods ended March 31, 2023 and 2022) and the adjusted attributable profit was €6,559 million and €5,069 million, respectively (€1,846 million and €1,325 million, respectively, for the periods ended March 31, 2023 and 2022). The share of the adjusted attributable profit of Spain, Mexico, Turkey and South America was 28.4 per cent., 63.2 per cent., 7.7 per cent. and 11.1 per cent., respectively, for the period ended December 31, 2022, and 30.5 per cent., 50.3 per cent., 14.6 per cent. and 9.4 per cent., respectively, for the period ended December 31, 2021 (29.3 per cent., 69.6 per cent., 15.0 per cent. and 9.9 per cent., respectively, for the period ended March 31, 2023 and 45.1 per cent., 58.6 per cent., 5.7 per cent. and 12.1 per cent., respectively, for the period ended March 31, 2022). The share of the Group's gross margin of Spain, Mexico, Turkey and South America was 24.7 per cent., 43.5 per cent., 12.8 per cent. and 17.1 per cent., respectively, for the period ended December 31, 2022 and 28.0 per cent., 36.1 per cent., 16.2 per cent. and 15.0 per cent., respectively, for the period ended December 31, 2021 (24.8 per cent., 47.5 per cent., 11.5 per cent. and 16.9 per cent., respectively, for the period ended March 31, 2023 and 30.7 per cent., 41.4 per cent., 9.3 per cent. and 16.4 per cent., respectively, for the period ended March 31, 2022). Additionally, the Group is exposed to sovereign debt, especially sovereign debt related to these countries. Furthermore, the Group increased in May 2022 its shareholding stake in Türkiye Garanti Bankası A.Ş. ("**Garanti BBVA**") by an additional 36.12 per cent. (reaching 85.97 per cent.) as a result of the voluntary takeover offer ("**VTO**") for the shares of Garanti BBVA not already owned by BBVA announced in November 2021.

The global economy is currently facing a number of extraordinary challenges. The war in Ukraine and the related sanctions imposed against Russia have led to significant disruption, instability and volatility in global markets, as well as higher inflation and lower economic growth.

The economic effects are being felt mainly through higher commodity prices, mainly of energy commodities, despite the moderation observed in the last months. While the Group's direct exposure to Ukraine and Russia is limited, the war could adversely affect the Group's business, financial condition and results of operations.

Geopolitical and economic risks have also increased lately as a result of trade tensions between the United States and China, Brexit and the rise of populism, among other factors. Growing tensions may lead, among other things, to a deglobalisation of the world economy, an increase in protectionism, a general reduction of international trade in goods and services and a reduction in the integration of financial markets, any of which could materially and adversely affect the Group's business, financial condition and results of operations.

Moreover, the world economy could be vulnerable to other factors such as the aggressive interest rate increases by central banks due to growing and widespread inflationary pressures, which could cause a significant growth slowdown and, even, a sharp economic recession - as well as episodes of financial stress, such as that recently observed in the banking sector.

The central banks of many developed and emerging economies have significantly augmented policy rates over the last year and monetary conditions are likely to remain restrictive for a relatively long period of time. The United States Federal Reserve (the **Federal Reserve**) and the European Central Bank (the "**ECB**") have raised policy interest rates respectively by 500 and 375 basis points since 2022. The Federal Reserve is now expected to keep interest rates unchanged at the current level (5.25 per cent.) for some time, while the ECB is expected to announce at least one more 25 bps increase in the next few months in a way that the interest rates for refinancing operations in the Eurozone would reach 4.00 per cent. or slightly more. Likewise, uncertainty about the future evolution of monetary policy is high due to, among other factors, the volatile dynamics of inflation, the unexpected resilience of demand and the recent turbulence in the banking sector during the last few months.

The Group's results of operations have been affected by the increases in interest rates adopted by central banks in an attempt to tame inflation, contributing to the rise in funding costs. Further, increases in interest rates could adversely affect the Group by reducing the demand for credit, limiting its ability to generate credit for its clients and leading to an increase in the default rate of its counterparties.

The Group bears, among others, the following general risks with respect to the economic and institutional environment in which it operates: a deterioration in economic activity in the countries in which it operates, including recession scenarios; more persistent inflationary pressures, which could trigger a more severe tightening of monetary conditions; stagflation due to more intense or prolonged supply crises; changes in exchange rates; an unfavourable evolution of the real estate market; very high oil and gas prices, which could have a negative impact on disposable income levels in areas that are net energy importers, such as Spain or Turkey, to which the Group is particularly exposed; changes in the institutional environment of the countries in which the Group operates, which could give rise to sudden and sharp drops in GDP and/or changes in regulatory or government policy, including in terms of exchange controls and restrictions on the distribution of dividends or the imposition of new taxes or charges; a growth in the public debt or in the external deficit which could lead

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to a downward revision of the credit ratings of the sovereign debt and even a possible default or restructuring of such debt; and episodes of volatility in the markets, which could cause significant losses for the Group.

Any of these factors may have a material adverse effect on the Group's business, financial condition and results of operations.

### ***Risks relating to the political, economic and social conditions in Turkey***

In May 2022, the Group increased its shareholding stake in Garanti BBVA from 49.85 per cent. to 85.97 per cent. following the completion of its voluntary takeover bid (see Note 3 of the 2022 Consolidated Financial Statements (as defined in "Documents Incorporated by Reference" below).

Turkey has, from time to time, experienced volatile political, economic and social conditions. As of the date of this Base Prospectus, Turkey is facing an economic crisis characterised by strong depreciation of the Turkish lira, high inflation (according to the Turkish Statistical Institute (TUIK), the inflation rate in Turkey was 12.5 per cent. for the three months ended March 31, 2023; see Note 2.2.19 to the 2022 Consolidated Financial Statements for information on the impact of the application of IAS 29 on the 2022 Consolidated Financial Statements), a significant trade deficit, depletion of the central bank's foreign reserves and rising external financing costs. The earthquakes of February 2023 have also deepened Turkey's economic struggles. In addition to the vast human losses, the earthquakes and the government's response thereto have added to mounting pressures on inflation as well as on external and tax balances. Continuing unfavourable economic conditions in Turkey, such as the elevated inflation and devaluation of the Turkish lira, may result in a potential deterioration in the purchasing power and creditworthiness of the Group's clients (both individual and corporate). In addition, the very low interest rates set by the Turkish central bank in a context of high inflation and currency depreciation have affected and may continue to affect the Group's results.

Additionally, certain geopolitical factors, such as the war in Ukraine and regional conflicts (such as in Syria, Armenia/Azerbaijan), and internal political developments, such as the result of the general elections that took place in May 2023, create uncertainty about the future evolution of the economy and could trigger scenarios of greater instability.

There can be no assurance that these and other factors will not have an impact on Turkey and will not cause further deterioration of the Turkish economy, which may have a material adverse effect on the Turkish banking sector and the Group's business, financial condition and results of operations in Turkey.

### ***Risks associated with pandemics like the COVID-19 pandemic could have a material adverse effect on the Group's business, financial condition and results of operations***

The COVID-19 (coronavirus) pandemic has adversely affected the world economy, and economic activity and conditions in the countries in which the Group operates. Among other challenges, these countries have had to deal with supply disruptions and increasing inflationary pressures, while public debt has increased significantly due to the support and spending measures implemented by government authorities. Furthermore, there has been an increase in loan losses from both companies and individuals, which has been slowed down by the impact of government support measures, including bank payment deferrals, credit with public guarantee and direct aid measures.

With the outbreak of COVID-19, the Group experienced a decline in its activity. For example, the granting of new loans to individuals decreased during lockdowns. In addition, in several countries, including Spain, the Group closed a significant number of its branches and reduced the opening hours of working with the public, with central services teams having to work remotely. Furthermore, the Group has been affected by the measures or recommendations adopted by regulatory authorities in the banking sector, such as variations in reference interest rates, the modification of prudential requirements, the temporary suspension of dividend payments, changes to the terms of payment deferrals and the granting of guarantees or public guarantees for credit granted to companies and self-employed persons, the adoption of further similar measures or the modification or termination of those already approved, as well as changes in the financial assets purchase programmes implemented by the ECB. As of December 31, 2022 and 2021, the outstanding balance of loans for which payment deferrals and/or financing with a public guarantee were granted at the Group level amounted to €32,059 million and €38,025 million, respectively (granted to 2.04 million and 2.45 million customers, respectively), equivalent to 8.2 per cent. and 10.9 per cent. of the lending portfolio of which 56.5 per cent. and 57.7 per cent. are payment deferrals and 43.5 per cent. and 42.3 per cent. financing with public guarantee, with an average Instituto de Crédito Oficial guarantee coverage of 76 per cent as of December 31, 2022.

Moreover, pandemics like the COVID-19 pandemic could adversely affect the business and operations of third parties that provide critical services to the Group and, in particular, the higher demand for and/or the lower availability of certain

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resources, compounded by ongoing supply bottlenecks could, in some cases, make it more difficult for the Group to maintain the required service levels.

Further, pandemics such as the COVID-19 pandemic may exacerbate other risks disclosed in this "Risk Factors" section, including but not limited to risks associated with the credit quality of the Group's borrowers and counterparties or collateral, the availability of ECB funding, the Group's exposure to sovereign debt and rating downgrades, the Group's ability to comply with its regulatory requirements, including MREL (as defined below) and other capital requirements, and the deterioration of economic conditions or changes in the institutional environment (see "*A deterioration in economic conditions, including inflationary pressures, or the institutional environment in the countries where the Group operates could have a material adverse effect on the Group's business, financial condition and results of operations*" and "*Increasingly onerous capital and liquidity requirements may have a material adverse effect on the Group's business, financial condition and results of operations*").

As a result of the above, a pandemic could have a significant adverse impact on the Group's business, financial condition and results of operations.

### 2.2 Business Risks

***The Group's businesses are subject to inherent risks concerning borrowers and counterparties' credit quality and the value of collateral that strengthens its lending portfolio, particularly in Spain***

The total maximum credit risk exposure of the Group (calculated as set forth in Note 7.2.2 to the 2022 Consolidated Financial Statements) as of March 31, 2023 and December 31, 2022 was €854,011 million and €815,533 million, respectively (€753,730 million as of December 31, 2021). The maximum exposure of loans and advances to customers at amortised cost at March 31, 2023 and December 31, 2022 was €373,481 million and €368,588 million, respectively (€330,055 million as of December 31, 2021). The accumulated loss allowances of loans and advances to customers at amortised cost at March 31, 2023 and December 31, 2022 amounts to €11,164 million and €11,237 million, respectively (€11,116 million as of December 31, 2021).

As of March 31, 2023 and December 31, 2022, the impairment on financial assets not measured at fair value through profit or loss (impairment of financial assets) was a negative balance of €968 million and €3,379 million, respectively (which as of December 31, 2022 was 11 per cent. higher than the negative balance for the previous year of €3,034 million as of December 31, 2021). This was due to the deterioration of the macroeconomic environment with the downward revision of growth expectations in an inflationary environment and general increase in the prices of energy raw materials and interest rates. The Group has exposures to many different products and counterparties, and the credit quality of its exposures can have a significant effect on the Group's earnings. Adverse changes in the credit quality of the Group's counterparties (including borrowers) or in their behaviour or businesses, or any adverse changes in the collateral they may have provided, may reduce the value of the Group's assets, and materially increase the Group's write-downs and loss allowances. Credit risk can be affected by a range of factors, including an adverse economic environment, a decrease in consumption or corporate or government spending, changes in the rating of individual contractual counterparties, their debt levels and the environment in which they operate, increased unemployment, higher commodity prices (especially energy commodities), reduced asset values, increased retail or corporate insolvency levels, changes in interest rates (as well as the timing, magnitude and pace of these changes), litigation and legal and regulatory developments.

In recent years, the Group's non-performing loans ("NPL") ratio (as defined in the Alternative Performance Measures section of the Consolidated Management Report 2022 (as defined in "*Documents Incorporated by Reference*" below), which was 3.3 per cent., 3.4 per cent. and 4.1 per cent. as of March 31, 2023, December 31, 2022 and December 31, 2021, respectively) has benefited from the low interest rate environment, which has led to increased recoveries and repayments. The recent increases in interest rates and possible further successive rate increases may cause a deterioration in the Group's default rate and an increase in the Group's risk-weighted assets ("RWAs"). The Group's coverage ratio (as defined in the Alternative Performance Measures section of the Consolidated Management Report 2022) stood at 82 per cent., 81 per cent. and 75 per cent. as of March 31, 2023, December 31, 2022 and December 31, 2021, respectively.

Furthermore, economic deterioration typically results in a decrease in the price of real estate assets. The Group remains significantly exposed to the real estate market, mainly in Spain and, to a lesser extent, Mexico and Turkey, due to the fact that many of its loans are secured by real estate assets and due to the significant volume of real estate assets that it maintains on its balance sheet. As of December 31, 2022 and December 31, 2021, the Group's exposure to the construction and real estate sectors (excluding the mortgage portfolio) in Spain was equivalent to €9,549 and €9,504 million, respectively, of which €1,861 and €2,123 million, respectively, corresponded to loans for construction, real estate development and house purchases in Spain (representing 1.1 per cent. and 1.3 per cent., respectively, of the Group's loans and advances to customers

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in Spain (excluding the public sector) and 0.3 per cent. of the Group's consolidated assets as of each of December 31, 2022 and 2021). The total real estate exposure (excluding the mortgage portfolio), including developer credit and foreclosed assets without other assets, reflected a coverage ratio of 34 per cent. and 22 per cent. in Spain as of December 31, 2022 and 2021, respectively. A fall in the price of real estate assets in Spain (or, to a lesser extent, Mexico or Turkey) would reduce the value of any real estate securing loans granted by the Group and, therefore, in the event of default, the amount of the expected losses related to such loans would increase. In addition, it could also have a significant adverse effect on the default rates of the Group's residential mortgage portfolio, the balance of which, as of March 31, 2023, December 31, 2022 and December 31, 2021, was €91,999 million, €91,569 million and €91,324 million, respectively, at a global level.

The impact of an increase in default rates on the Group will depend on its magnitude, timing and pace, and could be significant. Furthermore, it is possible that the Group has incorrectly assessed the creditworthiness or willingness to pay of its counterparties, that it has underestimated the credit risks and potential losses inherent in its credit exposure and that it has made insufficient provisions for such risks in a timely manner. The processes involved in making such assessments, which have a crucial impact on the Group's results and financial condition, require difficult, subjective and complex calculations, including forecasts of the impact that macroeconomic conditions could have on these counterparties. In particular, the Group's estimates of losses derived from its exposure to credit risk may prove to be inadequate or insufficient in the current environment of economic uncertainty, which could affect the adequacy of the provisions for insolvencies provided by the Group. An increase in non-performing or low-quality loans could significantly and adversely affect the Group's business, financial condition and results of operations.

As of December 31, 2022 and December 31, 2021, the gross amount of loans of the Group subject to refinancing and restructuring of the Group was €15,120 million and €17,949 million, respectively (which represents a 16 per cent. decrease between 2021 and 2022), mainly concentrated in Spain and Turkey, which represents 4.2 per cent. and 5.6 per cent., respectively, of total loans and advances to customers. These loans subject to refinancing and restructuring have an associated collateral value of €5,192 million and €6,668 million, respectively, and 54 per cent. and 51 per cent., respectively, of those loans were classified as impaired as of these respective dates.

As of December 31, 2022 and December 31, 2021, assets from foreclosures and recoveries, net of impairment losses amounted to €714 million and €837 million, respectively.

### ***The Group's business is particularly vulnerable to interest rates and is exposed to risks associated with the continuity of certain reference rates and the transition to alternative reference rates***

The Group's results of operations are substantially dependent upon the level of its net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest-bearing liabilities. It is possible that changes in market interest rates affect the Group's interest-earning assets differently from the Group's interest-bearing liabilities. This, in turn, may lead to a reduction in the Group's net interest margin, which could have a significant adverse effect on its results. Moreover, changes in interest rates may affect the Group's credit risk exposure. In Spain the net interest margin for the periods ended March 31, 2023, increased by 38.2 per cent., as compared to the corresponding period for the previous year; in Mexico it has increased by 48.2 per cent. (29.2 per cent. at constant exchange rates); in Turkey it has increased by 27.4 per cent. (63.0 per cent. at constant exchange rates) and in South America it has increased by 47.0 per cent. (81.7 per cent. at constant exchange rates).

Interest rates are highly sensitive to many factors beyond the Group's control, including fiscal and monetary policies of governments and central banks, regulation of the financial sector, domestic and international economic and political conditions and other factors. The COVID-19 pandemic triggered a process of cuts in reference interest rates, which were then progressively reversed by central banks in order to combat inflation, with four interest rate increases implemented by the ECB since July 2022 through December 31, 2022, one more in February 2023 and another one in March 2023. However, interest rate increases are being implemented at a different pace across regions and it is possible that such increases could be reversed in case concerns about economic growth or financial stability arise among other considerations. The Group's results of operations have been affected by the increases in the interest rates adopted by central banks in an attempt to tame inflation, contributing both to a rise in net interest income and a rise in funding costs. Further increases in interest rates could adversely affect the Group by reducing the demand for credit, limiting its ability to generate credit for its clients and/or increasing the default rate of its borrowers and counterparties. In particular, the repayment capacity of loans tied to variable interest rates is more sensitive to changes in rates. As of December 31, 2022 and December 31, 2021, 49.2 per cent. and 50.2 per cent., respectively, of the total transactions with a maturity greater than one year included in "Loans and advances to customers" had floating interest rates. See Note 7.3.1 of the 2022 Consolidated Financial Statements where the interest rate sensitivity analysis is detailed.

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With regard to the risk of variation in the market value of assets and liabilities, as of December 31, 2022, the average value at risk (**VaR**) was €27 million. By type of market risk assumed by the Group's trading portfolio, the main such risk for the Group continues to be linked to interest rates, representing 54 per cent. of the total at the end of 2022 (including spread risk) and decreasing the relative weight compared to the end of 2021 (when this was 57 per cent.). Exchange risk represents 22 per cent. of the total, an increase compared to the end of the year 2021 (when exchange risk was 16 per cent.), while variable income risk and volatility and correlation risk also increased, representing 11 per cent. at the end of the year 2022 (as compared to 9 per cent. at the end of the year 2021). As of December 31, 2022, the VaR balance was €29 million (€32 million corresponding to interest and spread risk, €13 million to exchange rate risk, €7 million to equity risk, €5 million to volatility risk and €-28 million of diversification effects).

Moreover, the transition away from and discontinuation of interbank offer rates ("**IBORs**") could have an adverse effect on the Group. In recent years, international regulators have been driving a transition from the use of IBORs, including the London interbank offered rate ("**LIBOR**"), the euro interbank offered rate ("**EURIBOR**") and the euro overnight index average ("**EONIA**"), to alternative risk free rates ("**RFRs**"). This has resulted in regulatory reform and changes to existing IBORs, with further changes anticipated. These reforms and changes may cause an IBOR to perform differently than it has done in the past or to be discontinued. The Group is particularly exposed to EURIBOR-based financial instruments. However, as of March 31, 2023, the Group considers that there are limited transition risks relating to EURIBOR as it has been replaced by the hybrid EURIBOR which uses a methodology that meets the requirements of the European Regulation of Reference Indices.

Although the transition from LIBOR EUR, CHF, JPY and GBP has been carried out without relevant impacts, the Group continues to maintain financial assets and liabilities whose contracts are referenced to USD LIBOR, when used, among others, for loans, deposits and debt issuances, as well as underlying derivative financial instruments, and the Group continues to work to adapt or modify the related documentation. The uncertainty about the nature and extent of USD LIBOR reforms and changes, and how they might affect financial instruments, could negatively impact the valuation and/or trading of a wide range of financial instruments that use USD LIBOR, including securities, loans, deposits and derivative instruments based on USD LIBOR issued by the Group or otherwise included in the financial assets and liabilities of the Group. Such uncertainty may also affect the availability and cost of hedging instruments and debt. See also the risk factors "*The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"*" below. The implementation of any alternative RFRs may be impossible or impracticable under the existing terms of certain financial instruments. Such transition could also result in pricing risks arising from how changes to reference rates could impact pricing mechanisms in some instruments, and could have an adverse effect on the value of, return on and trading market for such financial instruments and on the Group's profitability. In addition, the transition to RFRs will require important operational changes to the Group's systems and infrastructure, as all systems will need to account for the changes in the reference rates.

Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

### ***The Group faces increasing competition and is exposed to a changing business model***

The markets in which the Group operates are highly competitive and it is expected that this trend will continue in the coming years with the increasing entry of non-bank competitors (some of which have large client portfolios and strong brand recognition) and the emergence of new business models. In recent years, the financial services sector has undergone a significant transformation driven by the development of mobile technologies and the entry of new players into activities previously controlled by financial institutions. Although the Group is making efforts to adapt to these changes, through its digital transformation, its competitive position is affected by the regulatory asymmetry that benefits non-bank operators. For example, banking groups are subject to prudential regulations that have implications for most of their businesses, including those in which they compete with non-bank operators (such as FinTech or BigTech) that are only subject to regulations specific to the activity they develop or that benefit from loopholes in the regulatory environment. Furthermore, when banking groups carry out financial activities through the use of new technologies, they are generally subject to additional internal governance rules that place such groups at a competitive disadvantage.

Moreover, the widespread adoption of new technologies, including crypto currencies and alternative payment systems that do not use the banking system, could erode the Group's business or require the Group to make substantial investment to modify or adapt existing products and services including its mobile and internet banking capabilities. Likewise, the increasing use of these new technologies and mobile banking platforms could have an adverse impact on the Group's investments in facilities, equipment and employees of the branch network. A faster pace of transformation towards mobile and online banking models could require changes in the Group's commercial banking strategy, including the closure or sale of some branches and the restructuring of others, and the significant reduction in employees. These changes could result



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in significant expenses as the Group reconfigures and transforms its commercial network. In addition, the trend towards the consolidation in the banking industry has created larger banks with which the Group must compete. According to the Bank of Spain, as a result of consolidation in the banking industry, the ten largest banking entities managed 87 per cent. of customer deposits in Spain as of March 2022. Failure to implement such changes efficiently and on a timely basis could have a material adverse impact on the Group's competitive position or otherwise have a material adverse effect on the Group's business, financial condition or results of operations (see Note 24 of the 2022 Consolidated Financial Statements).

The future success of the Group depends, in part, on its ability to use technology to provide suitable products and services for customers. While the Group has focused on developing its technological capabilities in recent years and is committed to digitisation, its ability to compete successfully is likely to be adversely affected by, on the one hand, the existing uneven playing field between banks and non-bank players, and on the other hand, the increasing relevance of access to digital data and interactions for customer relationship management, which places digital platforms at an advantage. Digital platforms (such as those maintained by large technology or social media companies and FinTechs) increasingly dominate access to data and control over digital interactions, and are already eroding the Group's results in highly relevant markets such as payments. These platforms can leverage their advantage in access to data to compete with the Group in other markets and could reduce the Group's operations and margins in its core businesses such as lending or wealth management. Some of the Group's competitors have created alliances with BigTech that may affect the Group's ability to compete successfully and could adversely affect the Group. In the event that the Group is not successful in addressing increasing competition, its business, financial condition and results of operations could be materially and adversely affected.

### ***The Group faces risks related to its acquisitions and divestitures***

The Group has acquired and sold several companies and businesses over the past few years. On November 15, 2021, BBVA announced its decision to launch a VTO for the entire share capital of Garanti BBVA not already owned by BBVA. On May 18, 2022, BBVA announced the end of the offer acceptance period and the acquisition of an additional 36.12 per cent. (taking its total shareholding following the VTO to 85.97 per cent.). Other recent transactions are the sale of BBVA USA Bancshares Inc. and other Group companies in the United States and the sale of BBVA Paraguay (see Note 3 of the 2022 Consolidated Financial Statements).

The Group may not complete any ongoing or future transactions in a timely manner, on a cost-effective basis or at all and, if completed, they may not have the expected results. In addition, if completed, the Group's results of operations could be adversely affected by divestiture or acquisition-related charges and contingencies. The Group may be subject to litigation in connection with, or as a result of, divestitures or acquisitions, including claims from terminated employees, customers or third parties. In the case of an acquisition, the Group may be liable for potential or existing litigation and claims related to an acquired business, including because either the Group is not indemnified for such claims or the indemnification is insufficient. Further, in the case of a divestiture, the Group may be required to indemnify the buyer in respect of similar or other matters, including claims against the divested entity or business.

In the case of an acquisition, even though the Group reviews the companies it plans to acquire, it is often not possible for these reviews to be complete in all respects and there may be risks associated with unforeseen events or liabilities relating to the acquired assets or businesses that may not have been revealed or properly assessed during the due diligence processes, resulting in the Group assuming unforeseen liabilities or an acquisition not performing as expected. In addition, acquisitions are inherently risky because of the difficulties that may arise in integrating people, operations and technologies. There can be no assurance that any of the businesses the Group acquires can be successfully integrated or that they will perform well once integrated.

Acquisitions may also lead to potential write-downs that adversely affect the Group's results of operations. Any of the foregoing may cause the Group to incur significant unexpected expenses, may divert significant resources and management attention from the Group's other business concerns, or may otherwise have a material adverse effect on the Group's business, financial condition and results of operations.

### ***The Group faces risks derived from its international geographic diversification and its significant presence in emerging countries. The Group's ability to distribute dividends depends, in part, on the receipt of dividends from its subsidiaries***

The Group is made up of commercial banks, insurance companies and other financial services companies in various countries and its performance as a global business depends on its ability to manage its different businesses under various economic, social and political conditions, facing different legal and regulatory requirements in many of the jurisdictions in which it operates (including, among others, different supervisory regimes and different tax and legal regimes related to the repatriation of funds or the nationalisation or expropriation of assets).

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In addition, the Group's international operations may expose it to risks and challenges to which its local competitors may not be exposed, such as currency risk (as of December 31, 2022 and December 31, 2021, 44.7 per cent. and 41.5 per cent. of the assets, respectively, and 42.1 per cent. and 37.8 per cent. of the Group's liabilities, respectively, were denominated in currencies other than euro), the difficulty of managing or supervising a local entity from abroad, political risks (which could affect only foreign investors) or limitations on the distribution or repatriation of dividends (for example, the repatriation of dividends from each of BBVA's Venezuelan and Argentinean subsidiaries (whose book values were €109 million and €1,396 million as of December 31, 2022, and €78 million and €1,130 million as of December 31, 2021) is subject to certain restrictions and there is no assurance that further restrictions will not be imposed), thus worsening its position compared to that of local competitors.

In 2022, dividend income from its subsidiaries represented €3,347 million, which was approximately 35.2 per cent. of the gross margin of the Bank. This represented an increase of 97.0 per cent. compared to 2021. This was due in part to the Group's decision to follow a 'Multiple Point of Entry' strategy, in accordance with the framework for the resolution of financial entities designed by the Financial Stability Board ("**FSB**"), by which each of the Group's subsidiaries are self-sufficient and each subsidiary is responsible for managing its own capital and liquidity. This means that the payment of dividends, distributions and advances by the Group's subsidiaries to BBVA depends not only on the results of those subsidiaries, but also on the context of their operations and liquidity needs, and may be further limited by legal, regulatory and contractual restrictions. Furthermore, the Bank's right, as a shareholder, to participate in the distribution of assets resulting from the eventual liquidation or any reorganisation of its subsidiaries will be effectively subordinated to the rights of the creditors of those subsidiaries, including their commercial creditors.

There can be no guarantee that the Group will be successful in developing and implementing policies and strategies in all of the countries in which it operates, some of which have experienced significant economic, political and social volatility in recent decades. In particular, the Group has a significant presence in several emerging countries, such as Mexico and Turkey, and is therefore vulnerable to any deterioration in economic, social or political conditions in these countries. Emerging markets are generally affected by the conditions of other commercially or financially related markets and by the evolution of global financial markets in general (they may be affected, for example, by the evolution of GDP and interest rates in the United States and the exchange rate of the U.S. dollar), as well as by fluctuations in the prices of commodities. The perception that the risks associated with investing in emerging economies have increased, in general, or in emerging markets where the Group operates, in particular, could reduce capital flows to those economies and negatively affect such economies and therefore the Group. Moreover, emerging countries are more prone to experience significant changes in inflation and foreign exchange rates, which may have a material impact on the Group's results of operations, assets (including RWAs) and liabilities. For example, in Turkey, accumulated inflation for the year 2022 estimated by the Turkish Statistical Institute (Turkstat) was 64.3 per cent. (in 2021 inflation amounted to 36.1 per cent.) and the exchange rate in December 2022 was 19.96 Turkish liras per euro (in December 2021 the exchange rate was 15.23 Turkish liras per euro).

As of December 31, 2022, the estimated sensitivities of the Group's result attributable to the owners of the parent company, taking into account the coverage against depreciations and appreciations of 1 per cent. of the average foreign exchange rate for the Mexican peso and Turkish lira was €19 million and €4 million, respectively. To the extent that hedging positions are periodically moderated, the sensitivity estimate attempts to reflect an average (or effective) sensitivity in the year against depreciations and appreciations.

The Group's operations in emerging countries are also exposed to heightened political risks, such as changes in governmental policies, expropriation, nationalisation, interest rate limits, exchange controls, capital controls, government restrictions on dividends or bank fees and adverse tax policies. For example, the repatriation of dividends from BBVA's Venezuelan, Argentinian and Turkish subsidiaries is subject to certain restrictions and there is no assurance that further restrictions will not be imposed. Since BBVA's ability to pay dividends depends, in part, on the receipt of dividends from its subsidiaries, such restrictions may, in turn, affect BBVA's ability to pay dividends.

If the Group failed to adopt effective and timely policies and strategies in response to the risks and challenges it faces in each of the regions where it operates, particularly in emerging countries, the Group's business, financial condition and results of operations could be materially and negatively affected.

### *The Group is exposed to various risks in connection with climate change*

Climate change presents short, medium and long-term risks to the Group and its customers, and these risks are expected to increase over time. The Group's activities or those of its customers and/or counterparties could be negatively affected by, among others, the following risks:

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- *Transition Risks:* Risks linked to the transition to a low-carbon economy as a response to climate change, and that arise from changes in legislation, the market, consumers, etc., to mitigate and address the requirements derived from climate change. Transition risks include:
  - *Legal and regulatory risks:* Legislative or regulatory changes regarding how banks manage climate risk or that otherwise affect banking practices or the disclosure of climate-related information may result in higher compliance, operational and credit risks and costs. The Group's customers and counterparties may also face similar challenges.
  - *Technological risks:* Among others, those risks derived from the transition costs to low-emission technologies or from non-adaptation to them, which could eventually reduce the credit capacity of the Group's customers.
  - *Market risks:* BBVA is exposed to risks of a considerable increase in the cost of financing for customers with greater exposure to climate change risk, in such a way that their solvency or credit rating is affected. BBVA is also exposed to risks derived from changes in demand, and changes in energy supply and prices, among others.
  - *Reputational risks:* The perception of climate change as a risk by society, shareholders, customers, governments and other stakeholders continues to increase, including in relation to the financial sector's operations and strategy. This may result in increased scrutiny of the Group's activities, policies, objectives and the way in which matters related to climate change are disclosed. The Group's reputation may be harmed if its efforts to reduce environmental and social risks are deemed to be insufficient.
- *Physical risks:* Risks that come from climate change and can be caused by greater frequency and severity of extreme weather events or long-term weather changes, and that can lead to physical damage to the assets of the Group or its customers, the interruption of their operations, disruptions in the supply chain or increased expenses necessary to deal with them, thus impacting the value of assets or the solvency of customers.

Any of these factors may have a material adverse effect on the Group's business, financial condition and results of operations.

### 2.3 Financial Risks

***The Group has a continuous demand for liquidity to finance its activities and the withdrawal of deposits or other sources of liquidity could significantly affect it***

Traditionally, one of the Group's main sources of financing has been savings accounts and demand deposits. As of March 31, 2023, December 31, 2022 and December 31, 2021, the balance of customer deposits represented 73 per cent., 75 per cent. and 72 per cent., respectively, of the Group's total financial liabilities at amortised cost. However, the volume of wholesale and retail deposits can fluctuate significantly, including as a result of factors beyond the Group's control, such as general economic conditions, changes in economic policy or administrative decisions that diminish their attractiveness as savings instruments (for example, as a consequence of changes in taxation, coverage by guarantee funds for deposits or expropriations) or competition from other savings or investment instruments (including deposits from other banks).

Likewise, changes in interest rates and credit spreads may significantly affect the cost of the Group's short and long-term wholesale financing. Changes in credit spreads are driven by market factors and are also influenced by the market's perception of the Group's solvency. As of March 31, 2023, December 31, 2022 and December 31, 2021, debt securities issued by the Group represented 10.1 per cent., 10.5 per cent. and 11.4 per cent., respectively, of the total financial liabilities at amortised cost of the Group.

In addition, the Group has made and continues to make significant use of public sources of liquidity, such as the ECB's extraordinary measures taken in response to the financial crisis since 2008 or those taken in connection with the crisis caused by the COVID-19 pandemic. In its monetary policy decision of October 27, 2022, the ECB decided to adjust the interest rates applicable to its Targeted Longer-Term Refinancing Operations III (TLTRO III) from November 23, 2022 and offer credit institutions additional voluntary early repayment dates for these operations. In December 2022, BBVA began the repayment of the TLTRO III program in an amount of €24 billion, corresponding to approximately two thirds of the total drawn amount. The amount recorded in "Deposits from central banks - Time deposits" includes the drawdowns of the TLTRO III facilities of the ECB, mainly by BBVA, amounting to €14,711 million as of March 31, 2023 (€26,711 million as of December 31, 2022, and €38,692 million as of December 31, 2021).

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As of December 31, 2022, the Loan-to-Stable Customer Deposits ratio ("**LtSCD**") in the Group is 96 per cent. This ratio measures the relationship between net lending (which includes loans and advances to customers included in the following line items in the consolidated balance sheet: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at amortized cost", net of loss allowances) and stable customer funds (comprising the financing obtained and managed by the Liquidity Management Units (LMUs) among their target customers - see Note 7.5.1 to the 2022 Consolidated Financial Statements).

In the event of a withdrawal of deposits or other sources of liquidity, especially if it is sudden or unexpected, the Group may not be able to finance its financial obligations or meet the minimum liquidity requirements that apply to it, and may be forced to incur higher financial costs, liquidate assets and take additional measures to reduce leverage. Furthermore, the Group could be subject to the adoption of early intervention measures or, ultimately, to the adoption of a resolution measure by the Relevant Spanish Resolution Authority (as defined below). Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

**"Relevant Spanish Resolution Authority"** means any of the Spanish Fund for the Orderly Restructuring of Banks (*Fondo de Reestructuración Ordenada Bancaria*), the European Single Resolution Mechanism, the Bank of Spain and the Spanish Securities Market Commission ("**CNMV**") or any other entity with the authority to exercise the Spanish Bail-in Power (as defined below) from time to time, according to Law 11/2015 (as defined below).

### ***The Group depends on its credit ratings and sovereign credit ratings, especially Spain's credit ratings***

Rating agencies periodically review the Group's debt credit ratings. Any reduction, effective or anticipated, in any such ratings of the Group, whether below investment grade or otherwise, could limit or impair the Group's access to capital markets and other possible sources of liquidity and increase the Group's financing cost, and entail the breach or early termination of certain contracts or give rise to additional obligations under those contracts, such as the need to grant additional guarantees. The Group estimates that if, at December 31, 2022, rating agencies had downgraded BBVA's long-term senior debt rating by one notch, it would have had to provide additional guarantees/ collateral amounting to €57.9 million under its derivative and other financial contracts. A hypothetical two-notch downgrade would have involved an outlay of €82.3 million in additional guarantees/collateral. Furthermore, if the Group were required to cancel its derivative contracts with some of its counterparties and were unable to replace them, its market risk would worsen. Likewise, a reduction in the credit rating could affect the Group's ability to sell or market some of its products or to participate in certain transactions, and could lead to the loss of customer deposits and make third parties less willing to carry out commercial transactions with the Group (especially those that require a minimum credit rating), having a significant adverse impact on the Group's business, financial condition and results of operations.

Furthermore, the Group's credit ratings could be affected by variations in sovereign credit ratings, particularly the rating of Spanish sovereign debt. The Group holds a significant portfolio of debt issued by the Kingdom of Spain, by the Spanish autonomous communities and by other Spanish issuers. As of December 31, 2022 and December 31, 2021, the Group's exposure (EBA criteria) to the Kingdom of Spain's public debt portfolio was €39,485 million and €38,626 million, respectively, representing 5.5 per cent. and 5.8 per cent. of the consolidated total assets of the Group, respectively. Any decrease in the credit rating of the Kingdom of Spain could adversely affect the valuation of the respective debt portfolios held by the Group and lead to a reduction in the Group's credit ratings. Additionally, counterparties to many of the credit agreements signed with the Group could also be affected by a decrease in the credit rating of the Kingdom of Spain, which could limit their ability to attract additional resources or otherwise affect their ability to pay their outstanding obligations to the Group. The Group's exposure to the public debt portfolio of the rest of Europe, Mexico and Turkey as of December 31, 2022 was €6,227 million, €33,726 million and €9,871 million respectively (as of December 31, 2021 it was €8,336 million, €32,445 million and €5,827 million, respectively), representing and 0.9 per cent., 4.7 per cent. and 1.4 per cent., respectively, of the consolidated total assets of the Group (as of December 31, 2021 it represented 1.3 per cent., 4.9 per cent. and 0.9 per cent., respectively). Downgrades and rating revisions for these countries would therefore also have an impact on the Group's financial position.

In the future, new reviews or changes in BBVA's credit ratings could occur as a result of the current or future economic situation and geopolitical conditions, which could have a significant adverse effect on the Group's business, financial condition and results of operations.

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### 2.4 Legal, Regulatory, Tax and Compliance Risks

#### Legal Risks

##### *The Group is party to a number of legal and regulatory actions and proceedings*

The financial sector faces an environment of increasing regulatory and litigation pressure. The Group is party to government procedures and investigations, such as those carried out by the antitrust authorities which, among other things, have in the past and could in the future result in sanctions, as well as lead to claims by customers and others.

The various Group entities are also frequently party to individual or collective judicial proceedings (including class actions) resulting from their activity and operations, as well as arbitration proceedings. More generally, in recent years, regulators have increased their supervisory focus on consumer protection and corporate behaviour, which has resulted in a larger number of regulatory actions.

In Spain and in other jurisdictions where the Group operates, legal and regulatory actions and proceedings against financial institutions, prompted in part by certain recent national and supranational rulings in favour of consumers (with regards to matters such as credit cards and mortgage loans), have increased significantly in recent years and this trend could continue in the future. Legal and regulatory actions and proceedings faced by other financial institutions, in relation to these and other matters, especially if such actions or proceedings result in favourable resolutions for the consumer, could also adversely affect the Group.

All of the above may result in a significant increase in operating and compliance costs and/ or a reduction in revenues, and it is possible that an adverse outcome in any proceedings (depending on the amount thereof, the penalties imposed or the resulting procedural or management costs for the Group) could materially and adversely affect the Group, including by damaging its reputation.

It is difficult to predict the outcome of legal and regulatory actions and proceedings, both those to which the Group is currently exposed and those that may arise in the future, including actions and proceedings relating to former Group subsidiaries or in respect of which the Group may have indemnification obligations. Any of such outcomes could be adverse to the Group. In addition, a decision in any matter, whether against the Group or against another credit entity facing similar claims as those faced by the Group, could give rise to other claims against the Group. In addition, these actions and proceedings draw resources away from the Group and may require significant attention on the part of the Group's management and employees.

As of March 31, 2023 and December 31, 2022, the Group had €667 and €685 million (€623 million as of December 31, 2021), respectively, in provisions for the proceedings it is facing (which are included in the line item "Provisions for taxes and other legal contingencies" in the consolidated balance sheet) of which €524 million as of December 31, 2022 (€533 million as of December 31, 2021) corresponded to legal contingencies and €161 million as of December 31, 2022 (€91 million as of December 31, 2021) corresponded to tax related contingencies. Most of these provisions for legal contingencies correspond to the Bank and its subsidiaries registered in Spain, which account for approximately 78 per cent. of these provisions. However, the uncertainty arising from these proceedings (including those for which no provisions have been made, either because it is not possible to estimate any such provisions or for other reasons) makes it impossible to guarantee that the possible losses arising from such proceedings will not exceed, where applicable, the amounts that the Group currently has provisioned and, therefore, could affect the Group's consolidated results.

As a result of the above, legal and regulatory actions and proceedings currently faced by the Group or to which it may become subject in the future or which may otherwise affect the Group, whether individually or in the aggregate, if resolved in whole or in part adversely to the Group's interests, could have a material adverse effect on the Group's business, financial condition and results of operations.

##### *The Spanish judicial authorities are carrying out a criminal investigation relating to possible bribery, revelation of secrets and corruption by the Bank*

Spanish judicial authorities are investigating the activities of Centro Exclusivo de Negocios y Transacciones, S.L. ("Cenyt"). Such investigation includes the provision of services by Cenyt to the Bank. On July 29, 2019, the Bank was named as an investigated party (*investigado*) in a criminal judicial investigation (Preliminary Proceeding No. 96/2017 – Piece No. 9, Central Investigating Court No. 6 of the National High Court) for alleged facts which could constitute bribery, revelation of secrets and corruption. On February 3, 2020, the Bank was notified by the Central Investigating Court No. 6 of the National High Court of the order lifting the secrecy of the proceedings. Certain current and former officers and

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employees of the Group, as well as former directors, have also been named as investigated parties in connection with this investigation. The Bank has been and continues to be proactively collaborating with the Spanish judicial authorities, including sharing with the courts information obtained in the internal investigation hired by the Bank in 2019 to contribute to the clarification of the facts. As at the date of this Base Prospectus, no formal accusation against the Bank has been made.

This criminal judicial proceeding is in the pre-trial phase. Therefore, it is not possible at this time to predict the scope or duration of such proceeding or any related proceeding or its or their possible outcomes or implications for the Group, including any fines, damages or harm to the Group's reputation caused thereby.

### **Regulatory, Tax and Compliance Risks**

The financial services sector is one of the most regulated sectors in the world. The Group is subject to a broad regulatory and supervisory framework, which has increased significantly in the last decade. Regulatory activity in recent years has affected multiple areas, including changes in accounting standards; strict regulation of capital, liquidity and remuneration; bank charges and taxes on financial transactions; regulations affecting mortgages, banking products and consumers and users; recovery and resolution measures; stress tests; prevention of money laundering and terrorist financing; market abuse; conduct in the financial markets; anti-corruption; and requirements as to the periodic publication of information. Governments, regulatory authorities and other institutions continually make proposals to strengthen the resistance of financial institutions to future crises. Further, there is an increasing focus on the climate-related financial risk management capabilities of banks.

Furthermore, the international nature of the Group's operations means that the Group is subject to a wide and complex range of local and international regulations in these matters, sometimes with overlapping scopes and areas regulated. This complexity, which can be exacerbated by differences and changes in the interpretation or application of these standards by local authorities, makes compliance risk management difficult and costly, requiring highly sophisticated monitoring, qualified personnel and general training of employees.

Any change in the Group's business that is necessary to comply with any particular regulations at any given time, especially in Spain, Mexico or Turkey, could lead to a considerable loss of income, limit the Group's ability to identify business opportunities, affect the valuation of its assets, force the Group to increase its prices and, therefore, reduce the demand for its products, impose additional costs on the Group or otherwise adversely affect its business, financial condition and results of operations.

***The Group is subject to a comprehensive regulatory and supervisory framework, including resolution regulations, which could have a significant adverse effect on its business, financial condition and results of operations***

The Group is subject to a comprehensive regulatory and supervisory framework, the complexity and scope of which has increased significantly since the previous 2008 financial crisis and the crisis caused by the COVID-19 pandemic. In particular, the banking sector is subject to continuous scrutiny at the political level and by the supervisory bodies, and it is foreseeable that in the future there will continue to be political intervention in regulatory and supervisory processes, as well as in the governance of the main financial entities. For these reasons, the laws, regulations and policies to which the Group is subject, as well as their interpretation and application, may change at any time. In addition, supervisors and regulators have significant discretion in carrying out their duties, which gives rise to uncertainty regarding the interpretation and implementation of the regulatory framework. Moreover, regulatory fragmentation and the implementation by some countries of more flexible or stricter rules or regulations could also negatively affect the Group's ability to compete with financial institutions that may or may not have to comply with any such rules or regulations, as applicable.

Regulatory changes over the last decade, as well as those currently being proposed (including changes in the interpretation or application of existing regulations), have increased and may continue to substantially increase the Group's operating expenses and adversely affect its business model. For example, the imposition of prudential capital standards has limited and is expected to continue to limit the ability of subsidiaries to distribute capital to the Bank, while liquidity standards may lead the Group to hold a higher proportion of financial instruments with higher liquidity and lower performance, which can adversely affect its net interest margin. The Group's regulatory and supervisory authorities may also require the Group to review or increase its loan loss allowances and record asset impairments, which could have an adverse effect on its financial condition.

Any legislative or regulatory measure, any necessary change in the Group's business operations, as a consequence of such measures, as well as any failure to comply with them, could result in a significant loss of income, represent a limitation on the ability of the Group to take advantage of business opportunities and offer certain products and services, affect the value

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of the Group's assets, force the Group to increase prices (which could reduce the demand for its products), impose additional compliance costs or result in other possible adverse effects for the Group.

One of the most significant regulatory changes resulting from the previous 2008 global financial crisis, was the introduction of resolution regulations (see "*Risks related to early intervention and resolution*"). In the event that the Relevant Spanish Resolution Authority considers that the Group is in a situation where conditions for early intervention or resolution are met, it may adopt the measures provided for in the applicable resolution regulations, including without prior notice. Such measures could include, among others, the write down and/or conversion into equity (or other securities or obligations) of the Group's unsecured debt. Likewise, the Relevant Spanish Resolution Authority may apply Non-Viability Loss Absorption (see "*Risks related to early intervention and resolution*") in the event that it determines that the entity meets the conditions for its resolution or that it will be no longer viable unless capital instruments are written down or converted into equity or extraordinary public support is provided.

Any such determination or the mere possibility that such determination could be made, could materially and adversely affect the Group's business, financial condition and results of operations, as well as the market price and behaviour of certain securities issued by the Group (or their terms, if amended following any exercise of the Spanish Bail-in Power (as defined in "*Risks related to early intervention and resolution*")).

In addition, on April 18, 2023, the European Commission adopted a legislative package proposal to adjust and strengthen the European Union's existing bank crisis management and deposit insurance framework (the "**CMDI Proposal**"). The package implies the review of the BRRD and SRM Regulation (each, as defined below) frameworks as well as a separate legislative proposal to amend Directive 2014/49/EU, of 16 April, on deposit guarantee schemes ("**Directive 2014/49**"), all with the aim of preserving financial stability, protecting taxpayers' money and providing better protection for depositors (including new rules that foresee that all deposits relative to ordinary unsecured claims are preferred). However, the CMDI Proposal is subject to further discussion by the European Parliament and the Council and, as of the date of this Base Prospectus, there is a high degree of uncertainty with regards to the proposed adjustments and when they will be finally implemented in the European Union. Therefore, the exact impact of these adjustments and the potential effects on the Group cannot be assessed yet.

***Increasingly onerous capital and liquidity requirements may have a material adverse effect on the Group's business, financial condition and results of operations***

The Group is subject to various minimum capital, liquidity and funding requirements, among others. For example, in its capacity as a Spanish credit institution, the Group is subject to compliance with a "Pillar 1" solvency requirement, a "Pillar 2" solvency requirement and a "combined buffer requirement", at both the individual and consolidated levels.

As a result of the most recent supervisory review and evaluation process ("**SREP**") carried out by the ECB, BBVA must maintain, at a consolidated level, from January 1, 2023, a common equity tier 1 ("**CET1**") ratio of 8.75 per cent. and a total capital ratio of 13.00 per cent. The consolidated overall capital requirement includes: (i) the "Pillar 1" minimum capital requirement of 4.50 per cent.; (ii) the minimum capital requirement of "Pillar 2" of 1.71 per cent. (of which at least 0.96 per cent. must be met with CET1), of which 0.21 per cent. (0.12 per cent. must be met with CET1) is determined on the basis of the ECB's prudential provisioning expectation, which as of January 1, 2023 will no longer be treated as a deduction from CET1; (iii) the capital conservation buffer (2.5 per cent. of CET1); (iv) the capital buffer for Other Systemically Important Institutions (O-SIIs) (0.75 per cent. of CET1); and (v) the capital buffer for Countercyclical Risk (0.04 per cent. of CET1). Likewise, BBVA must maintain, at an individual level, a CET1 ratio of 7.90 per cent. and a total capital ratio of 12.06 per cent. These ratios include a Pillar 2 requirement at the individual level of 1.5 per cent., of which at least 0.84 per cent. must be met with CET1. These figures include the 0.04 per cent counter-cyclical buffer applicable to the Group and the 0.06 per cent counter-cyclical buffer applicable to the Issuer at an individual level, as it is disclosed in the 1Q23 Consolidated Interim Financial Statements.

As of March 31, 2023 and December 31, 2022, the Group's phased-in total capital ratio was 16.30 per cent. and 15.98 per cent., respectively (17.24 per cent. as of December 31, 2021) on a consolidated basis and 17.19 per cent. and 16.94 per cent., respectively (19.64 per cent. as of December 31, 2021) on an individual basis, and its CET1 phased-in capital ratio was 13.13 per cent. and 12.68 per cent., respectively (12.98 per cent. as of December 31, 2021) on a consolidated basis and 13.01 per cent. and 12.77 per cent., respectively (14.14 per cent. as of December 31, 2021) on an individual basis, and the Group's fully loaded total capital ratio was 16.30 per cent. and 15.94 per cent., respectively (16.99 per cent. as of December 31, 2021) on a consolidated basis and 17.19 per cent. and 16.95 per cent., respectively (19.68 per cent. as of December 31, 2021) on an individual basis, while the Group's fully loaded CET1 ratio was 13.13 per cent. and 12.61 per cent., respectively (12.75 per cent. as of December 31, 2021) on a consolidated basis and 13.01 per cent. and 12.74 per cent., respectively (14.11 per cent. as of December 31, 2021) on an individual basis.

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Such ratios exceed the applicable regulatory requirements described above, but there can be no assurance that the total capital requirements imposed on the Bank and/or the Group from time to time may not be higher than the levels of capital available at such point in time. There can also be no assurance as to the result of any future SREP carried out by the ECB and whether this will impose any further additional "Pillar 2" own funds requirements on the Bank and/or the Group.

Additionally, BBVA, as a Spanish credit institution, must maintain a minimum level of own funds and eligible liabilities (the "**MREL requirement**" and the own funds and eligible liabilities satisfying the MREL requirement, "**MREL**"). On March 8, 2022, the Bank announced that it had received a communication from the Bank of Spain of its new MREL requirement, as determined by the Single Resolution Board (the "**SRB**"), repealing and superseding the previous MREL requirement communicated in May 2021.

In accordance with this new communication, BBVA has to maintain, from January 1, 2022, a volume of MREL equal to 21.46 per cent. of the total RWAs of its resolution group (the "**MREL in RWAs**"), of which 13.5 per cent. of the total RWAs of BBVA's resolution group has to be fulfilled with subordinated instruments (the "**MREL in RWAs subordination requirement**"). The MREL in RWAs and the MREL in RWAs subordination requirement do not include the combined buffer requirement which, according to applicable regulations and supervisory criteria, is currently 3.26 per cent. (setting the MREL in RWAs including the combined buffer requirement at 24.72 per cent. and the MREL in RWAs subordination requirement including the combined buffer requirement at 16.76 per cent.).

As of March 31, 2023 and December 31, 2022, the MREL of the resolution group amounted to 26.89 per cent. and 26.45 per cent., respectively (28.24 per cent. as of December 31, 2021) of its RWAs, and the own funds and subordinated eligible liabilities corresponded to 23.59 per cent. and 21.74 per cent., respectively (24.65 per cent. as of December 31, 2021).

In addition, BBVA had to maintain, from January 1, 2022, an amount of MREL in terms of the total exposure considered for calculating the leverage ratio equal to 7.50 per cent. (the "**MREL in LR**") of which 5.84 per cent., in terms of the total exposure considered for calculating the leverage ratio, shall be satisfied with subordinated instruments (the "**MREL in LR subordination requirement**").

As of March 31, 2023 and December 31, 2022, the resolution group has unsubordinated MREL of 10.93 per cent. and 11.14 per cent., respectively (11.31 per cent. as of December 31, 2021) and subordinated MREL of 9.02 per cent. and 9.16 per cent., respectively (9.88 per cent. as of December 31, 2021) in terms of total exposure taken into account for the calculation of the leverage ratio.

The BBVA resolution group consists of the Bank and its subsidiaries belonging to the same European resolution group and, as of March 31, 2023, the RWAs of the resolution group amounted to €206,655 million and the total exposure considered for calculating the leverage ratio amounted to €508,210 million.

As of the date of this Base Prospectus, no "Pillar 2" MREL Requirement has been imposed on BBVA and BBVA complies with the MREL in RWAs, the MREL in RWAs subordination requirement, the MREL in LR and the MREL in LR subordination requirement.

However, both the capital and the MREL requirements, the own funds and the eligible liabilities available for MREL purposes are subject to interpretation and change and, therefore, no assurance can be given that the Group's interpretation is the appropriate one or that the Bank and/or the Group will not be subject to more stringent requirements at any future time. Likewise, no assurance can be given that the Bank and/or the Group will be able to fulfil whatever future requirements may be imposed, even if such requirements were to be equal or lower than those currently in force. There can also be no assurances as to the ability of the Bank and/or the Group to comply with any capital target announced to the market at any given time, which could be adversely perceived by investors and/or supervisors, who could interpret that a lack of capital-generating capacity for the Bank and/or the Group exists or that the capital structure has deteriorated, either of which could adversely affect the market value or behaviour of securities issued by the Bank and/or the Group (and, in particular, of the Preferred Securities and any of its other capital instruments and eligible liabilities) and, therefore, lead to the implementation of new recommendations or requirements regarding "Pillar 2" or (should the Relevant Spanish Resolution Authority interpret that obstacles may exist for the viability of the resolution of the Bank and/or the Group) MREL. Further, the Bank and/or the Group may report amounts different from consensus estimates, as occurred with respect to the CET1 ratios of the Bank and the Group as of December 31, 2021, which may also affect market perceptions of BBVA and the Group.

If the Bank or the Group failed to comply with its "combined buffer requirement", it would have to calculate the Maximum Distributable Amount ("**MDA**") and, until such calculation has been undertaken and reported to the Bank of Spain, the Bank would not be able to make any (i) distributions relating to CET1 capital; (ii) payments related to variable remuneration



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or discretionary pension benefits; and (iii) distributions linked to additional tier 1 ("AT1") instruments ("**discretionary payments**"). Once the MDA has been calculated and reported, such discretionary payments would be limited to the calculated MDA. Likewise, should the Bank or the Group not meet the applicable combined buffer requirement, it could result in the imposition of additional requirements of "Pillar 2". Regarding MREL, failure by the Bank to meet its respective "combined buffer requirement" for these purposes, taken together with its MREL requirements (the "**MREL-MDA**") could result in the imposition of restrictions or prohibitions on discretionary payments. Additionally, failure to comply with the capital requirements may result in the implementation of early intervention measures or, ultimately, resolution measures by the resolution authorities.

Regulation (EU) 2019/876 of the European Parliament and of the Council, of May 20, 2019 (as amended, replaced or supplemented at any time, "**CRR II**") establishes a binding requirement for the leverage ratio effective from June 28, 2021 of 3 per cent. of Tier 1 capital (as of March 31, 2023, December 31, 2022 and December 31, 2021 the phased-in leverage ratio of the Group was 6.6 per cent., 6.49 per cent. and 6.80 per cent., respectively and fully loaded it was 6.6 per cent., 6.46 per cent. and 6.69 per cent.). Any failure to comply with this leverage ratio buffer may also result in the need to calculate and report the MDA, and restrictions on discretionary payments. Moreover, CRR II proposes new requirements that capital instruments must meet in order to be considered AT1 or Tier 2 instruments. Once the grandfathering period in CRR II has elapsed, AT1 and/or Tier 2 instruments which do not comply with the new requirements at such date will no longer be considered as capital instruments.

Additionally, the implementation of the ECB's expectations regarding prudential provisions for NPLs (published on May 15, 2018) and the ECB's review of internal models being used by banks subject to its supervision for the calculation of their RWAs ("**TRIMs**"), as well as complementary regulatory initiatives like the EBA's roadmap to repair internal models used to calculate own funds requirements for credit risk under the Internal Ratings Based ("**IRB**") approach, could result in the need to increase provisions for future NPLs and increases in the Group's capital needs.

Furthermore, the implementation of the Basel III reforms (including changes to the calculation of the Group's Operational Risk) could result in an increase of the Bank's and the Group's total RWAs and, therefore, could also result in a decrease of the Bank's and the Group's capital ratios. Likewise, the lack of uniformity in the implementation of the Basel III reforms across jurisdictions in terms of timing and applicable regulations could give rise to inequalities and competition distortions. Moreover, the lack of regulatory coordination, with some countries bringing forward the application of Basel III requirements or increasing such requirements, could adversely affect an entity with global operations such as the Group and could affect its profitability.

Additionally, should the Total Loss Absorbing Capacity ("**TLAC**") requirements currently only imposed upon financial institutions of global systemic importance ("**G-SIBs**"), be imposed on non-G-SIBs entities or should the Group once again be classified as a G-SIB, additional minimum requirements similar to MREL could in the future be imposed upon the Group.

There can be no assurance that the above capital or MREL requirements will not adversely affect the Bank's or its subsidiaries' ability to make discretionary payments, or result in the cancellation of such payments (in whole or in part), or require the Bank or such subsidiaries to issue additional securities that qualify as eligible liabilities or regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have adverse effects on the Group's business, financial condition and results of operations. Furthermore, an increase in capital or MREL requirements could adversely affect the return on equity and other of the Group's financial results indicators. Moreover, the Bank's or the Group's failure to comply with their capital or MREL requirements could have a significant adverse effect on the Group's business, financial condition and results of operations.

Lastly, the Group must also comply with liquidity and funding ratios. Several elements of the liquidity coverage ratio ("**LCR**") and net stable financing ratio ("**NSFR**"), as introduced by national banking regulators and fulfilled by the Group, may require implementing changes in some of its commercial practices, which could expose the Group to additional expenses (including an increase in compliance expenses), affect the profitability of its activities or otherwise lead to a significant adverse effect on the Group's business, financial condition or results of operations. As of March 31, 2023 and December 31, 2022, the Group's LCR was 142 per cent. and 159 per cent., respectively (165 per cent. as of December 31, 2021) and its NSFR was 132 per cent. and 135 per cent., respectively (135 per cent. as of December 31, 2021).

### *The Group is exposed to tax risks that may adversely affect it*

The size, geographic diversity and complexity of the Group and its commercial and financial relationships with both third parties and related parties result in the need to consider, evaluate and interpret a considerable number of tax laws and regulations, as well as any relevant interpretative materials, which in turn involve the use of estimates, the interpretation

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of indeterminate legal concepts and the determination of appropriate valuations in order to comply with the tax obligations of the Group. In particular, the preparation of the Group's tax returns and the process for establishing tax provisions involve the use of estimates and interpretations of tax laws and regulations, which are complex and subject to review by the tax authorities. Any error or discrepancy with tax authorities in any of the jurisdictions in which the Group operates may give rise to prolonged administrative or judicial proceedings that may have a material adverse effect on the Group's results of operations.

In addition, governments in different jurisdictions, including Spain, are seeking to identify new funding sources, and, they have recently focused on the financial sector. The Group's presence in various jurisdictions increases its exposure to regulatory and interpretative changes, which could lead to (i) an increase in the types of tax to which the Group is subject, including in response to the demands of various political forces such as the regulation of a minimum effective tax rate introduced in the Spanish Corporate Income Tax Law and the Non-Residents Income Tax Law by Law 22/2021, of 28th December, in the General State Budget for 2022, with effects as of January 1, 2022 (i.e., the minimum net tax liability is 18 per cent. of the tax base for credit institutions) or EU Council Directive 2022/2523 of December 14, 2022 that guarantees a minimum level of global taxation of multinational groups in the European Union with income of at least €750 million and that is pending to be transposed into Spanish regulation before December 31, 2023, (ii) changes in the calculation of tax bases, and exemptions therefrom, such as is provided in the Spanish Corporate Income Tax Law to limit the exemption for dividends and capital gains from domestic and foreign subsidiaries to 95 per cent., which would mean that 5 per cent. of the dividends and capital gains of Group companies in Spain will be subject to, and not exempt from corporate tax or, (iii) the creation of new taxes, like the common financial transaction tax ("FTT") in the proposed Tax Directive of the European Commission for the Financial Transactions Tax (which would tax the acquisitions of certain securities negotiated in markets where the Group operates) and the Spanish FTT which came into effect in Spain in January 2021 or the creation of a temporary tax on extraordinary profits applicable to credit institutions operating in Spain amounting to 4.8 per cent. of net income from interest and commissions generated in Spain, which is currently intended to apply to fiscal years 2023 and 2024 (the estimated impact for 2023 is expected to be €225 million) all of which may have adverse effects on the business, financial condition and results of operations of the Group.

### *The Group is exposed to compliance risks*

The Group, due to its role in the economy and the nature of its activities, is singularly exposed to certain compliance risks. In particular, the Group must comply with regulations regarding customer conduct, market conduct, the prevention of money laundering and the financing of terrorist activities, the protection of personal data, the restrictions established by national or international sanctions programs and anti-corruption laws (including the US Foreign Corrupt Practices Act of 1977 and the UK Bribery Act of 2010), the violations of which could lead to very significant penalties. These anti-corruption laws generally prohibit providing anything of value to government officials for the purposes of obtaining or retaining business or securing any improper business advantage. As part of the Group's business, the Group directly or indirectly, through third parties, deals with entities whose employees are considered to be government officials. The Group's activities are also subject to complex customer protection and market integrity regulations.

Generally, these regulations require banking entities to, among other measures, use diligence measures to manage compliance risk. Sometimes banking entities must apply reinforced due diligence measures due to the very nature of their activities (among others, private banking, money transfer and foreign currency exchange operations), as they may present a higher risk of money laundering or terrorist financing.

Although the Group has adopted policies, procedures, systems and other measures to manage compliance risk, it is dependent on its employees and external suppliers for the implementation of these policies, procedures, systems and other measures, and it cannot guarantee that these are sufficient or that the employees (116,923, 115,675 and 110,432 as of March 31, 2023, December 31, 2022 and December 31, 2021, respectively) or other persons of the Group or its business partners, agents and/or other third parties with a business or professional relationship with BBVA do not circumvent or violate current regulations or the Group's ethics and compliance regulations, acts for which such persons or the Group could be held ultimately responsible and/or that could damage the Group's reputation. In particular, acts of misconduct by any employee, and particularly by senior management, could erode trust and confidence and damage the Group's reputation among existing and potential clients and other stakeholders. Actual or alleged misconduct by Group entities in any number of activities or circumstances, including operations, employment related offenses such as sexual harassment and discrimination, regulatory compliance, the use and protection of data and systems, and the satisfaction of client expectations, and actions taken by regulators or others in response to such misconduct, could lead to, among other things, sanctions, fines and reputational damage, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

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Furthermore, the Group may not be able to prevent third parties outside the Group from using the banking network in order to launder money or carry out illegal or inappropriate activities. Further, financial crimes continually evolve and emerging technologies, such as cryptocurrencies and blockchain, could limit the Group's ability to track the movement of funds. Additionally, in adverse economic conditions, it is possible that financial crime attempts will increase significantly.

If there is a breach of the applicable regulations or BBVA's ethics and compliance regulations or if the competent authorities consider that the Group does not perform the necessary due diligence inherent to its activities, such authorities could impose limitations on the Group's activities, the revocation of its authorisations and licenses, and economic penalties, in addition to having significant consequences for the Group's reputation, which could have a significant adverse impact on the Group's business, financial condition and results of operations. Furthermore, the Group from time to time conducts investigations related to alleged violations of such regulations and the BBVA's ethics and compliance regulations, and any such investigation or any related proceeding could be time consuming and costly, and its results difficult to predict.

Finally, mainly in 2020, the COVID-19 pandemic led many countries to adopt specific regulations, largely focused on consumer protection measures. These difficulties associated with the need to timely adapt the Group's processes and systems to these new regulations quickly has posed a compliance risk. Likewise, the increase in remote account opening driven in part by the pandemic has resulted in increased money laundering risks. Additionally, criminals have sought to exploit the opportunities created by the pandemic across the globe, which has resulted in increased money laundering risks associated with counterfeiting of medical goods, investment fraud, cyber-crime scams and exploitation of economic stimulus measures put in place by governments. Increased strain on the Group's communications surveillance frameworks could raise the Group's market conduct risk.

Any attack, failure or deficiency in the Group's systems could, among other things, lead to the misappropriation of funds of the Group's clients or the Group itself and the unauthorised disclosure, destruction or use of confidential information, as well as preventing the normal operation of the Group, and impair its ability to provide services and carry out its internal management. Furthermore, this could result in the loss of customers and business opportunities, damage to computers and systems, violation of regulations regarding data protection and/or other regulations, exposure to litigation, fines, sanctions or interventions, loss of confidence in the Group's security measures, damage to its reputation, reimbursements and compensation, and additional regulatory compliance expenses and could have a significant adverse impact on the Group's business, financial condition and results of operations.

### ***BBVA's financial statements are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of its operations and financial condition***

The preparation of financial statements in compliance with IFRS-IASB requires the use of estimates. It also requires management to exercise judgment in applying relevant accounting policies. The key areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the consolidated and individual financial statements, include the classification, measurement and impairment of financial assets, particularly where such assets do not have a readily available market price, the assumptions used to quantify certain provisions and for the actuarial calculation of post-employment benefit liabilities and commitments, the useful life and impairment losses of tangible and intangible assets, the valuation of goodwill and purchase price allocation of business combinations, the fair value of certain unlisted financial assets and liabilities, the recoverability of deferred tax assets and the exchange and inflation rates of Venezuela. There is a risk that if the judgment exercised or the estimates or assumptions used subsequently turn out to be incorrect then this could result in significant loss to the Group beyond that anticipated or provided for, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Observable market prices are not available for many of the financial assets and liabilities that the Group holds at fair value and a variety of techniques to estimate the fair value are used. Should the valuation of such financial assets or liabilities become observable, for example as a result of sales or trading in comparable assets or liabilities by third parties, this could result in a materially different valuation to the current carrying value in the Group's financial statements.

The further development of standards and interpretations under IFRS-IASB could also significantly affect the results of operations, financial condition and prospects of the Group.

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### 2.5 Operational Risks

***Attacks, failures or deficiencies in the Group's procedures, systems and security or those of third parties to which the Group is exposed could have a significant adverse impact on the Group's business, financial condition and results of operations, and could be detrimental for its reputation***

The Group's activities depend to a large extent on its ability to process and report effectively and accurately on a high volume of highly complex transactions with numerous and diverse products and services (by their nature, generally ephemeral), in different currencies and subject to different regulatory regimes. Therefore, it relies on highly sophisticated information technology ("IT") systems for data transmission, processing and storage. However, IT systems are vulnerable to various problems, such as hardware and software malfunctions, computer viruses, hacking, and physical damage to IT centers. BBVA's exposure to these risks has increased significantly in recent years due to the Group's implementation of its ambitious digital strategy. The Group acquired 11.2 million new customers through its own channels in 2022. As a result of the improvement in digital capacities, the acquisition of customers through these channels has increased steadily over recent years, and in 2022 reached an all-time high at over 6.2 million, accounting for 55 per cent. of all new customers. Mobile customers have grown by 65 per cent. since December 2019 reaching 47.4 million and accounting for 70 per cent. of the total. Digital sales now amount to 78 per cent. of the total units sold. Digital services, as well as other alternatives that BBVA offers users to become BBVA customers, have become even more important after the COVID-19 outbreak and the ensuing restrictions on mobility in the countries in which the Group operates. Currently, one in three new clients chooses digital channels to start their relationship with BBVA. The Group suffers cybersecurity incidents and system failures from time to time.

Any attack, failure or deficiency in the Group's systems could, among other things, lead to the misappropriation of funds of the Group's clients or the Group itself and the unauthorised disclosure, destruction or use of confidential information, as well as preventing the normal operation of the Group, and impairing its ability to provide services and carry out its internal management. In addition, any attack, failure or deficiency could result in the loss of customers and business opportunities, damage to computers and systems, violation of regulations regarding data protection and/or other regulations, exposure to litigation, fines, sanctions or interventions, loss of confidence in the Group's security measures, damage to its reputation, reimbursements and compensation, and additional regulatory compliance expenses and could have a significant adverse impact on the Group's business, financial condition and results of operations. Furthermore, it is possible that such attacks, failures or deficiencies will not be detected on time or ever. The Group is likely to be forced to spend significant additional resources to improve its security measures in the future. As cyber-attacks are becoming increasingly sophisticated and difficult to prevent, the Group may not be able to anticipate or prevent all possible vulnerabilities, nor to implement preventive measures that are effective or sufficient. Customers and other third parties to which the Group is significantly exposed, including the Group's service providers (such as data processing companies to which the Group has outsourced certain services), face similar risks. Any attack, failure or deficiency that may affect such third parties could, among other things, adversely affect the Group's ability to carry out operations or provide services to its clients or result in the unauthorised disclosure, destruction or use of confidential information. Furthermore, the Group may not be aware of such attack, failure or deficiency in time, which could limit its ability to react. Moreover, as a result of the increasing consolidation, interdependence and complexity of financial institutions and technological systems, an attack, failure or deficiency that significantly degrades, eliminates or compromises the systems or data of one or more financial institutions could have a significant impact on its counterparts or other market participants, including the Group.

### 2.6 Risks related to early intervention and resolution

***The liabilities of the Guarantor including the Guarantee may 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 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, 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.

BRRD, as implemented in Spain through Law 11/2015 (as amended), together with Royal Decree 1012/2015, of 6 November, implementing Law 11/2015 (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

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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.

The Guarantee is an unsecured and unsubordinated preferred senior obligation of the Guarantor (*crédito ordinario preferente*). Subject to statutory preferences, the Guarantee will rank equally with any of the Guarantor's other unsecured and unsubordinated senior preferred indebtedness (*créditos ordinarios preferentes*). However, the Guarantee will be effectively subordinated to all of the Guarantor'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 Provisions 14 of Law 11/2015. The Guarantee is also structurally subordinated to all indebtedness of subsidiaries of the Guarantor insofar as any right of the Guarantor 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.

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 Securityholders (as beneficiaries of the Guarantee) and the Issuer) of a failing relevant entity (such as the Guarantor) (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 "**Spanish Bail-in Power**"), which equity or other instruments could also be subject to any future write-down. Any application of the Spanish Bail-in Power under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on the Securityholders (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. In this respect, as indicated in "*The Group is subject to a comprehensive regulatory and supervisory framework, including resolution regulations, which could have a significant adverse effect on its business, financial condition and results of operations*" above, the CMDI Proposal 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 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 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 known yet given it is still in the form of a legislative proposal and therefore subject to further amendments.

Additionally, the exercise of the Spanish Bail-in Power and the exercise of any such powers may result in such Securityholders losing some or all of their investment. Such application could involve, the determination that all or part of the Guarantee over the principal amount of any Securities or any liability of BBVA (such as those arising from the Hedging Agreements (as defined below)) 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 Securityholders, the price or value of any Securities and/or the ability of the relevant Issuer and the Guarantor to satisfy their respective obligations under any Securities, the Guarantee and the Hedging Agreements.

To the extent any resulting treatment of Securityholders pursuant to the exercise of the Spanish Bail-in Power is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a Securityholder has a right to compensation under the BRRD based on an independent valuation of the relevant entity (which is referred to as

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the "*no creditor worse off safeguard*" under the BRRD). Any such compensation is unlikely to compensate that Securityholder 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 Securities.

### ***Securityholders 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 Guarantor and, indirectly, the Issuer, 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 Guarantor 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.

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 Guarantor 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 Securityholder of its rights under the Securities 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 as referred below.

Any claims 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 Securityholders and the price or value of their investment in the Securities as well as the ability of the Issuer and/or the Guarantor to satisfy its obligations under the Securities or the Guarantee. The enforcement by a Securityholder of any rights it may otherwise have on the occurrence of any event of default may be limited in these circumstances.

### ***Additional information on the BRRD and SRM Regulation***

In accordance with Article 20 of Law 11/2015, a relevant entity will be considered as failing or likely to fail in any of the following circumstances: (i) it is, or is likely in the near future to be, in significant breach of its solvency or any other requirements necessary for maintaining its authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances). The determination that a relevant entity is no longer viable may depend on a number of factors which may be outside of that relevant entity's control.

As provided in the BRRD and the SRM Regulation, Law 11/2015 contains four resolution tools and powers, which may be used alone or in combination where the relevant resolution authority considers that (a) a relevant entity is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe, and (c) a resolution action is in the public interest, are: (i) sale of business – which enables resolution authorities to direct the sale of the relevant entity or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the relevant entity to meet its repayment obligations; (iii) asset separation – which enables resolution authorities to transfer certain categories of assets (including impaired or problem assets) to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) the general bail-in tool.

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 Guarantor 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.

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### *Risks relating to the Spanish Insolvency Law affecting the Guarantor*

The Spanish Insolvency Law governs general insolvency and pre-insolvency proceedings in Spain.

The Spanish Insolvency Law establishes a single insolvency proceeding applicable to Spanish debtors (whether incorporated or not) and various preinsolvency tools to try to restructure the debt. In this regard, recently, the Kingdom of Spain has implemented the European Directive 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132, through Spanish Law 16/2022, of 5 September (the "**Insolvency Law Reform**").

The new pre-insolvency instruments established by the Insolvency Law Reform are set out in the Second Book of the Insolvency Law significantly the new restructuring plans. These pre-insolvency instruments replace the refinancing agreements and enable the amendment of the conditions or the structure of the debtor's assets and liabilities, or its equity (among other things). The restructuring plans may also involve the transfer of assets, transfer of business units or transfer of the whole company. However, such pre-insolvency instruments are not applicable to credit institutions such as BBVA.

Furthermore, the Spanish Insolvency Law 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 (despite this, the Insolvency Law Reform introduced the possibility for the restructuring plan to terminate agreements with bilateral/reciprocal obligations when such actions is deemed necessary for the good of the restructuring plan or to avoid the insolvency of the debtor), 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 is subject to a comprehensive regulatory and supervisory framework, including resolution regulations, which could have a significant adverse effect on its business, financial condition and results of operations*" 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 known yet given it is still in the form of a legislative proposal and therefore subject to further amendments.

### **3. Risk Factors relating to the Securities**

#### **3.1 Risk Factors associated with Securities that are linked specific types of Reference Items**

There are certain factors which are material for the purpose of assessing the risks associated with an investment in Securities issued under the Programme. Such factors will vary depending on the type of Securities issued, in particular in relation to Securities in respect of which amounts payable under the Securities are linked to the value of one or more index, share, inflation index, unit, interest or share in a fund, the credit of one or more reference entity, foreign exchange rate, EUA contracts or the combination of any of the foregoing.

#### *There are specific risks relating to Equity Linked Securities*

The Issuer may issue Securities where the redemption amount or the value of the Entitlement (as defined in General Condition 5(b)(v)) and/or interest payable is dependent upon the price of or changes in the price of shares or a basket of shares (or depositary receipts) or, depending on the price of or change in the price of shares or the basket of shares (or depositary receipts), where the Issuer's obligation on redemption is to deliver a specified number of shares (or depositary receipts) ("**Equity Linked Securities**"). Accordingly, an investment in Equity Linked Securities may bear similar market risks to a direct equity investment and investors should take advice accordingly.

Investors in any such Securities should be aware that, depending on the terms of the Equity Linked Securities (i) they may receive no or a limited amount of interest, (ii) payment of the redemption amount and/or interest occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment if the value of the share(s) and/or

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depository receipt(s) does not move in the anticipated direction. In addition, the movements in the price of the share or depository receipt or basket of shares and/or depository receipts 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 share or shares may affect the actual yield to investors, even if the average price is consistent with their expectations. All these factors may affect the investments in the Securities.

The market price of such Securities may be volatile and may be affected by the time remaining to the redemption date, the volatility of the share(s) and/or depository receipt(s), the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant share(s) or depository receipt(s) as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such shares or depository receipts may be traded.

Upon determining that a Potential Adjustment Event, Extraordinary Event or Additional Disruption Event has occurred in relation to an underlying share or the issuer of such underlying share, the Calculation Agent has broad discretion to make certain determinations to account for such event including to (i) make adjustments to the terms of the Securities and/or (ii) (in the case of an Extraordinary Event or an Additional Disruption Event) cause early redemption of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

See also risk factor "*The Calculation Agent, which will be the Guarantor or an affiliate of the Guarantor, has broad discretionary powers which may not take into account the interests of the Securityholders*" below.

### ***There are specific risks relating to ETF Linked Securities***

The Issuer may issue Securities where the redemption amount or the value of the Entitlement (as defined in General Condition 5(b)(v)) and/or interest payable is dependent upon the price of or changes in the price of an exchange traded fund share or a basket of exchange traded fund shares or, depending on the price of or change in the price of an exchange traded fund share or a basket of exchange traded fund shares, where the Issuer's obligation on redemption is to deliver a specified number of shares ("**ETF Linked Securities**"). Accordingly, an investment in ETF Linked Securities may bear similar market risks to a direct ETF investment and investors should take advice accordingly.

Investors in any such Securities should be aware that, depending on the terms of the ETF Linked Securities (i) they may receive no or a limited amount of interest, (ii) payment of the redemption amount and/or interest and (iii) they may lose all or a substantial portion of their investment if the value of the ETF share(s) does not move in the anticipated direction. In addition, the movements in the price of the ETF share or basket of ETF shares 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 ETF share or ETF shares may affect the actual yield to investors, even if the average level is consistent with their expectations. All these factors may affect the investments in the Securities.

The market price of such Securities may be volatile and may be affected by the time remaining to the redemption date, the volatility of the ETF share(s), the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant ETF share(s) as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such ETF shares may be traded.

The market price of such Securities may be volatile and may be affected by the time remaining to the redemption date and the volatility of ETF share(s) as well as the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) or pricing source(s) on which the ETF itself, any securities or other components comprising the ETF may be traded. The ETF may comprise equities, bonds or other securities, or it may be an ETF referencing certain price data which will be subject to market price fluctuations or may reference other underlying component types. An index may include valuations only and not actual transactions and the data sources used to compile the index may be subject to change, which may adversely affect the return on the Securities.

Where ETF Linked Securities are linked to an ETF and the investment objective of such ETF is to track the performance of one or more underlying assets or an index, the investors of such Securities are exposed to the performance of such ETF rather than the underlying asset(s) or index such ETF tracks. An ETF may not be able to accurately track the underlying asset(s) or the constituent securities of the underlying index which could give rise to a difference between the performance of the underlying asset(s) or index and such ETF. Accordingly, investor who purchase Securities that are linked to an ETF may receive a lower return than if such investors had invested directly in the asset(s) or the components of the index underlying such ETF.



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Upon determining that one or more Potential ETF Events (as defined in ETF Linked Condition 2) has occurred, the Calculation Agent may seek to make adjustments in accordance with the ETF Linked Conditions. Such adjustments may have an adverse effect on the value of the Securities.

Upon determining that one or more Extraordinary ETF Events (as defined in ETF Linked Condition 2) has occurred the Issuer may seek to make adjustments, substitute the relevant ETF Share(s), as the case may be, with exchange traded fund share(s), as the case may be, with similar characteristics or, if no such ETF is selected, with a replacement index, or redeem the Securities at its discretion. Any adjustment or substitution may have an adverse effect on the value of the Securities.

See also risk factor "*The Calculation Agent, which will be the Guarantor or an affiliate of the Guarantor, has broad discretionary powers which may not take into account the interests of the Securityholders*" below.

### ***There are specific risks relating to Index Linked Securities***

The Issuer may issue Securities where the redemption amount and/or interest payable is dependent upon the level of, or changes in the level of, an index or a basket of indices ("**Index Linked Securities**"). Accordingly, an investment in Index Linked Securities may bear similar market risks to a direct investment in the components of the index and investors should take advice accordingly.

Investors in any such Securities should be aware that depending on the terms of the Index Linked Securities (i) they may receive no or a limited amount of interest, (ii) payment of the redemption amount and/or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment if the value of the index/indices does not move in the anticipated direction. In addition, movements in the level of the index or indices 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 level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. All these factors may affect the investments in the Securities

The market price of such Securities may be volatile and may be affected by the time remaining to the redemption date and the volatility of the level of the index or indices as well as the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) or pricing source(s) on which any securities or other components comprising the index or indices may be traded. The index may reference equities, bonds or other securities, or it may be an index referencing certain price data which will be subject to market price fluctuations or may reference other underlying component types. An index may include valuations only and not actual transactions and the data sources used to compile the index may be subject to change, which may adversely affect the return on the Securities.

Upon determining that one or more Index Adjustment Events or Additional Disruption Events (as defined in "*Annex 2 – Additional Terms and Conditions for Index Linked Securities*") has occurred the Issuer may require the Calculation Agent to make such adjustments as it determines appropriate to the terms of the Securities or redeem the Securities. Such action may have an adverse effect on the value and liquidity of the affected Index Linked Securities.

### ***A change in the composition or discontinuance of an index could adversely affect the market value of the Securities***

The sponsor of any index can add, delete or substitute the components of such index or make other methodological changes that could change the level of one or more components. The changing of components of any index may affect the level of such index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the Issuer to the investors. The sponsor of any such index may also alter, discontinue or suspend calculation or dissemination of such index. The sponsor of an index will have no involvement in the offer and sale of the Securities and will have no obligation to any investor. The sponsor of an index may take any actions in respect of such index without regard to the interests of the investors, and any of these actions could adversely affect the market value of the Securities.

### ***There are specific risks relating to Credit Linked Securities***

The Issuer may issue Securities where the redemption amount 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) or, where, if such events have occurred, the Issuer's obligation is to deliver certain specified assets upon redemption of the Securities.

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Investors in any such Securities should be aware that depending on the terms of the Credit Linked Securities (i) they may receive no or a limited amount of interest, (ii) payment of the redemption amount or interest or delivery of any specified assets 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 Securities 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.

The Issuer's obligations in respect of Credit Linked Securities 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.

### *Reference Entity Credit Risk*

The holders of Credit Linked Securities will be exposed to the credit of one or more Reference Entities, which exposure shall be, unless otherwise stated in the Issue Terms, to the full extent of their investment in such Securities. Upon the occurrence of any of the default events comprising a Credit Event with respect to any Reference Entity, the Securityholders 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 Security 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. Securityholders 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 Securities are accordingly exposed, as to (if Credit Linked Redemption is applicable) nominal 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 Securities is (if Credit Linked Redemption is applicable) 100 per cent. of the nominal amount, together with (if Credit Linked Interest is applicable) any accrued interest amounts.

For Index Credit Linked Securities and Long/Short Credit Linked Securities that reference an Index, the Reference Entities and the Reference Obligations as of the Issue Date of the Credit Linked Securities 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 Securities or iTraxx Tranched Index Credit Linked Securities) or Markit CDXTM Index (in the case of CDX Non-Tranched Index Credit Linked Securities or CDX Tranched Index Credit Linked Securities) with the Annex Date specified in the Issue Terms, as published by the Index Publisher (being Markit Group Limited as of the date of this Base Prospectus). Any determinations by the Index Sponsor (being Markit Indices Limited in the case of iTraxx Non-Tranched Index Credit Linked Securities and iTraxx Tranched Index Credit Linked Securities and Markit North America, Inc. in the case of CDX Non-Tranched Index Credit Linked Securities and CDX Tranched Index Credit Linked Securities, in each case as of the date of this Base Prospectus) 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 Securities and any such determinations and resulting changes in Reference Obligations and/or Reference Entities may have an adverse effect on the value of such Securities.

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 Securities or iTraxx Tranched Index Credit Linked Securities) or the "Effective Date" (in the case of CDX Non-Tranched Index Credit Linked Securities or CDX Tranched Index Credit Linked Securities) specified in the Index Annex, such replacement Reference Obligations and/or Successors will apply for the purposes of the Credit Linked Securities, 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 Securities.

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

Credit Linked Securities 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 Securities are Tranched Linear Basket Credit Linked Securities or Tranched Index Credit Linked Securities or Basket Tranched Credit Linked Securities or Long/Short Credit Linked Securities; or (iii) the Securities are Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities where Credit Payment on Maturity applies. However, where the Credit Event Redemption Amount payable in respect of Securities described in paragraph (ii) or (iii) of the foregoing section is zero and

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Credit Linked Redemption is applicable, the Securities will be redeemed early. Where such Securities are redeemed early following a Credit Event, investors may lose some or all of the amount invested and will not receive the full amount of interest (if any) to the extent that interest on the Security is also Credit Linked.

Where Maturity Credit Redemption applies or where the Securities are Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities where Credit Payment on Maturity Applies (as specified in the applicable Issue Terms) or where the Securities are Tranched Linear Basket Credit Linked Securities, Tranched Index Credit Linked Securities, Basket Tranched Index Credit Linked Securities or Long/Short Credit Linked Securities, in each case in respect of which Credit Linked Redemption is applicable, maturity of the Credit Linked Securities may be delayed until scheduled maturity of the Credit Linked Securities. 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 or deliverable on redemption of the Securities*

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 Securities in a reduced nominal amount or at zero meaning that investors may lose some or all of the amount invested.

Where Credit Linked Redemption is applicable and physical settlement applies, the occurrence of a Credit Event may result in the redemption of the Securities by delivery of certain direct or indirect obligations of the affected Reference Entity, which obligations are likely to have a market value which is substantially less than their par amount. Where the Securities provide for physical delivery, the Issuer may determine that the specified assets to be delivered are either (a) assets which, for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans), are impossible or illegal to deliver on the specified settlement date, or (b) assets which the Issuer, the Guarantor and/or any affiliate has not received under the terms of any transaction entered into by the Issuer, the Guarantor and/or such affiliate to hedge the Issuer's obligations in respect of the Securities. Any such determination may delay settlement in respect of the Securities and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Securities and, in the case of payment of a cash amount, will affect the timing of the valuation of such Securities and as a result, the amount payable on redemption.

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

Where the Securities are Single Reference Entity Credit Linked Securities, First-to-Default or Nth-to-Default Credit Linked Securities, and Credit-Linked Redemption is applicable, the Securities 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 Securities are Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities, and Credit-Linked Redemption is applicable, where Credit Payment As You Go applies, the Securities 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 Securities shall only be redeemed at the scheduled maturity date.

Where the Securities are Tranched Linear Basket Credit Linked Securities, the redemption amount of the Securities 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 Issue Terms 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 Issue Terms. The credit risk to Securityholders 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 Securities are Tranched Index Credit Linked Securities or Basket Tranched Index Credit Linked Securities, the redemption amount of the Securities 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 Issue Terms 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 Issue Terms, as the case may be, but will be subject to redemption in full as

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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 Issue Terms 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 Issue Terms, as the case may be. The credit risk to Securityholders 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 Securities are Long/Short Credit Linked Securities, the Securities 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 Securityholders 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 Securities*

In the case of Single Reference Entity Credit Linked Securities or First-to-Default Credit Linked Securities 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 Securities. In the case of Nth-to-Default Credit Linked Securities in respect of which Credit Linked Interest is applicable, following the occurrence of a Trigger no further interest will accrue on the Securities. 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 Issue Terms.

In the case of Tranched Linear Basket Credit Linked Securities 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 Issue Terms and each subsequent Credit Event Determination Date thereafter, interest that is subject to the Credit Linked provisions will accrue on a decreased nominal amount of the Securities 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 Issue Terms and at which point no further interest shall be due in respect of the Securities.

In the case of Tranched Index Credit Linked Securities or Basket Tranched Index Credit Linked Securities, 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 Issue Terms) or, in the case of Basket Tranched Index Credit Linked Securities, 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 nominal amount of the Securities 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 Issue Terms) or, in the case of Basket Tranched Index Credit Linked Securities, 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 Securities.

In the case of Long/Short Credit Linked Securities 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 nominal amount of the Securities and may cease to accrue entirely, depending on the nature of the Long Exposure specified in the Issue Terms.

*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 Securities, Tranched Linear Basket Credit Linked Securities, Tranched Index Credit Linked Securities, Basket Tranched Index Credit Linked Securities and Long/Short Credit Linked Securities*

Interest and redemption payments on the Securities may be calculated by reference to the outstanding nominal amount of the Securities. As at the Issue Date the outstanding nominal amount is an amount equal to the Aggregate Nominal Amount. If a Credit Event occurs in respect of a Reference Entity, then the outstanding nominal 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 Nominal Amount

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(which may be one hundred percent of such predefined portion resulting in such portion of the outstanding nominal 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 Securities 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 Securities, 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 Securities 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 Securities in the relevant applicable Issue Terms.

*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 Securities in a way that is adverse to the Securityholders and may have a negative impact on the value of the Securities.

*ISDA Credit Derivatives Definitions*

Whilst there are many similarities between the terms used in this Base Prospectus and the 2014 ISDA Definitions, there are also many substantial differences and an investor should understand that the complete terms and conditions of the Securities are as set out in this Base Prospectus and the applicable Issue Terms only and that the 2014 ISDA Definitions are not incorporated by reference to either. Unlike the 2014 ISDA Definitions, which are standardised and widely used for credit default swaps, the terms used in the Base Prospectus are specific and tailored to the features and risks of Credit Linked Securities. Consequently, investing in Credit Linked Securities is not necessarily equivalent to investing a credit default swap that incorporates 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 Securities are subject to further evolution. Past events have shown that the view of market participants may differ as to how the 2014 ISDA Definitions operates or should operate. As a result of the continued evolution of the market, the Credit Linked Securities may not conform to future market standards. Such a result may have a negative impact on the Credit Linked Securities 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 Securityholders.

*Risks relating to Auction Settlement of Credit Linked Securities*

Where an Auction Final Price Determination Date occurs in respect of Credit Linked Securities, 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 <https://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 Securityholders 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

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(b) submitting bids, offers and physical settlement requests 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 Securityholder and, as a result, may take action that is adverse to the interests of Securityholders.

### *Cheapest to deliver risk*

Where Physical Settlement is applicable, upon the occurrence of a Credit Event Determination Date, the Calculation Agent has the discretion to select Deliverable Obligations of the Reference Entity for delivery to the Securityholders. It is likely that the Deliverable Obligations selected by the Calculation Agent are obligations of the Reference Entity with the lowest market value that are permitted to be delivered in accordance with the terms of the Securities. In addition, the Deliverable 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 Deliverable Obligation. The Calculation Agent has no liability to account to the Securityholders or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from such selection.

### *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 Securities. This could result in a lower recovery value and hence greater losses for Securityholders. 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 Securityholders.

### *There are specific risks relating to Fund Linked Securities*

The Issuer may issue Securities where the redemption amount and/or interest payable are dependent upon the price or changes in the price of units or shares in a fund or funds or, depending on the price or changes in the price of units or shares in such fund or funds, where the Issuer's obligation on redemption is to deliver a specified amount of fund shares ("**Fund**"). Accordingly, an investment in Fund Linked Securities may bear similar market risks to a direct fund investment and investors should take advice accordingly.

Investors in any such Securities should be aware that, depending on the terms of the Fund Linked Securities (i) they may receive no or a limited amount of interest, (ii) payment of the redemption amount and/or interest and/or delivery of any specified Fund shares may occur at a different time than expected and (iii) they may lose all or a substantial portion of the investment. In addition, the movements in the price of units, shares or interests in the fund or funds 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 fund or funds may affect the actual yield to investors, even if the average level is consistent with their expectations.

The market price of such Securities 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 fund(s). The price of units or shares in a fund 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 fund(s) may be traded. In addition, 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 advisor. Investors should carefully review the prospectus, information memorandum and/or base prospectus (if any) issued by any relevant fund before purchasing any Securities linked to such funds. 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 fund or any such fund's administrative, custodian, investment manager or adviser. If such persons are not creditworthy or otherwise fail to perform, as the case may be, it may adversely affect value of the Securities.

In addition, when the Issuer issues Fund Linked Securities linked to one or more funds, including hedge funds the relevant fund(s) 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 fund(s) 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. The relevant fund(s), 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

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authorities. If the underlying relevant fund(s) do not perform sufficiently well, the value of the Securities will fall, and may in certain circumstances be zero.

In the event of the occurrence of one or more Extraordinary Fund Events (as defined in Fund Linked Condition 1), as the case may be, the Issuer may seek to make adjustments, substitute the relevant Fund Shares with fund shares of a fund, with similar characteristics or, if no such fund is selected, with a replacement index, or redeem the Securities at its discretion. Any adjustment or substitution may have an adverse effect on the value of the Securities.

In the event that redemption proceeds in respect of the underlying Fund Shares, as the case may be, are not received by the hedge provider on or prior to the Scheduled Maturity Date or Termination Date, such date may be postponed for a period of up to two calendar years (or such other period as may be specified in the Issue Terms) and no additional amount shall be payable as a result of such delay and so in such circumstance investors may therefore miss the opportunity to invest the redemption proceeds that would have been otherwise received earlier in other assets or investments.

See also risk factors "*A Securityholder does not have rights of ownership in the Reference Item(s)*" and "*The Calculation Agent, which will be the Guarantor or an affiliate of the Guarantor, has broad discretionary powers which may not take into account the interests of the Securityholders*" below.

For all the above reasons, investing directly or indirectly in funds is generally considered to be risky. If the underlying fund does not perform sufficiently well, the value of the Securities will fall, and may in certain circumstances be zero.

### *There are specific risks relating to Foreign Exchange (FX) Rate Linked Securities*

The Issuer may issue Securities where the redemption amount and/or interest payable 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 Securities are denominated ("**Foreign Exchange (FX) Rate Linked Securities**"). Accordingly, an investment in Foreign Exchange (FX) Rate Linked Securities may bear similar market risks to a direct foreign exchange investment and investors should take advice accordingly.

Investors in any such Securities should be aware that, depending on the terms of the Foreign Exchange (FX) Rate Linked Securities (i) they may receive no or a limited amount of interest, (ii) payment of the redemption amount and/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. All these factors may affect the investments in the Securities.

The foreign exchange rate(s) to which the Securities are linked will affect the nature and value of the investment return on the Securities. 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 Securities are linked to the currency of an emerging market jurisdiction, such risks may be magnified – see also risk factor "*There are specific risks in relation to Securities that are denominated in or linked to emerging market currencies*" below.

Payments of the redemption amount and interest or other obligations of the Issuer in respect of any Foreign Exchange (FX) Rate Linked Securities may be restricted or varied upon the occurrence of certain disruption events applicable to the Securities. A relevant disruption event for an exchange rate may relate to 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 Securities and/or the Issue Terms.

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 related date for payment or delivery

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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. Furthermore, following an Additional Disruption Event, the Securities 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. As a consequence, Investors in any Foreign Exchange (FX) Rate Linked Securities may be affected by an adverse effect on (i) the value of, and/or amounts due in respect of, the Securities 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 Securities is postponed as a consequence of an Additional Disruption Event.

See also risk factor "*The Calculation Agent, which will be the Guarantor or an affiliate of the Guarantor, has broad discretionary powers which may not take into account the interests of the Securityholders*" below.

### ***There are specific risks relating to Inflation Linked Securities***

The Issuer may issue Securities where the redemption amount and/or interest payable is dependent upon the level of an inflation index or indices ("**Inflation Linked Securities**").

Investors in any such Securities should be aware that, depending on the terms of the Inflation Linked Securities (i) they may receive no or a limited amount of interest, (ii) payment of the redemption amount and/or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the level of the inflation index or indices 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 level of the inflation index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations.

In certain circumstances following cessation of publication of the inflation index, the Calculation Agent may determine a successor inflation index and make adjustments to the terms of the Securities and such adjustments may have an adverse effect on the value of the Securities. In certain circumstances following cessation of publication of the inflation index, the Calculation Agent may determine that there is no appropriate alternative inflation index, in which case the Issuer may redeem the Securities early and investors may receive less than their initial investment in the Securities. See also risk factor "*The Calculation Agent, which will be the Guarantor or an affiliate of the Guarantor, has broad discretionary powers which may not take into account the interests of the Securityholders*" below.

The market price of such Securities may be volatile and may depend on the time remaining to the redemption date and the volatility of the level of the inflation index or indices. The level of the inflation index or indices may be affected by the economic, financial and political events in one or more jurisdictions. See also risk factor "*The regulation and reform of benchmarks*" may adversely affect the value of Notes linked to or referencing such "benchmarks"

### ***There are specific risks relating to EUA Contract Linked Securities***

The Issuer may issue Securities where the redemption amount and/or interest payable is dependent upon the level of the value of the underlying EUA Contracts or the future contracts relating to such EUA Contract ("**EUA Contract Linked Securities**").

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.

An EU Allowance corresponds to the emission of one tonne of carbon dioxide (CO<sub>2</sub>) 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 April 30 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.

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,



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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 Securities referencing EUA Contracts

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 Securities, 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 Securities to reflect such event, or redeem the EUA Contract Linked Securities. Any such adjustment or early redemption of the Securities may have an adverse effect on the value and liquidity of such Securities and accordingly the amount Securityholders can expect to receive on their investment.

If the applicable Issue Terms specify that "EUA Contract Early Redemption Amount" is applicable in respect of EUA Contract Linked Securities, investors should be aware that where the Securities are subject to early redemption following a Market Disruption Event as described above then, in such circumstances, the amount payable on an early redemption of such Securities will be determined by the Calculation Agent as the amount specified in the applicable Issue Terms or otherwise by reference, inter alia, to certain costs in relation to the early redemption and the value of two EUA Contracts specified in the applicable Issue Terms. Such Early Redemption Amount may be significantly less than the principal amount of the Securities or in some cases may be zero. The relevant prices of any such EUA Contracts may fluctuate due to various factors and as such affect the return on an investor's investment in the Securities.

If the applicable Issue Terms specify that the EUA Contract Linked Securities are "*Rolling Futures Contract Securities*", 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 Securities. The Calculation Agent will select a new futures contract on each Futures Rollover Date specified in the applicable Issue Terms. 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 Securities, the consequences of a Market Disruption Event described above will apply.

### 3.2 Risk Factors associated with Reference Item linked Securities

#### *Investors may lose some or all of their investment*

Reference Item Linked Securities are securities which do not provide for predetermined redemption amounts and/or interest payments, but amounts payable (whether in respect of redemption amount and/or interest) or entitlement amounts deliverable will be dependent upon the performance of the Reference Item, or a combination of Reference Items. Each type of Reference Item has its own risk profile and depends on various factors that can change its value and performance. These factors include credit, interest rate, foreign exchange, correlation, time value, political and/or other risks. All the factors associated with an impact on the value of the Reference Item will also affect the Securities that are linked to Reference Item(s). Therefore Securityholders holding Reference Item Linked Securities are in addition to the risks related to the Securities in general also exposed to the risks of the relevant Reference Item(s).

An investment in Reference Item Linked Securities therefore entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. These risks include the possibility that the holder of a Reference Item Linked Security could lose all or a substantial portion of the nominal amount of such Security (whether payable at maturity or upon early redemption or repayment), and that the resulting return on investment (if any) will be lower than on conventional debt securities issued by the Issuer around the same time or no return of investment will be achieved at all. To achieve a return on investment on a Reference Item Linked Security upon redemption an investor must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Reference Item(s).

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

The potential return on investment of Reference Item Linked Notes is directly dependent upon the value of the relevant Reference Item. Therefore, each change of the value of a Reference Item may directly affect the value of the Reference Item Linked Notes. If the Reference Item(s) perform unfavourably, the value of the Reference Item Linked Notes will be negatively affected.

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### ***A Securityholder does not have rights of ownership in the Reference Item(s)***

Investors should be aware that neither the Issuer nor the Guarantor 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 or the Guarantor will not be held by them for the benefit of the investors and, as such, Securityholders 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 Securities. As a result, Securityholders will not be able to exercise rights they would have as owner or have any recourse to any issuer of a Reference Item.

With respect to Equity Linked Securities, unless otherwise specified in the Issue Terms, the Interest Amount and/or Final Redemption Amount will not reflect the payment of any dividends on the underlying share(s). Accordingly, the return on the Equity Linked Securities will not reflect the return an investor would realise if it actually owned share(s) and received dividends, if any, paid on those securities. Therefore, the yield to maturity based on the methodology for calculating the Final Redemption Amount will not be the same yield as would be produced if the share(s) were purchased directly and held for a similar period.

With respect to the Index Linked Securities, if the components of the indices are shares, Securityholders will not receive any dividends paid on those share(s) and will not participate in the return on those dividends unless the relevant index takes such dividends into account for purposes of calculating the relevant level. Accordingly, investors in Index Linked Securities may receive a lower payment upon redemption of such Securities than such investor would have received if the Securityholder had invested in the components of the index directly.

With respect to Fund / ETF Linked Securities, unless otherwise specified in the Issue Terms, the Interest Amount and/or Final Redemption Amount will not reflect the payment of any dividends on the underlying fund shares or exchange traded fund shares, as the case may be. Accordingly, the return on the Fund / ETF Linked Securities will not reflect the return an investor would realise if it actually owned the underlying fund shares or exchange traded fund shares, as the case may be, and received dividends, if any, paid on those underlying fund shares or exchange traded fund shares, as the case may be. Therefore, the yield to maturity based on the methodology for calculating the Final Redemption Amount will not be the same yield as would be produced if the underlying fund shares or exchange traded fund shares, as the case may be, were purchased directly and held for a similar period.

As a result, investors in Index Linked Securities, Equity Linked Securities or Fund / ETF Linked Securities may receive less return than expected. See also risk factors "*There are specific risks relating to Equity Linked Securities*", "*There are specific risks relating to Index Linked Securities*", "*There are specific risks relating to Fund Linked Securities*" and "*There are specific risks relating to ETF Linked Securities*" above.

### ***It may not be possible to use the Securities as a perfect hedge against the market risk associated with investing in a Reference Item***

Investors intending to purchase Securities to hedge against the market risk associated with investing in a Reference Item should recognise the complexities of utilising Securities in this manner. For example, the value of the Securities may not exactly match the value of the Reference Item. Due to fluctuating supply and demand for the Securities, there is no assurance that their value will match movements in the value of the Reference Item.

### ***There are specific risks with regard to Securities linked to a combination of Reference Items***

An investment in Securities that are linked to a combination of Reference Items will entail significant risks not associated with an investment in a conventional debt security. A combination of the risks associated to the Reference Items may be significantly higher than the risks of each Reference Item considered on its own. On redemption of this type of Securities, the Securityholders will receive an amount (if any) or Entitlement (if any) determined by reference to the value of a combination of a number of different Reference Items. These Securities may pay interest calculated by reference to the value of the combination of a number of Reference Items.

### ***The Issuer, the Guarantor and their respective affiliates may take positions in or deal with Reference Item(s)***

The Issuer and/or the Guarantor and their respective affiliates may engage in activities or arrangements in a range of capacities that may result in conflicts of interest between their own financial interests and those of Securityholders.

The Issuer, the Guarantor and their respective affiliates may for example:

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- (i) in the ordinary course of business, effect transactions for their own account or for the account of their customers (which may include the issuers of Reference Items) and hold positions where they benefit from an increase or decrease of the value of the the Reference Item(s) or related derivatives;
- (ii) in connection with an offering of Securities, enter into one or more transactions with respect to the Reference Item(s) or related derivatives for example in connection with hedging or market-making activities;
- (iii) act as financial advisers to certain issuers of Reference Items or reference entities;

Each of activities could have an adverse affect on the value of the Reference Item(s) and therefore affect the affect the price, liquidity or value of the relevant Securities and which could therefore be adverse to the interests of the relevant Securityholders. The Issuer, the Guarantor and their respective affiliates may from time to time possess or have access to information relating to Securities, the Reference Item(s), reference entities or any derivatives referencing them. None of the Issuer, the Gurantor and their respective affiliates is obliged (i) to disclose such information or (ii) to take into account the interest of Securityholders when engaging in such activities.

### 3.3 Risk Factors relating to Securities with certain features

There are particular risks associated with an investment in certain types of Securities and an investor may lose some or all of the amount invested by it.

#### *There are risks associated with leveraged exposures*

Leverage involves the use of a number of financial techniques to increase the exposure to a Reference Item, and can therefore magnify both returns and losses. While the use of leverage allows for potential multiples of a return (assuming a return is achieved) when the Reference Item moves in the anticipated direction, it will conversely magnify losses when the Reference Item moves against expectations. If the relevant Securities (including Floating Rate Securities or Fixed Rate Securities) include leverage, potential holders of such Securities should note that these Securities will involve a higher level of risk, and that whenever there are losses such losses will be higher (other things being equal) than those of a similar Security which is not leveraged.

#### *There are specific risks relating to Floating Rate Securities*

A key difference between Floating Rate Securities and Fixed Rate Securities is that interest income on Floating Rate Securities cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Securities at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, the Issuer's ability to issue Fixed Rate Securities may affect the market value and secondary market (if any) of the Floating Rate Securities (and vice versa). See also risk factors "*There are risks associated with leveraged exposures*" and "*The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"*".

#### *There are specific risks relating to Fixed Rate Securities*

The market value of Fixed Rate Securities may fluctuate significantly in response to changes in interest rates and inflation expectations, and other factors that affect the demand and supply of fixed income securities. Investors may suffer losses if they sell Fixed Rate Securities at a lower price than they purchased them or if they hold them until maturity and receive less than the initial investment value in real terms, which means after accounting for inflation.

#### *There are specific risks with regard to Securities linked to the Worst Performing Reference Item*

Investors in Securities linked to the performance of the worst performing Reference Item are subject to the risk associated with the worst-performing Reference Item. This means, that irrespective of how the other Reference Items perform, if the Reference Item having the worst performance fails to meet specified thresholds or barriers, Securityholders could lose some or all of their initial investment.

#### *There are risks associated with Securities with barrier feature(s)*

In the case of Securities with a barrier feature, amounts payable in respect of the Securities will be conditional on the value or performance of the relevant Reference Item(s), as determined in accordance with the applicable conditions, being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Issue

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Terms, a specified barrier value. If such condition is not satisfied, then (a) (in the case of a coupon payment) no payment may be due, or (b) the relevant amount payable on redemption may be less than the amount originally invested and lower than the amount an investor would have received had no such event occurred.

### *There are specific risks with regard to Securities providing for an Automatic Early Redemption*

In the case of Securities that provide for an automatic early redemption, the timing of redemption of such Securities is uncertain since the occurrence of an Automatic Early Redemption Event will be dependent upon the performance of the Reference Item(s). In the case of an unfavourable development of the value of the Reference Item(s), the redemption of such Securities may not occur until the scheduled maturity and the amount payable on redemption may be determined based on the unfavourable performance of the Reference Item(s) and may be less than the amount originally invested and lower than the amount an investor would have received had an Automatic Early Redemption Event occurred.

Upon early redemption of the Securities as the result of an Automatic Early Redemption Event, investors will not participate in the performance of the Reference Item(s) after the date of such early redemption. Investors in such Securities may incur additional transaction costs as a consequence of reinvesting proceeds received upon any early redemption and the conditions for such reinvestment may be less favourable than the relevant investor's initial investment in the Securities. In addition, if an Automatic Early Redemption Event occurs, no amounts payable under the Securities that would otherwise have been due after the Automatic Early Redemption Date will be paid.

### *There are risks associated with Physically Settled Securities*

*Holders may receive physical delivery of shares, fund shares or ETF shares in lieu of payment of cash amounts*

Where the Securities include the right of the Issuer to redeem, subject to the fulfilment of a particular condition, the Securities at their maturity by delivering shares, fund shares or ETF shares to the investor, the investor will receive such shares, fund shares or ETF shares rather than a monetary amount upon maturity. Holders will, therefore, be exposed to the issuer of such shares, fund shares or ETF shares and the risks associated with such shares, fund shares or ETF shares. Securityholders should not assume that they will be able to sell such shares, fund shares or ETF shares for a specific price after the redemption of the Securities, and in particular not for the purchase price of the Securities. Under certain circumstances the shares, fund shares or ETF shares may only have a very low value or may, in fact, be worthless. Holders may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such shares.

*There are certain requirements to be fulfilled and payments to be made by the Holder in order to receive Entitlement(s) in connection with Physically Settled Securities and the Issuer may decide to settle by way of cash payment instead in certain circumstances*

In order to receive the Entitlement in respect of a Security settled by way of Physical Delivery, the holder of such Security must deliver or send to the relevant Clearing System or Principal Paying Agent (as applicable) a duly completed Asset Transfer Notice on or prior to the relevant time on the Cut-off Date and pay the relevant Expenses. If a Securityholder fails to deliver as required the certification of non-U.S. beneficial ownership or certification that it is an eligible investor for U.S. securities law purposes, the Issuer may deliver what the Calculation Agent determines to be the fair market value of the Entitlement instead of the relevant assets.

*Securityholders may be required to pay certain expenses in relation to Physically Settled Securities*

Holders of Securities subject to Physical Delivery must pay all taxes and expenses relating to delivery of such Securities. As defined in the Terms and Conditions of the Securities, "Expenses" includes all costs, taxes, duties and/or expenses including stamp duty, stamp duty reserve tax, transfer tax and/or other costs, duties or taxes arising from the delivery of the Entitlement.

### *Settlement disruption*

In the case of Securities which are redeemable by delivery of assets (other than Credit Linked Securities), if a Settlement Disruption Event occurs or exists on the due date for redemption of the Securities, settlement will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event. The Issuer in these circumstances also has the right to pay the Disruption Cash Redemption Amount in lieu of delivering the Entitlement (as defined in the Terms and Conditions).

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If a Failure to Deliver due to Illiquidity occurs, the Issuer has the right, in lieu of delivery of the assets affected by such event, to pay the Failure to Deliver Redemption Amount to the Securityholders. The Disruption Cash Redemption Amount and/or the Failure to Deliver Redemption Amount may be less than the fair market value of the Entitlement.

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

Interest rates and indices which are deemed to be "benchmarks", (including the London Inter-Bank Offered Rate ("**LIBOR**") and the Euro Interbank Offered Rate ("**EURIBOR**") are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value of and return on Securities referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, 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 of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (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 Securities 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.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback 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 Securities linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

### *Risks associated with the occurrence of an Administrator/Benchmark Event*

The Terms and Conditions of the Securities provide for certain fallback arrangements in the event that a Administrator/Benchmark Event (as defined in General Condition 6(1)) occurs in respect of Benchmark or other relevant reference rate (which could include, without limitation, a mid-swap rate) and/or any page on which such benchmark may be published (or any other successor service) becomes unavailable. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a successor benchmark, with the application of an adjustment spread (which could be positive, negative or zero), and may include amendments to the Terms and Conditions of the Securities to ensure the proper operation of the new benchmark, all as determined by the Calculation Agent and as more fully described in General Condition 6(1). It is possible that the adoption of a successor benchmark, including any adjustment spread, may result in any Securities linked to or referencing a Benchmark performing differently (which may include payment of a

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lower Rate of Interest) than they would if the original Benchmark were to continue to apply in its current form. There is also a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Securities in making any investment decision with respect to any Securities referencing a benchmark.

### *The implementation of SOFR Replacement Conforming Changes could adversely affect Securityholders*

Under the fallback provisions applicable to Securities that pay a floating rate of interest by reference to the Secured Overnight Financing Rate ("**SOFR**") (whether a compounded rate or the SOFR Index), if a particular SOFR Replacement or SOFR Replacement Adjustment (each as defined in General Condition 4(b)(iv)(4)) cannot be determined, then the next-available SOFR Replacement or SOFR Replacement Adjustment will apply. These replacement rates and adjustments may be selected or formulated by (i) the Relevant Governmental Body (as defined in General Condition 4(b)(iv)(4)), (ii) ISDA or (iii) in certain circumstances, the Calculation Agent and/or the Replacement Rate Determination Agent.

In addition, the fallback provisions permit the Replacement Rate Determination Agent to make certain changes (which are defined in General Condition 4(b)(iv)(4) as "**SOFR Replacement Conforming Changes**") with respect to, among other things, the timing and frequency of determining rates and making payments of interest. The application of a SOFR Replacement and SOFR Replacement Adjustment and any implementation of SOFR Replacement Conforming Changes could reduce the amount of interest payable in respect of an interest period, which could adversely affect the return on, value of and market for, the Securities. Further, there is no assurance that the characteristics of any SOFR Replacement will be similar to the then-current SOFR benchmark that it is replacing or that any SOFR Replacement will produce the economic equivalent of the then-current SOFR benchmark that it is replacing.

### *The market continues to develop in relation to SONIA, SOFR, and €STR as reference rates for Securities that pay a floating rate of interest*

Where the applicable Issue Terms specify that the Rate of Interest or Rate, as applicable, in respect of the Securities will be determined by reference to SONIA, SOFR, or €STR, the Rate of Interest or Rate, as applicable, will be determined by reference to the Compounded Daily SONIA, Weighted Average SONIA, Compounded Daily SOFR (including on the basis of the SOFR Index published on the NY Federal Reserve Website), SOFR Arithmetic Mean, the USD-SOFR ICE Swap Rate, or Compounded Daily €STR, as specified in the applicable Issue Terms. In each case, such rate will differ from the relevant LIBOR or EURIBOR rate in a number of material respects, including (without limitation) that compounded daily rates or weighted average rates are backwards-looking, risk-free overnight rates and, in the case of SOFR, secured, and single daily rates are risk-free overnight non-term rates, whereas LIBOR and EURIBOR are expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR, EURIBOR, SONIA, SOFR, and €STR may behave materially differently as floating rates of interest in respect of the Securities.

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. Certain administrators of risk-free rates have published hypothetical and actual historical performance data. Hypothetical data inherently includes assumptions, estimates and approximations and actual historical performance data may be limited in the case of certain risk-free rates.

The level of such rates during the term of the Securities may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour 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.

The ongoing development of compounded daily SONIA, SOFR, and €STR as reference rates in 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 Securities that reference a SONIA, SOFR, or €STR rate, as applicable.

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 Conditions and used in relation to Securities referencing SONIA, SOFR, or €STR that are issued under the Programme. In contrast to Securities that pay a floating rate of interest referencing LIBOR or EURIBOR, if Securities

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referencing compounded daily or single daily SONIA, SOFR, or €STR are redeemed early and accrued interest is payable on such redemption in respect of a period which is not an Interest Period, the final Rate of Interest or Rate in respect of such Securities will only be determined at the due date for redemption.

In addition, the manner of adoption or application of SONIA, SOFR, or €STR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA, SOFR, or €STR in other markets, such as the derivatives and loan markets. Any such mismatch between the adoption of SONIA, SOFR, or €STR reference rates across these markets may adversely impact any hedging or other financial arrangements which a Securityholder has in connection with any acquisition, holding or disposal of any Securities referencing a SONIA, SOFR, or €STR rate and could have a material adverse impact on such Securityholders' investments.

To the extent the SONIA, SOFR, or €STR rate is not published, the applicable rate to be used to calculate the Rate of Interest or Rate will be determined using the fall-back provisions set out in the Conditions. Any of these fall-back 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 Securities if the SONIA, SOFR, or €STR rate had been so published as expected as of the Issue Date of the Securities. In addition, application of the fall-back provisions may result in the effective application of a fixed rate of interest to the Securities.

### ***Investors will not know in advance the interest amount payable on Securities which is calculated by reference to SOFR, SONIA or €STR***

The Rate of Interest or Rate in respect of the Securities may be calculated by reference to SOFR, SONIA or €STR. Because each of SOFR, SONIA and €STR is an overnight funding rate, interest on Securities that reference SOFR, SONIA and €STR with Interest Periods longer than overnight will be calculated on the basis of (a) the arithmetic mean of the relevant Rate, over the relevant Interest Period, where the relevant Rate is fixed for a certain number of days prior to the end of such Interest Period or (b) a compounded relevant Rate (i) in respect of the Interest Period, provided that the relevant Rate used as the basis for calculation is that which was observed a specified number of days prior or (ii) in respect of a period that starts a specified number of days prior to the relevant Interest Period and ends the same specified number of days prior to the end of such Interest Period or (c) calculated by reference to the relevant index, as applicable. As a consequence of these calculation methods, the amount of interest payable on each interest payment date will only be known a short period of time prior to the relevant interest payment date. Investors therefore will not know in advance the interest amount which will be payable on such Securities and there is a possibility that such amount could be lower than expected and some investors may be unable or unwilling to trade such Securities without changes to their IT systems, both of which could adversely impact the liquidity of such Securities.

### ***There are specific risks in relation to Securities that are denominated in or linked to emerging market currencies***

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

In particular, policies or actions of any relevant governments of the jurisdictions of such emerging markets currencies to which the Securities may be linked (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 Securities and amounts due (if any), or the date for payment thereunder.

## RISK FACTORS

### *There are specific risks relating to Securities linked to Emerging Markets*

The Issuer may issue Securities where the amount payable on redemption or the interest payable is linked to Reference Items which consist of (i) securities, funds, ETFs or indices comprising securities of issuers that are located in, or subject to regulation in, emerging or developing countries, or (ii) securities which are denominated in the currency of, or are traded in, emerging or developing countries or (iii) currencies of emerging or developing countries. Investors should note that additional risks may be associated with investment in such Securities, including risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation, and uncertainties as to the status, interpretation and application of laws including, but not limited to, those relating to expropriation, nationalisation and confiscation. Securities traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile. In addition, settlement of trades in some such markets may be slower and more subject to failure than in markets in developed countries.

The probability of the occurrence of a disruption event and consequently loss of investment or profit by an investor may be higher for certain developing or emerging markets.

### *Securities may be denominated in one currency and settled in another currency*

If the Issue Terms specify that the Settlement Exchange Rate Provisions are applicable, then such Securities are denominated in one currency (the "**SER Subject Currency**") but all or certain amounts due thereunder, as the case may be, are (or may be, if certain conditions such as a relevant exchange rate is at above or below a certain level(s)) are settled in another currency (the "**Settlement Currency**"). As such, the applicable amounts are converted by converting such amounts by reference to the applicable Settlement Exchange Rate specified in the applicable Issue Terms or, if not so specified, determined by the Calculation Agent in accordance with the terms and conditions of the Securities.

If the Issue Terms specify that the SER Intermediate Currency Requirements are applicable, then such Securities are denominated in one currency but all or certain amounts due thereunder, as the case may be, if any, are converted into an intermediate currency (the "**SER Intermediate Currency**") and then settled in the Settlement Currency. As such, the applicable amounts are converted by converting such amounts by reference to the applicable Second Settlement Exchange Rate and then the second Settlement Exchange Rate, each as specified in the applicable Issue Terms or, if not so specified, determined by the Calculation Agent in accordance with the terms and conditions of the Securities.

Securities are not principal protected in the SER Intermediate Currency or Settlement Currency even if the Securities are principal protected in the SER Subject Currency. If the denomination currency depreciates against the Settlement Currency or the SER Intermediate Currency, this will reduce the Settlement Currency amounts received (if any) under the Securities and an investor may receive less than their initial investment in the Securities.

Where a fixed Settlement Exchange Rate or Second Settlement Exchange Rate is not specified in the Issue Terms, neither the Issuer nor the Guarantor have control over the Settlement Exchange Rate or the Second Settlement Exchange Rate and will not make any adjustment or change in the terms of the Securities in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting the settlement currency, the denomination currency or any foreign currency. Investors will bear those risks. In addition, if an Unscheduled Holiday or a Price Source Disruption occurs in respect of the applicable Settlement Exchange Rate, the applicable disruption fallbacks may provide that the scheduled settlement exchange rate valuation date for such rate will be postponed, then this may result in deferral of the corresponding payment date under the Securities. If a date for payment is so postponed, this could adversely affect an investor's investment schedule, timetable or plans as they will receive amounts in respect of the Securities later than the originally scheduled date for payment. No interest will accrue or other amount will be payable by the Issuer in the event of any such delay.

In addition, investments in UVR Inflation-Adjusted Securities may be adversely impacted due to the fact that the payments in respect of the UVR Inflation-Adjusted Securities are adjusted by reference to the UVR rate in effect on the applicable payment date and so investors are exposed to fluctuations in that rate. Where there is a UVR Event (as defined in *Annex I – Additional Terms and Conditions for Payouts*), the Calculation Agent may determine that the UVR Inflation-Adjusted Securities are redeemed early at the Early Redemption Amount and interest will cease to accrue and no further interest will be payable from the Interest Payment Date (or, if none, the Issue Date) immediately preceding such UVR Event.



## **RISK FACTORS**

### ***Where Securities are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of its investment***

The relevant Issuer may issue Securities where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of its Securities will result in the Securities redeeming early and could result in such investor losing all of its investment.

### ***There are risks associated with Securities to which Variation of Settlement applies***

If Variation of Settlement applies, the Issuer has the right to elect to deliver Relevant Assets in lieu of the Final Redemption Amount. Securityholders should be aware that in this regard they are exposed to the credit risk and performance of the Relevant Assets as to the extent that the value of such Relevant Assets falls below the value of the Final Redemption Amount, the Issuer is financially incentivised to exercise its option to deliver the Relevant Assets to the Securityholders. If the Relevant Assets are bonds, Securityholders should also take note of the fact that if such bond redeems prior to the Maturity Date for any reason, and the Issuer elects to vary settlement, the Issuer may deliver the redemption proceeds of such bond, which might be substantially less than the nominal amount of the bond.

### ***There are risks associated with Securities where denominations involve integral multiples***

In relation to any issue of Securities which have denominations consisting of a minimum Specified Denomination (as set out in the applicable Issue Terms) plus one or more higher integral multiples of another smaller amount, it is possible that such Securities may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a Securityholder 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 (i) may not be able to transfer such Securities and (ii) may not receive a definitive Security in respect of such holding (should definitive Securities be printed) and in each case would need to purchase a nominal amount of Securities such that its holding amounts to an integral multiple of the minimum Specified Denomination.

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

## **3.4 Risk Factors regarding the purchase, holding and selling of Securities generally**

### ***Investors may lose the original invested amount***

Investors may lose all or some of their investment in the Securities, as the case may be, as a result of the occurrence of any one or more of the following events:

- (i) pursuant to Condition 3 of the Terms and Conditions, the Issuer and the Guarantor of the Securities are subject to insolvency proceedings or some other event impairing the ability of each to perform some or all of its payment obligations under the Securities (such as the early intervention measures or resolution as described in Risk Factor "*Risks related to early intervention and resolution*");
- (ii) pursuant to Condition 6 of the Terms and Conditions, the terms of the relevant Securities do not provide for full repayment of the initial purchase price upon final maturity and/or mandatory early redemption of such Securities and the relevant Reference Item(s) perform in such a manner that the final redemption amount and/or mandatory early redemption amount is less than the initial purchase price;
- (iii) the investor seeks to sell the relevant Securities prior to their scheduled maturity, and the sale price of the Securities in the secondary market is less than the investor's initial investment; and
- (iv) the Securities are subject to certain adjustments in accordance with the terms and conditions of such Securities that may result in the scheduled amount to be paid or asset(s) to be delivered upon redemption being reduced to or being valued at an amount less than an investor's initial investment.

### ***The relevant market value of the Securities at any time is dependent on other matters in addition to the credit risk of the Issuer and Guarantor and the performance of the relevant Reference Item(s)***

The market value of the Securities at any time will be affected by a number of factors independent of the creditworthiness of the Issuer and the Guarantor (if any) and the performance of the relevant Reference Item(s), including:

## RISK FACTORS

- (i) changes in market parameters such price level of the underlying(s), interest rates, volatility and credit spreads;
- (ii) the time remaining to any redemption date or the Maturity Date;
- (iii) where the Reference Item(s) is/are equity securities, the dividend rate on reference item(s) and the financial results and prospects of the issuer of each Reference Item.

The amount payable and/or deliverable in respect of Securities at any time prior to redemption is typically expected to be less than the trading price of such Securities at that time. The difference between the trading price and such amount will reflect, among other things, a "time value" for the Securities. The "time value" of the Securities will depend partly upon the length of the period remaining to final redemption and expectations concerning the value of the relevant Reference Item(s). Certain market circumstances may adversely affect the liquidity of the Securities and holders may not be able to sell their Securities easily or may have to sell them at a price that significantly affect the amount they receive.

### ***A Security's purchase price may not reflect its inherent value***

Investors in the Securities should be aware that the purchase price of a Security does not necessarily reflect its inherent value. Any difference between a Security's purchase price and its inherent value may be due to a number of different factors including, without limitation, prevailing market conditions and fees, discounts or commissions paid or accorded to the various parties involved in structuring and/or distributing the Security. Any such difference in value could negatively affect the return an investor may receive. For further information investors should refer to the party from whom they are purchasing the Securities. Investors may also wish to seek an independent valuation of Securities prior to their purchase.

### ***Securities which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates***

The market values of Securities issued at a substantial discount (such as Zero Coupon Securities) or premium from their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. The Issuer Price or the Offer Price may be more than the market value and more than the price, if any, at which any other person is willing to purchase Securities in secondary market transactions.

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

Securities may have no established trading market when issued, and one may never develop, so investors should be prepared to hold their Securities until maturity. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Securities.

### ***Potential conflicts of interest relating to distributors or other entities involved in the offer or listing of the Securities***

Investors should be aware that potential conflicts of interest may arise in connection with the Securities, as any distributors or other entities involved in the offer and/or the listing of the Securities as indicated in the Issue Terms, may act pursuant to a mandate granted by the Issuer and/or the Guarantor and for the Dealer and can receive commissions and/or fees on the basis of the services performed in relation to such offer and/or listing.

### ***The Securities are not insured by the Federal Deposit Insurance Corporation.***

The Securities 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 Securities, investors risk losing their entire investment.

## RISK FACTORS

### ***Credit ratings assigned to the Issuer, the Guarantor or any Securities may not reflect all the risks associated with an investment in those Securities***

One or more independent credit rating agencies may assign credit ratings to the Securities (including on an unsolicited basis). The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and do not address the price, if any, at which the Securities may be resold prior to maturity (which may be substantially less than the original offering prices of the Securities), and other factors that may affect the value of the Securities. However, real or anticipated changes in the Issuer's credit ratings or the credit ratings of the Securities will generally affect the market value of the Securities. Such change may, among other factors, be due to a change in the methodology applied by a rating agency to rating securities with similar structures to the Securities, as opposed to any revaluation of the Issuer's or the Guarantor's financial strength or other factors such as conditions affecting the financial services industry generally. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. Should the credit ratings of the Issuer, the Guarantor or any Securities be revised, suspended or withdrawn this could result in increased interest and other expenses on the Issuer's and the Guarantor's future borrowings and, therefore, have a material adverse effect on the Guarantor's business, results of operations, and financial condition.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") from using credit ratings for regulatory purposes in the EU unless such ratings are issued by a credit rating agency established in the UE and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. Such general restriction will also apply in the case of credit ratings issued by third country non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the CRA Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA) (the "**UK CRA Regulation**"). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre- 2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Securities changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the UE or the UK, as applicable, and the Securities may have a different regulatory treatment. This may result in relevant regulated investors selling the Securities which may impact the value of the Securities and any secondary market.

Although the Issuer is not subject to the general Spanish Bail-in Power or analogous bail-in tool, its creditworthiness may be affected by actions taken in respect of the Guarantee Pursuant to BRRD and Law 11/2015, the Issuer and/or the Securities are not be subject to the general Spanish Bail-in Power or analogous bail-in tool. The Securities 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.

Notwithstanding the foregoing, the Guarantee in respect of the Securities and the agreements entered into between the Guarantor and the Issuer upon which the Issuer depends to pay interest and repay the nominal of the Securities to the Securityholders (the "**Hedging Agreements**"), according to the BRRD and Law 11/2015 (as defined in "*Risks related to early intervention and resolution*"), are liabilities of BBVA that are potentially subject to the Spanish Bail-in Power.

## RISK FACTORS

### *Exchange rate risks in connection with the Securities*

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

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or Guarantor to make payments in respect of the Securities. As a result, investors may receive less interest or redemption amount than expected, or no interest or redemption amount.

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

*Spanish Tax Rules may impose withholding tax in certain circumstances (subject to certain exceptions) and neither the Issuer nor the Guarantor is obliged to pay additional amounts in such event.*

### Securities originally registered with the entities that manage clearing systems located outside of Spain

According to the literal wording of Article 44.5 of RD 1065/2007, income derived from securities originally registered with the entities that manage clearing systems located outside Spain, and are recognised by Spanish law or by the law of another OECD country (such as the Depository Trust Company ("**DTC**"), Euroclear or Clearstream), will be paid free of Spanish withholding tax provided that the Paying Agent appointed by the Issuer submits a statement to the Issuer, the form of which is included in the Agency Agreement, with the following information:

- (i) identification of the securities; and
- (ii) total amount of the income corresponding to each clearing system located outside Spain.

These obligations refer to the total amount paid to investors through each foreign clearing house. For these purposes, "income means interest and the difference, if any, between the aggregate amount payable on the redemption of the Securities and the issue price of the Securities".

In accordance with Article 44 of RD 1065/2007 as amended by RD 1145/2011, the relevant Paying Agent should provide the relevant Issuer with the statement on the business day immediately prior to each interest payment date. The statement must reflect the situation at the close of business of that same day. In the event that on such date, the entity(ies) obliged to provide the declaration fail to do so, the Issuer or the Paying Agent on its behalf will make a withholding at the general rate (currently 19 per cent.) on the total amount of the return on the relevant Securities otherwise payable to such entity.

As described in "*Tax reporting related to Article 100.3 of the Spanish Personal Income Tax Law*" in "*Spanish Taxation*", the redemption of Implicit Yield Securities held by a Spanish Individual (should such Securities be subject to Spanish withholding tax), are subject to the duly accreditation of the acquisition and acquisition price in order for the securities to be redeemed, otherwise a deposit for said amount will be made at the disposal of the judicial authority in lieu of payment to the holder

Notwithstanding the foregoing, the Issuer has agreed that in the event withholding tax should be required by law, the Issuer shall pay such additional amounts as would have been received had no such withholding or deduction been required, except as provided in Condition 7 and as otherwise described in this Base Prospectus.

## RISK FACTORS

### ***Potential U.S. Withholding Tax under FATCA***

1471 through 1474 of the U.S. Internal Revenue Code (the "**Code**") and any regulations thereunder or official guidance in connection therewith, an agreement entered into with the U.S. Internal Revenue Service (the "**IRS**") pursuant to such sections of the Code, or an intergovernmental agreement (an "**IGA**") between the United States and another jurisdiction in furtherance of such sections of the Code, or any non-U.S. laws or rules implementing an IGA (collectively referred to as "**FATCA**") may impose a withholding tax of 30 per cent. on payments made on the Securities (including payments made by financial intermediaries), unless various U.S. information reporting and due diligence requirements have been satisfied. If withholding is so required, under FATCA, the relevant Issuer will not be required to pay any additional amounts with respect to the amounts so withheld. The rules described in the foregoing may therefore affect the amounts paid to an investor on the Securities.

See also "*Taxation—United States Federal Taxation*".

### ***Potential U.S. Withholding Tax on U.S. Dividend Equivalent Amounts***

Section 871(m) of the Code and the regulations thereunder require withholding (up to 30 per cent. depending on whether an income tax treaty applies) on payments or deemed payments made to non-U.S. persons on certain financial instruments to the extent that such payments are treated, for U.S. federal income tax purposes, as being U.S.-source dividend equivalent amounts, which may be the case for Securities linked to U.S. equities or indices that include U.S. equities.

If withholding is so required Section 871(m), the relevant Issuer will not be required to pay any additional amounts with respect to the amounts so withheld. Either of the foregoing rules may affect the amounts paid to an investor on the Securities.

See also "*Taxation—United States Federal Taxation*".

### ***The U.S. federal income tax consequences of an investment in the Securities are complex and may be uncertain***

The U.S. federal income tax consequences of an investment in the Securities are complex. Additionally, for certain Securities, there are no direct legal authorities as to the proper treatment of the Securities for U.S. federal income tax purposes, and, therefore, significant aspects of the U.S. federal income tax treatment of such Securities are uncertain. Please read the discussion under "*Taxation—United States Federal Taxation*."

Investors should consult their tax advisers on the U.S. federal income tax consequences of an investment in the Securities.

### ***The Issuer of the Securities may be substituted without the consent of the Securityholders***

The conditions of the Securities provide that the Issuer of the Securities may be replaced as obligor under such Securities with the Guarantor or any company from BBVA's group. Whilst the new issuer will provide an indemnity in favour of the Securityholders in relation to any additional tax or duties that become payable solely as a result of such substitution, Securityholders will not have the right to object to such substitution. See General Condition 16 of the "*Terms and Conditions of the Securities*". Any such substitution may have an adverse effect on the value of the Securities.

### ***The value of the Securities could be adversely affected by a change in English law, New York law or administrative practice***

The General Conditions (except for General Condition 18 of the "*Terms and Conditions of the Securities*") of the Securities are based on English law in effect as at the date of this Base Prospectus. The New York Law Guarantee and 3(a)(2) Notes in which New York law is specified as the governing law in the relevant Pricing Supplement, will be governed by New York law in effect at the time of issuance. No assurance can be given as to the impact of any possible judicial decision or change to English and New York law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Securities affected by it.

### ***CREST Depository Interests***

Investors who hold interests in the Securities through Euroclear UK & International Limited ("**CREST**") through dematerialised depository interests ("**CREST Depository Interests**") will not be the legal owners of the Securities (the "**Underlying Securities**") to which such CREST Depository Interests relate. CREST Depository Interests are separate legal instruments from the Underlying Securities and represent indirect interests in the interests of the CREST Nominee in such

## RISK FACTORS

Underlying Securities. The "**CREST Manual**" consists of a number of documents which set out the legal relationship of CREST with its users and participants.

The Underlying Securities (as distinct from the CREST Depository Interests representing indirect interests in such Underlying Securities) will be held in an account with a custodian. The custodian will hold the Underlying Securities through the relevant Clearance System. The legal title to the Underlying Securities or to interests in the Underlying Securities will depend on the rules of the relevant Clearance System in or through which the Underlying Securities are held.

CREST International Nominees Limited or another entity appointed to act as nominee (the "**CREST Nominee**") in accordance with the CREST Global Deed Poll (in the form from time to time contained in Chapter 8 of the CREST International Manual (which forms part of the CREST Manual) (the "**CREST Deed Poll**")) will hold the legal title to the Underlying Securities and the direct enforcement right in respect of the Underlying Securities. Rights in respect of the Underlying Securities cannot be enforced by holders of CREST Depository Interests except indirectly through CREST Depository Limited or any successor thereto (the "**CREST Depository**") and the CREST Nominee who in turn can enforce rights indirectly through the intermediary depositories and custodians described above. The enforcement of rights in respect of the Underlying Securities will therefore be subject to the local law of the relevant intermediary.

These arrangements could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Securities in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Securities held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

Holders of CREST Depository Interests will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST International Manual and the CREST Rules applicable to the CREST International Settlement Links Service (in each case as contained in the CREST Manual). Investors in CREST Depository Interests should note that the provisions of the CREST Deed Poll and the CREST Manual (including, for the avoidance of doubt, the provisions of the CREST International Manual and the CREST Rules) contain indemnities, warranties, representations and undertakings to be given by holders of CREST Depository Interests and limitations on the liability of the CREST Depository as issuer of the CREST Depository Interests. Holders of CREST Depository Interests may incur liabilities pursuant to or resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them and the rights of and returns received by holders of CREST Depository Interests may differ from those of holders of Securities which are not represented by CREST Depository Interests.

Investors in CREST Depository Interests should note that holders of CREST Depository Interests may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service.

### **3.5 Risk Factors relating to termination and adjustment rights of the Issuer, the Guarantor and/or the Calculation Agent**

#### ***The Securities may be redeemed by the Issuer prior to maturity at the option of the Issuer***

The Issue Terms for a particular issue of Securities may provide for early redemption at the option of the Issuer. An optional redemption feature is likely to limit the market value of the Securities. During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. This means that in circumstances where the market interest rate decreased compared to the interest that is payable under the Securities, the risk that the Issuer will exercise its optional termination right increases. In such a situation, (i) the yields received upon redemption may be lower than expected, and the redeemed face amount of the Securities may be lower than the purchase price for the Securities paid by the Securityholder and (ii) an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Investors may be exposed to reinvestment risk in light of other investments available at that time.

## RISK FACTORS

### ***The Securities may be redeemed by the Issuer prior to maturity for taxation or illegality reasons***

In the event that the Issuer would be required to pay additional amounts in respect of any Securities due to any withholding as provided in General Condition 7 of the "*Terms and Conditions of the Securities*" or the performance of the Issuer's obligations under the Securities or any arrangements made to hedge its obligations under the Securities has or will become unlawful, illegal or otherwise prohibited in whole or in part, the Issuer may or be required to redeem all of the Securities then outstanding in accordance with the Terms and Conditions of the Securities.

As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Securities may be lower than the purchase price for the Securities paid by the Securityholder. As a consequence, the Securityholder may not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Securities.

### ***The Calculation Agent, which will be the Guarantor or an affiliate of the Guarantor, has broad discretionary powers which may not take into account the interests of the Securityholders***

As the Calculation Agent will be the Guarantor or an affiliate of the Guarantor, potential conflicts of interest may exist between the Calculation Agent and the Securityholders, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. For example, the Calculation Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to a Tranche of Securities have occurred and (ii) to determine any resulting adjustments and calculations or substitutions as described in such conditions. Investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Securities or result in the occurrence of an early repayment at an amount less than an investor's initial investment. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest or proven error) shall be binding on the relevant Issuer and all Securityholders.

### ***If a Reference Item Linked Security includes Market Disruption Events or Failure to Open of an Exchange and the Calculation Agent determines such an event has occurred, any consequential postponement of the Scheduled Valuation Date may have an adverse effect on the Securities***

If an issue of Reference Item Linked Securities includes provisions dealing with the occurrence of a Market Disruption Event or failure to open of an exchange on a Scheduled Valuation Date, and the Calculation Agent determines that a Market Disruption Event or failure to open of an exchange has occurred or exists on such date, any consequential postponement of the Valuation Date or any alternative provisions for valuation provided in any such Securities may have an adverse effect on the value and liquidity of such Securities. The timing of such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Securities such that the Securityholder may receive a lower redemption amount and/or interest amount or other payment under the relevant Securities than otherwise would have been the case. The occurrence of such a Market Disruption Event or failure to open of an exchange in relation to any Reference Item comprising a basket may also have such an adverse effect on Securities related to such basket. In addition, any such consequential postponement may result in the postponement of the date of redemption of the Securities.

### ***Risks relating to payment disruption events***

Where the applicable Issue Terms 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 Securities, such payment will be postponed to the earlier of: (i) the date falling 2 business days after the date on which such disruption event is no longer occurring or (ii) a date falling 30 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.

## RISK FACTORS

### 3.6 Risk Factor relating to Sustainable Securities

*The application of an amount equal to the net proceeds of Sustainable Securities as described in "Use of Proceeds" may not meet investor expectations or be suitable for an investor's investment criteria.*

Investors in any Securities where the applicable Issue Terms are stated to be for "Green Projects", "Social Projects" or a combination of "Green Projects" and "Social Projects", as described in "Use of Proceeds" below ("**Green Securities**", "**Social Securities**" or "**Sustainability Securities**", respectively, and, together, "**Sustainable Securities**"), should have regard to the information in "Use of Proceeds" regarding the use of the net proceeds of those Sustainable Securities and must determine for themselves the relevance of such information for the purpose of any investment in such Sustainable Securities 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 Eligible Projects (as defined in the "Use of Proceeds" section below) 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 (including, amongst others, the Sustainable Finance Taxonomy Regulation and the EU Sustainable Finance Taxonomy (as both terms are defined below), or, if and to the extent finally approved and, to the extent applicable to the Securities, the Regulation of the European Parliament and of the Council on European green bonds, a draft of which was proposed by the European Commission on 6 July 2021 with reference 2021/0191(COD) (the "**draft European Green Bond Regulation**").

Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "social" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change.

A basis for the determination of such "green" project definition has been established in the EU with the publication in the Official Journal of the EU on June 22, 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 (the "**Sustainable Finance Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Sustainable Finance Taxonomy**"). The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Sustainable Finance Taxonomy Regulation (including for example, through Commission Delegated Regulation (EU) 2021/2139).

Likewise, the draft European Green Bond Regulation, includes a set of requirements that bonds and Securities shall comply with in order to be labelled as "European Green Bonds". However, as at the date of this Base Prospectus, it is unclear whether or not (i) the draft European Green Bond Regulation will be finally approved; and (ii) the draft European Green Bond Regulation will be subject to modifications or amendments before its approval.

While the Guarantor's Sustainable Debt Financing Framework (November 2022) published on its website (<https://shareholdersandinvestors.bbva.com/wp-content/uploads/2022/12/202212-BBVA-Sustainable-Debt-Financing-Framework.pdf>) (including as amended, supplemented, restated or otherwise updated on such website from time to time where so specified, the "**Sustainable Debt Financing Framework**") is in alignment with the relevant objectives for the EU Sustainable Finance Taxonomy, until the technical screening criteria for such objectives have been developed it is not known whether the Sustainable Debt Financing Framework will satisfy those criteria. Accordingly, alignment with the EU Sustainable Finance Taxonomy, once the technical screening criteria are established, is not certain and no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Projects will meet any or all investor expectations regarding such "green", "social" or "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Guarantor) which may or may not be made available in connection with the issue of any Sustainable Securities and in particular with any Eligible Projects to fulfil any environmental, social, sustainability and/or other criteria (including, without limitation, the requirements envisaged in the draft European Green Bond Regulation, if and to the extent finally approved). Any such report, assessment, opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Guarantor or the Dealers or any other person to buy, sell or hold any such Sustainable Securities. Any such report, assessment, opinion or certification is only current as of the date it was issued. Investors must determine for themselves



## RISK FACTORS

the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in such Sustainable Securities. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific oversight or regulatory or other regime.

In the event that any Sustainable Securities 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, the Guarantor or the Dealers 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, the Guarantor or the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Sustainable Securities or, if obtained, that any such listing or admission to trading will be maintained during the life of the Sustainable Securities.

While it is the intention of the Guarantor, to apply an amount equal to the net proceeds of any Sustainable Securities and obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in, the manner described in "*Use of Proceeds*", there can be no assurance that the Guarantor will be able to do this. Nor can there be any assurance that any Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Guarantor.

Additionally, their labelling as Sustainable Securities will not have any impact on the status of such Securities or the Guarantee as indicated in Condition 3 of the Terms and Conditions of the Securities.

Any such event or failure by the Guarantor to apply the net proceeds of any issue of Sustainable Securities for any Eligible Projects, or to obtain and publish any such reports, assessments, opinions and certifications, as well as the existence of any potential mismatch between the duration of the Eligible Projects and the term of any Sustainable Securities will not (i) constitute an event of default under the relevant Sustainable Securities, or (ii) give rise to any other claim or right (including any right to accelerate the Securities) of a holder of such Sustainable Securities against the Issuer, or (iii) lead to an obligation of the Issuer to redeem such Securities or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Securities, as the case may be.

The Sustainable Securities are issued subject to their applicable terms and conditions including, without limitation, in relation to their interest payments (if any), redemption and events of default as described in the "*Terms and Conditions of the Securities*" and the applicable Issue Terms, regardless of the issue of such Securities as Sustainable Securities.

Further, the performance of the Sustainable Securities will in no circumstances be linked to the performance of any Eligible Projects that may be identified by the Guarantor and no segregation of assets and liabilities regarding any Sustainable Securities or Eligible Projects will occur at any time. Payments on any Sustainable Securities shall not depend on the performance of any Eligible Project nor will holders of any Sustainable Securities have any preferred right against the assets of any Eligible Project.

The withdrawal of any report, assessment, opinion or certification as described above, or any such report, assessment, opinion or certification attesting that the Guarantor is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is reporting, assessing, opining or certifying on, and/or any such Sustainable Securities no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of such Sustainable Securities and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

## DOCUMENTS INCORPORATED BY REFERENCE

### DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the audited annual financial statements of BBVA Global Markets B.V. for the financial years ended on December 31, 2022 ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/BBVA-Global-Markets-Memoria-2022\\_PDF.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/BBVA-Global-Markets-Memoria-2022_PDF.pdf)) and December 31, 2021 (<https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/05/BBVAGlobalMarkets2021-1.pdf>) prepared in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code;
- (b) the audited annual financial statements of BBVA Global Securities B.V. for the financial years ended on December 31, 2022 ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/Memoria-BBVA-Global-Securities\\_2022.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/Memoria-BBVA-Global-Securities_2022.pdf)) and December 31, 2021 (<https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/05/BBVAGlobalSecurities2021-1.pdf>) prepared in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code
- (c) the unaudited consolidated interim report of the Guarantor corresponding to the three month period ended March 31, 2023 available on the Guarantor's website ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/Financial-Statements-and-Management-Report-Jan-Mar-2023\\_ENG.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/Financial-Statements-and-Management-Report-Jan-Mar-2023_ENG.pdf))
- (d) the English translation of the audited consolidated financial statements of the Guarantor as at, and for, the financial year ended December 31, 2022 (which includes for comparison purposes financial data for the years ended on December 31, 2021 and 2020) (the "**2022 Consolidated Financial Statements**"), and the audit report issued in respect thereof, prepared in compliance with EU-IFRS as issued by the International Accounting Standards Board (the "**IFRS-IASB**"), reflecting the Bank of Spain Circular 4/2017 of November 27 (as amended), and any other legislation governing financial reporting applicable to the Group in Spain and the audit report issued in respect thereof and the information on alternative performance measures on pages 193 to 207 (inclusive) of the "Consolidated Management Report – BBVA Group 2022" (the "**2022 Consolidated Management Report**") ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/02/5\\_2\\_2022\\_Consolidated\\_Annual\\_Accounts\\_and\\_Management\\_Report.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/02/5_2_2022_Consolidated_Annual_Accounts_and_Management_Report.pdf)); and
- (e) the English translation of the audited consolidated financial statements of the Guarantor as at, and for, the financial year ended December 31, 2021 (which includes for comparison purposes financial data for the years ended on December 31, 2020 and 2019), and the audit report issued in respect thereof, prepared in compliance with the IFRS-IASB, the EU-IFRS, reflecting the Bank of Spain Circular 4/2017 of November 27 (as amended), and any other legislation governing financial reporting applicable to the Group in Spain and the audit report issued in respect thereof and the information on alternative performance measures on pages 185 to 198 (inclusive) of the Management Report 2021 ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2022/03/BBVA-Group-Annual-Report-and-MR-Dec-2021\\_ENG.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2022/03/BBVA-Group-Annual-Report-and-MR-Dec-2021_ENG.pdf));

Additionally, the terms and conditions contained in the following Base Prospectus, which has previously been published and has been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Base Prospectus:

- (i) the Terms and Conditions of the Securities (contained at pages 54 to 99), the Additional Terms and Conditions for Payouts (contained at pages 100 to 135), the Additional Terms and Conditions for Index Linked Notes (contained at pages 136 to 148), the Additional Terms and Conditions for Equity Linked Notes (contained at pages 149 to 165), the Additional Terms and Conditions for ETF Linked Notes (contained at pages 166 to 182), the Additional Terms and Conditions for Fund Linked Notes (contained at pages 183 to 193), the Additional Terms and Conditions for Inflation Linked Notes (contained at pages 194 to 199), the Additional Terms and Conditions for Foreign Exchange (FX) Rate Linked Notes (contained at pages 200 to 211) the Additional Terms and Conditions for Credit Linked Notes (contained at pages 212 to 284) and USD Libor Benchmark Transition Event Annex (contained at pages 285 to 288), in each case, of the Issuer's Base Prospectus dated July 1, 2021 which is available on the Guarantor's website (<https://shareholdersandinvestors.bbva.com/wp-content/uploads/2021/07/BBVA-SMTN-Base-Prospectus.pdf>);
- (ii) the Terms and Conditions of the Securities (contained at pages 61 to 120), the Additional Terms and Conditions for Payouts (contained at pages 121 to 159), the Additional Terms and Conditions for Index Linked Notes (contained at pages 160 to 174), the Additional Terms and Conditions for Equity Linked Notes (contained at pages 175 to 191), the Additional Terms and Conditions for ETF Linked Notes (contained at pages 192 to 209), the

## DOCUMENTS INCORPORATED BY REFERENCE

Additional Terms and Conditions for Fund Linked Notes (contained at pages 210 to 220), the Additional Terms and Conditions for Inflation Linked Notes (contained at pages 221 to 226), the Additional Terms and Conditions for Foreign Exchange (FX) Rate Linked Notes (contained at pages 227 to 238) the Additional Terms and Conditions for Credit Linked Notes (contained at pages 239 to 312) and Additional Terms and Conditions for EUA Contract Linked Securities (contained at pages 313 to 320), in each case, of the Issuer's Base Prospectus dated June 24, 2022 which is available on the Guarantor's website (<https://shareholdersandinvestors.bbva.com/wp-content/uploads/2022/06/2022-SMTN-Programme-June-2022.pdf>);

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

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the Issuer and the Guarantor at Calle Azul, 4, 28050, Madrid or on the Guarantor's website ([www.bbva.com](http://www.bbva.com)).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

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

The Guarantor files periodic reports (including Annual Reports on Form 20-F (the "**Form 20-F**") and other information with the U.S. Securities and Exchange Commission (the "**SEC**"), which are available on the SEC's website (<http://www.sec.gov>), and investors are referred to such reports and other information for current information with respect to the Guarantor. The Issuer is not subject to the information reporting requirements of the Exchange Act, and the Issuer does not expect that it will be filing reports with the SEC.

The New York Branch does not separately produce complete financial statements.

## **APPLICABLE ISSUE TERMS AND DRAWDOWN PROSPECTUS**

### **APPLICABLE ISSUE TERMS AND DRAWDOWN PROSPECTUS**

Any information relating to the Securities which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Securities which are not Exempt Securities will be contained either in the applicable Final Terms or in a Drawdown Prospectus. Such information will be contained in the applicable Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Securities, may be contained in a Drawdown Prospectus.

For a Tranche of Securities which are not Exempt Securities and are the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Securities which is the subject of Final Terms are the General Conditions as completed by the applicable Final Terms.

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

The terms and conditions applicable to any particular Tranche of Securities which is the subject of a Drawdown Prospectus will be the General Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Securities which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant applicable Issue Terms (or Final Terms or Pricing Supplement, as the case may be) shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the Issuer and the Guarantor and the relevant Securities.

## TERMS AND CONDITIONS OF THE SECURITIES

### TERMS AND CONDITIONS OF THE SECURITIES

*The following are the terms and conditions of the Securities (the "**General Conditions**", and each, a "**General Condition**") which will be incorporated by reference into each Global Security and endorsed upon each definitive Security. The Issue Terms (as defined below) (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Security and definitive Security and will specify whether the Securities are in the form of Notes ("**Notes**") or certificates ("**Certificates**").*

*The additional terms and conditions contained in Annex 1 in respect of payouts (the "**Payout Conditions**"), Annex 2 in the case of Index Linked Securities (the "**Index Linked Conditions**"), Annex 3 in the case of Equity Linked Securities (the "**Equity Linked Conditions**"), Annex 4 in the case of ETF Linked Securities (the "**ETF Linked Conditions**"), Annex 5 in the case of Fund Linked Securities (the "**Fund Linked Conditions**"), Annex 6 in the case of Inflation Linked Securities (the "**Inflation Linked Conditions**"), Annex 7 in the case of Foreign Exchange (FX) Rate Linked Securities (the "**Foreign Exchange (FX) Linked Conditions**"), Annex 8 in the case of Credit Linked Securities (the "**Credit Linked Conditions**") and Annex 9 in the case of EUA Contract Linked Securities (the "**EUA Contract Linked Conditions**") will apply to the Securities if so specified in the Issue Terms (each as defined below, an "**Annex**", and together, the "**Annexes**").*

*In the case of Non-Exempt Securities (as defined below), reference should be made to the applicable Final Terms (as defined below) or Drawdown Prospectus (as defined below) for a description of the content of issue terms which will include the definitions of certain terms used in these General Conditions or specify which of such terms are to apply in relation to the relevant Securities. In the case of Exempt Securities (as defined below), reference should be made to the applicable Pricing Supplement (as defined below) for a description of the content of issue terms which will include the definitions of certain terms used in these General Conditions or specify which of such terms are to apply in relation to the relevant Securities.*

Each Security is one of a Series (as defined below) of Securities issued by BBVA Global Markets B.V. or BBVA Global Securities B.V. pursuant to the Agency Agreement (as defined below). As used herein, "**Issuer**" means BBVA Global Markets B.V. or BBVA Global Securities B.V., as the context requires.

References herein to the "**Securities**" shall be references to the Securities of a Series and shall mean:

- (i) in relation to any Securities represented by a global Security (a "**Global Security**"), units of the lowest Specified Denomination in the Specified Currency (in the case of Notes) or each security unit represented by the Global Security (in the case of Certificates);
- (ii) any Global Security;
- (iii) any definitive Securities in bearer form ("**Definitive Bearer Securities**") issued in exchange for a Global Security in bearer form and in registered form ("**Registered Securities**") (whether or not issued in exchange for a Global Security in registered form); and

The Securities, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated June 23, 2023 (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made between BBVA Global Markets B.V., BBVA Global Securities B.V., Banco Bilbao Vizcaya Argentaria, S.A. as guarantor of Securities (other than 3(a)(2) Notes) and, unless otherwise specified in the Issue Terms, calculation agent and delivery agent (the "**Calculation Agent**" and the "**Delivery Agent**", which expressions shall include any successor calculation agent or successor delivery agent and any other calculation agent or delivery agent specified in the Issue Terms), Banco Bilbao Vizcaya Argentaria, S.A., acting through its New York Branch, as guarantor of 3(a)(2) Notes, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**" and, together with any other paying agent specified in the Issue Terms, the "**Paying Agents**", which expressions shall include any successor principal paying agent or any successor or additional paying agent), The Bank of New York Mellon as U.S. Paying Agent, transfer agent and New York registrar in relation to Securities to be cleared and settled through DTC and as exchange agent ("**U.S. Paying Agent**", "**Transfer Agent**", "**Exchange Agent**" and "**New York Registrar**", which expressions shall include any successor U.S. paying agent, transfer agent, exchange agent or New York registrar), Deutsche Bank Luxembourg S.A., unless otherwise specified in the Issue Terms, as transfer agent and registrar, for certain Securities to be cleared and settled through Euroclear and/or Clearstream Luxembourg ("**Transfer Agent**", and "**Luxembourg Registrar**", which expressions shall include any successor, transfer agent or registrar). The New York Registrar and the Luxembourg Registrar together, the "**Registrars**" and each a "**Registrar**", as applicable. The Issuer may also appoint Banco Bilbao Vizcaya Argentaria, S.A. as transfer agent and registrar, for certain Definitive Registered Securities not cleared or settled through Euroclear and/or Clearstream Luxembourg or DTC, in which case it shall have the

## TERMS AND CONDITIONS OF THE SECURITIES

conditions of Registrar and Transfer Agent hereunder. The Principal Paying Agent, the other Paying Agents, the Calculation Agent, the Delivery Agent, the Exchange Agent, the Transfer Agents and the Registrar are referred to together as the "**Agents**". As used herein, "**Guarantor**" means (i) in the case of Securities (other than 3(a)(2) Notes), Banco Bilbao Vizcaya Argentaria, S.A. or (ii) in the case of 3(a)(2) Notes, Banco Bilbao Vizcaya Argentaria, S.A., acting through its New York Branch.

The issue terms for each Security (or the relevant provisions thereof) are set out in Part A of the Final Terms or the Drawdown Prospectus (or Pricing Supplement, in the case of Exempt Securities and in the case of a further issue of Exempt Securities in bearer form, at the election of the Issuer, as set out in and amended by the Tranche specific terms in the fungible tranche Pricing Supplement) attached to or endorsed on the relevant Security which supplement, and will be read in conjunction with these General Conditions and, if the Security is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation (an "**Exempt Security**"), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Conditions or the additional terms and conditions set out in any Annex, replace or modify the General Conditions or the additional terms and conditions of such Annex, as the case may be, for the purposes of the Security.

Any references to a "**Non-Exempt Security**" are to a Security that is not an Exempt Security. References to the "**Issue Terms**", "**Final Terms**" or "**Pricing Supplement**", as the case may be, are, unless otherwise stated, to Part A of the Final Terms or the Pricing Supplement (and in the case of a further issue of Exempt Securities in bearer form, at the election of the Issuer, as set out in and amended by the Tranche specific terms in the fungible tranche Pricing Supplement), as appropriate, (or the relevant provisions thereof) are references to "Final Terms" and/or "applicable Final Terms"; and/or "Pricing Supplement" and/or "applicable Pricing Supplement", as appropriate in respect of each Series of Securities. Where the Security is issued under a standalone prospectus (a "**Drawdown Prospectus**"), references to the applicable Issue Terms, Final Terms or Pricing Supplement, as the case may be, shall be deemed to be references to the Drawdown Prospectus, as the context requires.

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended or superseded).

The payment of all amounts in respect of each Security (other than 3(a)(2) Notes) have been guaranteed by the Guarantor pursuant to a guarantee governed by Spanish law (the "**Spanish Law Guarantee**"). The payment of all amounts in respect of each 3(a)(2) Note have been guaranteed by the Guarantor pursuant to a guarantee governed by New York law (the "**New York Law Guarantee**"). The Spanish Law Guarantee and the New York Law Guarantee are included in a single document dated June 23, 2023 and executed by the Guarantor, the original of which will be held by the Principal Paying Agent on behalf of the Securityholders, the Receiptholders and the Couponholders at its specified office. As used herein, "**Guarantee**" means (i) in the case of Securities (other than 3(a)(2) Notes), the Spanish Law Guarantee or (ii) in the case of 3(a)(2) Notes, the New York Law Guarantee.

Any reference to "**Securityholders**" or "**holders**" in relation to any Securities shall, subject as provided in General Condition 1(a), mean (in the case of Bearer Securities) the holders of the Securities and (in the case of Registered Securities) the persons in whose name the Securities are registered and shall, in relation to any Securities represented by a Global Security, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons (each as defined below).

As used herein, "**Tranche**" means Securities which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Securities together with any further Tranche or Tranches of Securities which are (a) expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Securityholders of Securities issued by BBVA Global Markets B.V., the Receiptholders and the Couponholders are entitled to the benefit of a deed of covenant (the "**BGM Deed of Covenant**") made by the Issuer. The Securityholders of Securities issued by BBVA Global Securities B.V., the Receiptholders and the Couponholders are entitled to the benefit of a deed of covenant (the "**BGS Deed of Covenant**") made by the Issuer. The BGM Deed of Covenant and the BGS Deed of Covenant are included in a single document dated June 23, 2023, the original of which will be held by the Principal Paying Agent. As used herein, "**Deed of Covenant**" means (i) in the case of Securities issued by BBVA Global Markets B.V., the BGM Deed of Covenant or (ii) in the case of Securities issued by BBVA Global Securities B.V., the BGS Deed of Covenant.

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Copies of the Guarantee, a deed poll dated June 23, 2023 and made by BBVA Global Markets B.V. and the Guarantor and a deed poll dated June 23, 2023 and made by BBVA Global Securities B.V. and the Guarantor (the deed poll applicable to a Tranche of Securities, the "**Deed Poll**"), the Deed of Covenant and the Agency Agreement are available for inspection during normal business hours at the specified office of each of the Principal Paying Agent and the Registrar. Copies of the Issue Terms may be obtained from the Principal Paying Agent at its specified office during normal business hours. If the Security is an Exempt Security, the applicable Pricing Supplement will only be obtainable by a holder holding one or more Securities and such Securityholders must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Securities and identity. The Securityholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed Poll, the Deed of Covenant and the Issue Terms which are applicable to them. The statements in the General Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

### 1. Form, Denomination and Title

#### (a) Form and Denomination

The Securities are in bearer form ("**Bearer Securities**") or registered form ("**Registered Securities**") in the currency (the "**Specified Currency**") and the denomination(s) (the "**Specified Denomination(s)**") specified in the Issue Terms and definitive Securities will be serially numbered. The 3(a)(2) Notes (as defined below) will be issued only as Registered Securities.

If a Security is a definitive Bearer Security (a "**Definitive Bearer Security**"), it is issued with coupons for the payment of interest ("**Coupons**") attached and, if applicable, talons for further Coupons ("**Talons**") attached unless it is a Zero Coupon Security (as defined below) in which case references to interest (other than in the case of late payment) and Coupons in these General Conditions are not applicable. If it is a Definitive Bearer Security that is an Instalment Security (as defined below) it is issued with receipts ("**Receipts**") for the payment of instalments of principal prior to stated maturity attached. Any reference in these General Conditions to Coupon(s) or Couponholder(s) shall, unless the context otherwise requires, be deemed to include a reference to Talon(s) or Talon holder(s).

Unless otherwise specified in the applicable Issue Terms, 3(a)(2) Notes will be issued in minimum denominations of \$1,000 (or the Specified Currency equivalent).

#### (b) Type of Securities

A Security is, to the extent specified in the Issue Terms, (i) a Security bearing interest on a fixed-rate basis (a "**Fixed Rate Security**"), (ii) a Security bearing interest on a floating-rate basis (a "**Floating Rate Security**"), (iii) a Security bearing interest on the basis of specified interest amounts (a "**Specified Interest Amount Security**"), (iv) a Security issued on a non-interest bearing basis and offered and sold at a discount (other than a de minimis discount) to its nominal amount or at par and to which the Zero Coupon Securities provisions are expressed to be applicable (a "**Zero Coupon Security**"), and/or (iv) a Reference Item Linked Security (as defined below).

A Security may, to the extent specified in the Issue Terms, also be (i) a Security which is redeemable in instalments (an "**Instalment Security**"), (ii) a Security upon which its denomination and payment of principal and/or interest may be in more than one currency (a "**Dual Currency Security**"), (iii) a Security issued on a partly paid basis (a "**Partly Paid Security**") with the issue price payable in such number of instalments (each such instalment, a "**Part Payment Amount**") in such amounts, on such dates and in such manner as may be specified in the Issue Terms or a (iv) a Reference Item Linked Security.

"**Reference Item Linked Security**" means a Security whose return (whether in respect of any interest payable (such security a "**Reference Item Linked Interest Security**" as defined in Annex 1 – *Additional Terms and Conditions for Payouts*) on such Security and/or its redemption amount) is linked to one or more Reference Items, including indices (an "**Index Linked Security**") or shares or depositary receipts (an "**Equity Linked Security**") or inflation indices (an "**Inflation Linked Security**") or reference item rate(s) (a "**Reference Item Rate Linked Security**"), or exchange traded fund shares (an "**ETF Linked Security**") or fund shares or units (a "**Fund Linked Security**") or the credit of a specified entity or entities (a "**Credit Linked Security**") or foreign exchange rates (a

## TERMS AND CONDITIONS OF THE SECURITIES

"**Foreign Exchange (FX) Rate Linked Security**") or any combination thereof (a "**Combination Security**") as specified in the Issue Terms.

"**Reference Item**" means one or more underlying reference assets, entities or bases, as may be specified in the Issue Terms.

A Security may, as provided in the Issue Terms, provide that settlement will be by way of cash settlement ("**Cash Settled Securities**"); by way of physical delivery ("**Physically Settled Securities**"); or where Condition 5(b)(ii) (*Variation of Settlement*) is specified in the Issue Terms to apply, the method of settlement may be changed from Cash Settlement to Physical Delivery (or vice versa) at the option of the Issuer. BBVA Global Securities B.V. will not issue Physically Settled Securities.

Certain Notes issued by BBVA Global Securities B.V. and the guarantee 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**").

### (c) Title

Subject as set out below, title to Bearer Securities, Coupons and Receipts will pass by delivery, and title to Registered Securities will pass upon registration of transfers, in accordance with the provisions of the Agency Agreement. The holder of each Coupon or Receipt, whether or not such Coupon or Receipt is attached to a Bearer Security, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Security. The Issuer, the Guarantor and any Paying Agent, to the extent permitted by applicable law, may deem and treat the bearer of any Bearer Security, Coupon or Receipt as the absolute owner thereof (whether or not such Bearer Security, Coupon or Receipt shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Bearer Global Security, without prejudice to the provisions set out below.

The Issuer has appointed the entity specified in the Issue Terms at its office specified below to act as registrar of the Registered Securities (the "**Registrar**"). The Issuer shall cause to be kept a register at the specified office of the New York Registrar for the time being at 60 Wall Street, New York, New York 10005, United States or at the specified office of the Luxembourg Registrar for the time being at 2 Boulevard Konrad Adenauer, Luxembourg, L-1115 Grand Duchy of Luxembourg, a register (the "**Register**") on which shall be entered, *inter alia*, the name and address of the holder of the Registered Securities and particulars of all transfers of title to the Registered Securities.

### (d) Securities in Global Form

For as long as any of the Securities are represented by a Global Security held by or on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or The Depository Trust Company ("**DTC**") or its nominee, each person (other than Euroclear or Clearstream, Luxembourg or DTC) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg, or of DTC as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or DTC as to the nominal amount of such Securities 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 Agents as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Securities and, in the case of DTC or its nominee, voting, giving consents and making requests, for which purpose the bearer of the relevant Bearer Global Security or the registered holder of the relevant Registered Global Security shall be treated by the Issuer, the Guarantor and any Agent as the holder of such nominal amount of such Securities in accordance with and subject to the terms of the relevant Global Security and the expressions "**Securityholder**" and "**holder of Securities**" and related expressions shall be construed accordingly.

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

Except in relation to Securities indicated in the Issue Terms as being in New Global Security form, references to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the Issue Terms or, in the case of Exempt Securities only, as may otherwise be approved by the Issuer and Principal Paying Agent. If Registered Securities



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are represented by a Registered Global Security, such Registered Global Security will be registered in the name of a nominee for a common safekeeper (if the Registered Global Security is issued under the new safekeeping structure ("NSS")) or a common depository (if the Registered Global Security is not issued under the NSS) on behalf of, in either case, Euroclear and Clearstream Luxembourg or in the name of a nominee for an alternative clearing system or in the name of such other person as the Issue Terms shall provide.

### 2. Transfers of Registered Securities

#### (a) Transfers of interests in Registered Global Securities

Transfers of beneficial interests in Registered Global Securities will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Security will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Securities in definitive form or for a beneficial interest in another Registered Global Security only in the Specified Denominations set out in the Issue Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Security registered in the name of DTC or a nominee for DTC shall be limited to transfers of such Registered Global Security, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

#### (b) Transfers of Registered Securities in definitive form

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Security in definitive form may be transferred in whole or in part (in the Specified Denominations set out in the Issue Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Security for registration of the transfer of the Registered Security (or the relevant part of the Registered Security) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (ii) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being scheduled to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Security in definitive form of a like Aggregate Nominal Amount to the Registered Security (or the relevant part of the Registered Security) transferred. In the case of the transfer of part only of a Registered Security in definitive form, a new Registered Security in definitive form in respect of the balance of the Registered Security not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

#### (c) Registration of transfer upon partial redemption

In the event of a partial redemption of Securities under General Condition 6, the Issuer shall not be required to register the transfer of any Registered Security, or part of a Registered Security, called for partial redemption.

#### (d) Costs of registration

Securityholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

#### (e) Transfers of interests in Regulation S Global Securities

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Prior to expiry of the applicable Distribution Compliance Period (as defined below), transfers by the holder of, or of a beneficial interest in, a Regulation S Global Security to a transferee in the United States or who is a U.S. person will only be made:

- (A) in the case of Securities issued by BBVA Global Markets B.V., upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Security or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB who is also a QP (as defined below) in a transaction meeting the requirements of Rule 144A, and upon receipt by the Registrar of a representation letter substantially in the form set out in the Agency Agreement, amended as appropriate (an "**Investment Letter**"), from the transferee of the Security or beneficial interest therein to the effect that such transfer is being made to a person who certifies as to its status as a QIB who is also a QP; or
- (B) in the case of Securities issued by BBVA Global Securities B.V., upon receipt by the Registrar of a Transfer Certificate, copies of which are available from the specified office of any Transfer Agent, from the transferor of the Security or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, and upon receipt by the Registrar of an Investment Letter from the transferee of the Security or beneficial interest therein to the effect that such transfer is being made to a person who certifies as to its status as a QIB; or
- (C) otherwise pursuant to the Securities Act (as defined below) or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of paragraph (A) or (B) above, such transferee may take delivery through a Legended Security (as defined below) in global or definitive form and, in the case of paragraph (C) above, such transferee may take delivery only through a Legended Security in definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Securities registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(f) Transfers of interests in Legended Securities

Transfers of Legended Securities or beneficial interests therein may be made:

- (A) to a transferee who takes delivery of such interest through a Regulation S Global Security, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Regulation S Global Security registered in the name of a nominee for DTC if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Securities being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (B) in the case of Securities issued by BBVA Global Markets B.V., to a transferee who takes delivery of such interest through a Legended Security:
  - A. where the transferee is a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, or where the transferee is an Institutional Accredited Investor (as defined below) who is also a QP, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to a QIB who is also a QP or to an Institutional Accredited Investor who is also a QP (as applicable), together with a duly executed investment letter from the relevant transferee in the form set out in the Agency Agreement (an "**Investment Letter**"); or
  - B. where the transferee is an Institutional Accredited Investor (as defined below) who is also a QP, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that

## TERMS AND CONDITIONS OF THE SECURITIES

such transfer is being made to an Institutional Accredited Investor who is also a QP, together with a duly executed Investment Letter; or

- (C) in the case of Securities issued by BBVA Global Securities B.V., to a transferee who takes delivery of such interest through a Legended Security:
  - A. where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, or where the transferee is an Institutional Accredited Investor (as defined below), subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to a QIB or to an Institutional Accredited Investor (as applicable), together with a duly executed Investment Letter; or
  - B. where the transferee is an Institutional Accredited Investor (as defined below), subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed Investment Letter; or
- (D) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Securities transferred by Institutional Accredited Investors who are also QPs to QIBs who are also QPs, in the case of Securities issued by BBVA Global Markets B.V., and Securities transferred by Institutional Accredited Investors to QIBs, in the case of Securities issued by BBVA Global Securities B.V., in each case, pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs who are also QPs or such QIBs, as applicable, or non-U.S. investors through DTC, Euroclear or Clearstream, Luxembourg, as appropriate, and the Registrar will arrange for any Securities which are the subject of such a transfer to be represented by the appropriate Registered Global Security, where applicable.

Upon the transfer, exchange or replacement of Legended Securities, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Securities or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

In the case of an Institutional Accredited Investor who is also a QP, or a QIB who is also a QP (for Securities issued by BBVA Global Markets B.V.), or in the case of an Institutional Accredited Investor or a QIB (for Securities issued by BBVA Global Securities B.V.), if at any time the Issuer determines or is notified by the dealer in respect of the Securities specified in the Issue Terms (the "**Dealer**") acting on behalf of the Issuer that such holder or transferee was in breach, at the time given or deemed to be given, of any of the representations or agreements set out in the Investment Letter or otherwise determines that any transfer or other disposition of any Securities would, in the sole determination of the Issuer or the Dealer acting on behalf of the Issuer, require the Issuer to register as an "investment company" under the provisions of the 1940 Act, such purchase or other transfer will be void *ab initio* and will not be honoured by the Registrar. Accordingly, any such purported transferee or other holder will not be entitled to any rights as a Securityholder and the Issuer shall have the right, in accordance with the conditions of the Securities, to force the transfer of, transfer on behalf of the Securityholder or redeem, any such Securities.

- (g) Exchanges and transfers of Registered Securities generally

Holders of Registered Securities in definitive form, other than Institutional Accredited Investors, may exchange such Securities for interests in a Registered Global Security of the same type at any time.

- (h) Minimum Tradeable Amount

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Where a "**Minimum Tradable Amount**" is specified in the Issue Terms, Securities will be transferable only in a minimum aggregate amount of Specified Denominations equal to the Minimum Tradable Amount specified in the Issue Terms.

(i) Definitions

In this General Condition, the following expressions shall have the following meanings:

"**3(a)(2) Global Security**" means a Registered Global Security representing Securities sold in reliance on Section 3(a)(2) of the Securities Act;

"**Bearer Global Security**" means a global security (temporary or permanent) in bearer form;

"**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of each Tranche of Securities, as determined and certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

"**Eligible Investors**" are defined: (A) in the case of Securities issued by BBVA Global Markets B.V., as persons who are QIBs who are also QPs acting for their own account or for the account of other QIBs who are also QPs, or persons who are Institutional Accredited Investors who are also QPs, but excluding therefrom: (i) QIBs that are broker dealers that own and invest on a discretionary basis less than US\$25 million in "securities" of unaffiliated issuers (ii) a partnership, common trust fund, special trust, pension fund, retirement plan or other entity in which the partners, beneficiaries or participants, as the case may be, may designate the particular investments to be made or the allocation thereof, (iii) an entity that was formed, reformed or recapitalised for the specific purpose of investing in the Securities, (unless each beneficial owner of such entity is a QP), (iv) any investment company excepted from the 1940 Act solely pursuant to Section 3(c)(1) or Section 3(c)(7) thereof and formed prior to April 30, 1996, that has not received the consent of its beneficial owners with respect to the treatment of such entity as a qualified purchaser in the manner required by Section 2(a)(51)(C) of the 1940 Act and rules thereunder, and (v) any entity that will have invested more than 40 per cent. of its assets in securities of the Issuer subsequent to any purchase of the Securities; and (B) in the case of Securities issued by BBVA Global Securities B.V., as persons who are QIBs acting for their own account or for the account of other QIBs, or persons who are Institutional Accredited Investors.

"**Institutional Accredited Investor**" means "accredited investors" (as defined in Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the Securities Act) that are institutions;

"**Legended Security**" means: (A) in the case of Securities issued by BBVA Global Markets B.V., Registered Securities in definitive form that are issued to Institutional Accredited Investors who are also QPs and Registered Securities (whether in definitive form or represented by a Registered Global Security) sold in private transactions to QIBs who are also QPs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a "**Legend**"); and (B) in the case of Securities issued by BBVA Global Securities B.V., Registered Securities in definitive form that are issued to Institutional Accredited Investors and Registered Securities (whether in definitive form or represented by a Registered Global Security) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a Legend;

"**QIB**" means a "qualified institutional buyer" within the meaning of Rule 144A;

"**QP**" means a "qualified purchaser" within the meaning of Section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended (the "**1940 Act**") and the rules and regulations thereunder;

"**Registered Global Security**" means a global security in registered form (which term shall include a 3(a)(2) Global Security);

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulation S Global Security**" means a Registered Global Security representing Securities sold outside the United States in reliance on Regulation S;

"**Rule 144A**" means Rule 144A under the Securities Act;

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"**Rule 144A Global Security**" means a Registered Global Security representing Securities sold in the United States or to QIBs (who are, in the case of Securities issued by BBVA Global Markets B.V., also QPs) in reliance on Rule 144A; and

"**Securities Act**" means the United States Securities Act of 1933, as amended.

### 3. Status of the Securities and the Guarantee

#### (a) Status of the Securities

The Securities and any related Coupons and Receipts constitute direct, unconditional and unsecured and unsubordinated obligations of the Issuer and rank *pari passu*, without any preference or priority among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditor's right.

In the event of insolvency of the Issuer, the court having jurisdiction to open an insolvency proceeding and the law applicable to those proceedings and their effects will be determined in accordance with the provisions of Regulation (EU) No 2015/848, of May 20, 2015, on insolvency proceedings ("**Regulation 2015/848**"), Royal Legislative Decree 1/2020, of May 5, approving the reinstated text of the Spanish Insolvency Law 22/2003 of July 9, 2003, as amended (the "**Spanish Insolvency Law**") and the Dutch Insolvency Law (*faillissementswet*) of September 30, 1893, as amended (the "**Dutch Insolvency Law**"). Pursuant to these provisions, the courts of the place where the Issuer has its centre of main interests shall have jurisdiction to open insolvency proceedings against it and the law applicable to the insolvency proceedings and their effects will be the law of the place where such proceedings are opened.

Under Regulation 2015/848 the centre of main interests should correspond to the place where the debtor conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. In the case of a company or legal person, Regulation 2015/848 presumes, in the absence of proof to the contrary, that the place of its registered office is the centre of main interests. Based on this presumption a Dutch court may consider that it has jurisdiction to open insolvency proceedings against the Issuer. Notwithstanding this presumption, it is arguable that the centre of main interests of the Issuer should be considered to be located in Spain and that the Spanish courts should be the courts with jurisdiction to open insolvency proceedings against it. In addition, even if the centre of main interests of the Issuer were not in Spain, the Spanish court could still open insolvency proceedings (named territorial insolvency proceedings) if they consider that the Issuer has an establishment within the territory of Spain, the effects of which would be limited to the assets of the Issuer situated in Spain.

In the event of insolvency (*faillissement*) of the Issuer declared by a Dutch court (either principal or territorial proceedings), claims relating to Securities will be *pari passu* claims (*concurrente vorderingen*) as defined in the Dutch Insolvency Law. Ordinary credits rank below credits against the insolvency estate (*boedelschuld*) and credits with a privilege (*voorracht*). Ordinary credits rank above subordinated credits and the rights of shareholders.

In the event of insolvency (*concurso*) of the Issuer declared by a Spanish court (either principal or territorial insolvency proceedings) claims relating to Securities (which are not subordinated pursuant to article 309 of the Spanish Insolvency Law) will be ordinary credits (*créditos ordinarios*) as defined in the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and privileged credits (*créditos privilegiados*) which shall be paid in full before ordinary credits. The claims of all creditors against the Issuer considered as "ordinary credits": will be satisfied pro rata in insolvency. Ordinary credits rank above subordinated credits and the rights of shareholders.

Pursuant to article 59 of the Spanish Insolvency Law, the further accrual of interest shall be suspended from the date of declaration of the insolvency of any Issuer. Claims in respect of interest on the Securities accrued but unpaid as of the commencement of any insolvency procedure in respect of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of article 309 of the Spanish Insolvency Law (including, without limitation, after claims on account of principal in respect of contractually subordinated obligations of the Issuer).

#### (b) Status of the Guarantee

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The payment of principal and interest in respect of the Securities and any related Coupons and Receipts and all amounts due under the Deed of Covenant in respect of the Securities and any related Coupons and Receipts has been unconditionally and irrevocably guaranteed by the Guarantor pursuant to the Guarantee.

The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

In the event of insolvency (*concurso*) of the Guarantor, under the Spanish Insolvency Law, claims of Securityholders (which are not subordinated pursuant to article 309 of the Insolvency law) will be ordinary credits (*créditos ordinarios*) as defined in the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and privileged credits (*créditos privilegiados*) (including, without limitation, any deposits for the purposes of Additional Provision 14.1 of Law 11/2015) which shall be paid in full before ordinary credits. The claims of all creditors against the Guarantor considered as "ordinary credits" will be satisfied pro rata in insolvency. Ordinary credits rank above subordinated credits and the rights of shareholders.

Pursuant to article 59 of the Spanish Insolvency Law, the further accrual of interest shall be suspended from the date of declaration of the insolvency of the Guarantor. Claims of Securityholders in respect of interest accrued but unpaid as of the commencement of any insolvency procedure in respect of the Guarantor shall constitute subordinated claims against the Guarantor ranking in accordance with the provisions of article 309 of the Spanish Insolvency Law (including, without limitation, after claims on account of principal in respect of contractually subordinated obligations of the Guarantor).

The Guarantee provided by Banco Bilbao Vizcaya Argentaria, S.A., acting through its New York Branch, in respect of the 3(a)(2) Notes is governed by New York law. Under New York law, (a) the Guarantor, as a New York state-licensed branch of BBVA, a Spanish bank, is required to maintain certain liquid assets, (b) the Superintendent may take possession of such assets and the rest of the property and business of the Guarantor located in New York for the benefit of the Guarantor's creditors, including the beneficiaries of the Guarantee, if, among other things, BBVA is in liquidation in Spain or elsewhere, or if there is reason to doubt BBVA's ability to pay its creditors in full and (c) the Superintendent is authorised to turn over any such assets or other property of the Guarantor to the principal office of BBVA or any Spanish liquidator or receiver only after all of the claims of the creditors of the Guarantor, including the beneficiaries of the Guarantee, have been satisfied and discharged and, to the extent requested by a liquidator of any other BBVA office in the United States, the claims of the creditors of that office accepted by the liquidator and the expenses incurred by that liquidator in liquidating the other office, have been satisfied and discharged.

***The obligations of the Guarantor under the Guarantee and the obligations of BBVA under the Hedging Agreements entered into between BBVA and the Issuer in respect of any Securities are also subject to the application of the general bail-in tool by the Fondo de Reestructuración Ordenada Bancaria (the "FROB") or any other Relevant Spanish Resolution Authority pursuant to Law 11/2015.***

***By its acquisition of any Securities, each holder acknowledges and accepts that he may be adversely affected by the exercise of the Spanish Bail-in Power by the Relevant Spanish 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 the Hedging Agreements, in relation to Securities of any series.***

"**Relevant Spanish Resolution Authority**" means any of the Spanish Fund for the Orderly Restructuring of Banks (Fondo de Reestructuración Ordenada Bancaria), the European Single Resolution Mechanism, the Bank of Spain and the Spanish Securities Market Commission ("CNMV") or any other entity with the authority to exercise the Spanish Bail-in Power from time to time, according to Law 11/2015, of June 18, as amended from time to time, including amongst others, as amended by Royal Decree-Law 7/2021 ("**Law 11/2015**"), RD 1012/2015 and the SRM Regulation.

### 4. Interest

#### (a) Interest on Fixed Rate Securities

Each Fixed Rate Security bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each period from (and including) an

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Interest Period End Date (or if none the Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each an "**Interest Period**" and each such latter date the "**Interest Period End Final Date**"). Interest will be payable in arrears on the Interest Payment Date(s) up to (and including) the Maturity Date. If an Interest Payment Date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention (as defined in General Condition 4(j) below) is specified in the Issue Terms as applying to an Interest Period End Date or an Interest Payment Date and (i) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (ii) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day (as defined in General Condition 4(j)), then, the relevant Business Day Convention shall apply. For the purposes of this General Condition 4(a), "**Interest Period End Date**" shall mean each date so specified in the Issue Terms. If no such date(s) is so specified, then the Interest Period End Date for an Interest Period shall be the corresponding Interest Payment Date (unadjusted for any Business Day Convention unless a Business Day Convention is specified in the Issue Terms as applying to an Interest Period End Date).

If no Business Day Convention is specified as applicable to an Interest Period End Final Date in the Issue Terms, and

- (i) If a Fixed Coupon Amount is specified in the Issue Terms, the amount of interest payable on each Interest Payment Date so specified shall be the Fixed Coupon Amount per Calculation Amount so specified; and
- (ii) If a Broken Amount is specified in the Issue Terms, the amount of interest payable in respect of the Interest Payment Date so specified shall be the Broken Amount per Calculation Amount so specified.

Subject to the Payout Conditions, Interest shall be calculated by applying the Rate of Interest to:

- (x) in the case of Fixed Rate Securities which are represented by a Global Security, the aggregate outstanding nominal amount of the Fixed Rate Securities represented by such Global Security (or, if they are Partly Paid Securities, the aggregate amount paid up (subject to General Condition 4(f))); or
- (y) in the case of each Fixed Rate Security in definitive form, the Calculation Amount (subject to General Condition 4(f)),

and, in each case, multiplying such sum by (i) the applicable Day Count Fraction (as defined in General Condition 4(j) below) specified in the Issue Terms and (ii) where an Interest Leverage Multiplier is specified as "Applicable" in the Issue Terms, the Interest Leverage Multiplier specified in the Issue Terms, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit (as defined below) being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Security in definitive form comprises more than one Calculation Amount, the amount of Interest payable in respect of such Fixed Rate Security shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount (subject to General Condition 4(f)) comprising the Specified Denomination without any further rounding.

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

### (b) Interest on Floating Rate Securities and Reference Item Linked Interest Securities

#### (i) Interest Period End Dates and Interest Payment Dates

Each Floating Rate Security and, subject to the provisions of General Condition 4(e) below and unless otherwise specified in the Issue Terms, each Reference Item Linked Interest Security bears interest on its outstanding nominal amount (or, if it is a Partly Paid Security, in accordance with General Condition 4(f)) in respect of each Interest Period (as defined in General Condition 4(a)). For the purposes of this General Condition 4(b), "**Interest Period End Date**" shall mean either:

- (A) the specified Interest Period End Date(s) specified in the Issue Terms; or

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- (B) if no Interest Period End Date(s) is/are specified in the Issue Terms, (x) in the case of Floating Rate Securities, each date which falls on the number of months or other period specified as the Specified Period in the Issue Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date and (y) in the case of Reference Item Linked Interest Securities, the corresponding Interest Payment Date (unadjusted for any Business Day Convention).

Interest will be payable in arrears on the Interest Payment Date(s) up to (and including) the Maturity Date. If an Interest Payment Date falls after an Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date.

If a Business Day Convention is specified in the Issue Terms as applying to an Interest Period End Date or an Interest Payment Date and (i) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (ii) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day (as defined in General Condition 4(j) below), then the relevant Business Day Convention (as defined in General Condition 4(j) below) shall apply. Provided that, in any case, where Specified Periods are specified in accordance with General Conditions 4(b)(i)(A) and (B) above, the Floating Rate Convention shall apply.

- (ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Securities and Reference Item Linked Interest Securities will be determined in the manner specified in the Issue Terms.

- (iii) ISDA Determination

Where ISDA Determination is specified in the Issue Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Issue Terms) the Margin (if any). For the purposes of this paragraph (iii), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

if the Issue Terms specify either "2006 ISDA Definitions" or "2021 ISDA definitions" as the applicable ISDA Definitions:

- (A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the Issue Terms;
- (B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the Issue Terms;
- (C) the relevant Reset Date (as defined in the ISDA Definitions) is as specified in the Issue Terms; and
- (D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Issue Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
- (1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period;



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provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

- (E) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Compounding is specified to be applicable in the applicable Issue Terms and:
- (1) OIS Compounding is specified as the Compounding Method in the applicable Issue Terms, OIS Compounding is the Overnight Rate Compounding Method (as defined in the ISDA Definitions);
  - (2) Compounding with Lookback is specified as the Compounding Method in the applicable Issue Terms, (a) Compounding with Lookback is the Overnight Rate Compounding Method (as defined in the ISDA Definitions) and (b) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the applicable Issue Terms;
  - (3) Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Issue Terms, (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the applicable Issue Terms and (c) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the applicable Issue Terms; or
  - (4) Compounding with Lockout is specified as the Compounding Method in the applicable Issue Terms, (a) Compounding with Lockout is the Overnight Rate Compounding Method (as defined in the ISDA Definitions), (b) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the applicable Issue Terms and (c) Lockout Period Business Days are the days specified in the applicable Issue Terms;
- (F) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the applicable Issue Terms and:
- (1) Overnight Averaging is specified as the Averaging Method in the applicable Issue Terms, Overnight Averaging is the Overnight Rate Averaging Method (as defined in the ISDA Definitions);
  - (2) Averaging with Lookback is specified as the Averaging Method in the applicable Issue Terms, (a) Averaging with Lookback is the Overnight Rate Averaging Method (as defined in the ISDA Definitions) and (b) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) as specified in applicable Issue Terms;
  - (3) Averaging with Observation Period Shift is specified as the Averaging Method in the applicable Issue Terms, (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the applicable Issue Terms and (c) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the applicable Issue Terms; or
  - (4) Averaging with Lockout is specified as the Averaging Method in the applicable Issue Terms, (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the applicable Issue Terms and (c) Lockout Period Business Days are the days specified in the applicable Issue Terms; and

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- (G) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the ISDA Definitions) and Index Provisions are specified to be applicable in the applicable Issue Terms one of the following Index Method shall be specified in the Issue Terms:
  - (1) Compounded Index Method with Observation Period Shift and (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the applicable Issue Terms and (b) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the applicable Issue Terms;
  - (2) Standard Index Method; or
  - (3) Compounded Index Method.

References in the ISDA Definitions to:

- (A) "Confirmation" shall be references to the applicable Issue Terms;
- (B) "Calculation Period" shall be references to the relevant Interest Period;
- (C) "Delayed Payment" shall be references to Payment Delay;
- (D) "Payment Date " shall be references to each Interest Payment Date or Effective Interest Payment Date, as applicable;
- (E) "Termination Date" shall be references to the Maturity Date; and
- (F) "Effective Date" shall be references to the Interest Commencement Date;

In the event of any ambiguity or other uncertainty in the application of the ISDA Definitions to the determination of the Floating Rate, such ambiguity or other uncertainty shall be resolved by the Issuer acting in good faith and in a commercially reasonable manner.

If the applicable Issue Terms specify "2021 ISDA Definitions" as the applicable ISDA Definitions:

- (A) "Administrator/Benchmark Event" (as defined in the 2021 ISDA Definitions) shall be disappplied; and
- (B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication– Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

If OIS Compounding or Overnight Averaging is specified as the Compounding Method or Averaging Method, as applicable and "Payment Delay" is specified as applicable in the applicable Issue Terms, all references in these Conditions to interest on the Securities being payable on an Interest Payment Date shall be read as reference to interest on the Securities being payable on each date specified as such in the applicable Issue Terms (each an "Effective Interest Payment Date") instead; provided that, for the purposes of determining the ISDA Rate in respect of the final Interest Period ending on the Maturity Date, the Underlying Benchmark Level (as defined in the 2021 ISDA Definitions) in respect of the period from and including the date falling two Business Days prior to the Maturity Date to (but excluding) the Maturity Date shall be equal to the Underlying Benchmark Level as of the date falling two Business Days prior to the Maturity Date.

- (iv) Screen Rate Determination
- (1) Screen Rate Determination for Floating Rate Securities not referencing SONIA, SOFR or €STR

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Where Screen Rate Determination (not referencing SONIA, SOFR or €STR) is specified in the Issue Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page (or any successor to such page or service) as at the Specified Time indicated in the Issue Terms (which will be 11.00 a.m. Brussels time, in the case of EURIBOR) on the Interest Determination Date (as defined below) in question plus or minus (as indicated in the Issue Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded, as provided above) of such offered quotations; or
- (C) in the case of a CMS Rate, the rate for swap transactions in the currency to which the CMS Rate relates with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page (or any successor to such page or service) as of the Specified Time on the relevant Interest Determination Date plus or minus (as indicated in the Issue Terms) the Margin (if any) all as determined by the Calculation Agent or, in the event that the Principal Paying Agent determines it is not reasonably practicable to determine the Rate of Interest in such manner, the Rate of Interest will be determined by the Calculation Agent as such rate that it determines would have prevailed but for such impracticality by reference to such source(s) as it may select; or
- (D) in the case of a rate that is based on the yield of a government bond (a "**Government Bond Yield Rate**"), the rate for a generic government bond, expressed as a percentage per annum, with a maturity of the Designated Maturity, which appears on the Relevant Screen Page (or any successor to such page or service) as of the Specified Time on the relevant Interest Determination Date plus or minus (as indicated in the Issue Terms) the Margin (if any) (all as specified in the Issue Terms), as determined by the Calculation Agent; or
- (E) if the Calculation Agent determines that it is not reasonably practicable to obtain the rate in such manner, the rate will be determined as such rate that the Calculation Agent determines would have prevailed but for such impracticability by reference to such source(s) as it may select.

In case the rate specified in the Issue Terms is a TEC Rate (*Taux de l'Echéance Constante*), the offered quotation, expressed as a percentage rate per annum, with a maturity of the Designated Maturity calculated by the *Comité de Normalisation Obligataire* (or successor thereto), which appears on the Relevant Screen Page (or any successor to such page or service) as of the Specified Time on the relevant Interest Determination Date plus or minus (as indicated in the Issue Terms) the Margin (if any) (all as specified in the Issue Terms), as determined by the Calculation Agent.

If the Calculation Agent determines it is not reasonably practicable to determine the rate in such manner, the rate shall be determined by the Calculation Agent on the basis of the linear interpolation of the mid-market prices for each of the two reference French treasury bonds (*Obligation Assimilable du Trésor*), which would have been used by the *Comité de Normalisation Obligataire* (or successor thereto) for the calculation of the relevant rate.

In order to determine such mid-market prices, the Calculation Agent shall request five active dealers each to provide a quotation of its price at approximately the Specified Time on the Interest Determination Date in question and shall determine the mid-market prices as the arithmetic mean of such quotations after discarding the highest and lowest of such quotations.

In the case of paragraphs (A) and (B), the Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of paragraph

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(A) above, no such offered quotation appears or, in the case of paragraph (B) above, fewer than three such offered quotations appear, in each case as at the Specified Time indicated above or in the Issue Terms. The Issue Terms may, if agreed by the relevant Dealer, set out such provisions in full.

(2) Screen Rate Determination for Floating Rate Securities referencing SONIA, SOFR or €STR

(A) If Screen Rate Determination is specified in the applicable Issue Terms as the manner in which the Rate(s) of Interest is/are to be determined and the Reference Rate is specified in the applicable Issue Terms as being "SONIA", "SOFR" or "€STR", the Rate of Interest applicable to the Securities for each Interest Period will be sum of the Margin and the Relevant Rate, all as determined by the Calculation Agent on the Interest Determination Date for such Interest Period.

(B) If the Securities become due and payable in accordance with General Condition 9, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Issue Terms, be deemed to be the date on which the Securities became due and payable and the Rate of Interest applicable to the Securities shall, for so long as any such Security remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

(C) If "Payment Delay" is specified as the Observation Method in the applicable Issue Terms, all references in these Conditions to interest on the Securities being payable on an Interest Payment Date shall be read as reference to interest on the Securities being payable on an Effective Interest Payment Date instead.

(D) Definitions

"**Applicable Period**" means,

(a) where "Observation Shift" is specified as the Observation Method in the applicable Issue Terms, in relation to any Interest Period, the Observation Period relating to such Interest Period; and

(b) where "Lag", "Lock-Out" or "Payment Delay" is specified as the Observation Method in the applicable Issue Terms, the relevant Interest Period.

"**d**" means the number of calendar days in the Applicable Period.

"**d<sub>c</sub>**" means the number of calendar days from (and including) IndexStart to (but excluding) IndexEnd.

"**d<sub>0</sub>**" means the number of Reference Rate Business Days in the Applicable Period.

"**ECB Website**" means the website of the European Central Bank currently at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank.

"**Effective Interest Payment Date**" means each date specified as such in the applicable Issue Terms.

"**i**" means a series of whole numbers from one to  $d_0$ , each representing the relevant Reference Rate Business Day in the Applicable Period in chronological order from (and including) the first Reference Rate Business Day in the Applicable Period (each a "**Reference Rate Business Day(i)**").

"**Index<sub>End</sub>**" means in relation to any Interest Period, the Index Value on the day which is "p" Reference Rate Business Days prior to the Interest Payment Date for such Interest Period.

"**Index<sub>Start</sub>**" means, in relation to any Interest Period, the Index Value on the day which is "p" Reference Rate Business Days prior to the first day of such Interest Period.

"**Index Value**" means, in relation to any Reference Rate Business Day:

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- (a) where "SONIA" is specified as the Reference Rate and RFR Index Determination is specified as applicable in the applicable Issue Terms, the value of the SONIA Compounded Index for such Reference Rate Business Day as published by authorised redistributors on such Reference Rate Business Day or, if the value of the SONIA Compounded Index cannot be obtained from such authorised redistributors, as published on the Bank of England's Website at [www.bankofengland.co.uk/boeapps/database](http://www.bankofengland.co.uk/boeapps/database) (or on such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) at or around 9.00 a.m. (London Time) on the next following Reference Rate Business Day; **provided, however, that** in the event that the value originally so published is corrected on such Reference Rate Business Day, then such corrected value, instead of the value that was originally published, shall be deemed the Index Value in relation to such Reference Rate Business Day;
- (b) where "SOFR" is specified as the Reference Rate and RFR Index Determination is specified as applicable in the applicable Issue Terms, the value of the SOFR Index published by Federal Reserve Bank of New York, as the administrator of the daily Secured Overnight Financing Rate (or any successor administrator of such rate) on the New York Federal Reserve's Website at <https://apps.newyorkfed.org/markets/autorates/sofr-avg-ind> (or on such other page or website as may replace such page for the purposes of publishing the SOFR Index) at or about 3:00 p.m. (New York City time) on such Reference Rate Business Day (the "**SOFR Screen Page**"); **provided, however, that** in the event that the value originally so published is subsequently corrected and such corrected value is published by the Federal Reserve Bank of New York, as the administrator of such rate on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the Index Value in relation to such Reference Rate Business Day; and
- (c) where "€STR" is specified as the Reference Rate and RFR Index Determination is specified as applicable in the applicable Issue Terms, the value of the €STR Compounded Index for such Reference Rate Business Day as published at or around 8.00 a.m. (Central European Time) by the European Central Bank on the next following Reference Rate Business Day; **provided, however, that** in the event that the value originally so published is corrected on such Reference Rate Business Day, then such corrected value, instead of the value that was originally published, shall be deemed the Index Value in relation to such Reference Rate Business Day.

"**New York Federal Reserve's Website**" means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website.

"**n**" means, in relation to any Reference Rate Business Day(i), the number of calendar days from (and including) such Reference Rate Business Day(i) up to (but excluding) the next following Reference Rate Business Day.

"**Non-Reset Date**" means each Reference Rate Business Day(i) in an Applicable Period, the Reference Rate Determination Date in relation to which falls on or after the Rate Cut-Off Date (if any).

"**Observation Period**" means, in relation to an Interest Period:

- (a) where "Standard Shift" is specified as applicable in the applicable Issue Terms, the period from (and including) the date which is "p" Reference Rate Business Days prior to the first day of such Interest Period (and in respect of the first Interest Period, the Interest Commencement Date) and ending on (but excluding) the date which is "p" Reference Rate Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Reference Rate Business Days prior to such earlier date, if any, on which the Securities become due and payable); and
- (b) where "IDD Shift" is specified as applicable in the applicable Issue Terms, the period from (and including) the Reference Rate Business Day falling prior to the Interest Determination Date for the immediately preceding Interest Payment Date to (but excluding) the last Reference Rate Business Day falling prior to the Interest Determination Date for such Interest Period, provided that the first Observation Period shall commence on (and include) the last Reference Rate Business Day falling prior to the date falling two Business Days prior to the Interest Commencement Date.

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"**p**" means the whole number specified as such in the Issue Terms representing a number of Reference Rate Business Days or, if no such number is specified, five Reference Rate Business Days.

"**Rate Cut-Off Date**" means the following or as otherwise specified in the applicable Issue Terms:

- (a) where "Lock-Out" is specified as the Observation Method in the applicable Issue Terms and "SONIA" is specified as the relevant Reference Rate, in relation to any Interest Period, the Reference Rate Business Day immediately prior to the Interest Determination Date;
- (b) where "Lock-Out" is specified as the Observation Method in the applicable Issue Terms and a Reference Rate other than SONIA is specified as the relevant Reference Rate, in relation to any Interest Period, the second Reference Rate Business Day falling prior to the Interest Determination Date;
- (c) where "Payment Delay" is specified as the Observation Method in the applicable Issue Terms in respect of the final Interest Period only, the second Reference Rate Business Day falling prior to the Interest Determination Date; and
- (d) in any other circumstances, no Rate Cut-Off Date shall apply.

"**Reference Rate**" means in relation to any Reference Rate Business Day:

- (a) where "SONIA" is specified as the Reference Rate in the applicable Issue Terms, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such Reference Rate Business Day as provided by the administrator of SONIA (or any successor administrator) to authorised distributors and as then published at or around 9.00 a.m. (London Time) on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the Reference Rate Business Day immediately following such Reference Rate Business Day;
- (b) where "SOFR" is specified as the Reference Rate in the applicable Issue Terms, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) published at or around 3:00 p.m. (New York City time) ("**SOFR Determination Time**") on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the next succeeding Reference Rate Business Day for trades made on such Reference Rate Business Day;
- (c) where "€STR" is specified as the Reference Rate in the applicable Issue Terms, a reference rate equal to the daily euro short-term rate for such Reference Rate Business Day as published at or around 8.00 a.m. (Central European Time) by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the Reference Rate Business Day immediately following such Reference Rate Business Day; or
- (d) where "USD-SOFR ICE Swap Rate" is specified as the Reference Rate in the applicable Issue Terms, a reference rate equal to the USD-SOFR ICE Swap Rate as provided by the ICE Benchmark Administration Limited published at or about 11:00 a.m., New York City time (the "USD-SOFR ICE Swap Rate Determination Time") on the website of the Administrator or on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorized distributors) on the second Reference Rate Business Day prior to the related Reference Rate Business Day.

"**Reference Rate(i)**" or "**REF<sub>i</sub>**" means in relation to any Reference Rate Business Day(i), the Reference Rate for the Reference Rate Determination Date in relation to such Reference Rate Business Day(i), provided that where either "Lock Out" or "Payment Delay" are specified as the Observation Method in the applicable Issue Terms, Reference Rate(i) (or REF<sub>i</sub>) in respect of each Non-Reset Date (if any) in an Applicable Period shall be Reference Rate(i) (or REF<sub>i</sub>) as determined in relation to the Rate Cut-Off Date.

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**"Reference Rate Business Day"** means:

- (a) where "SONIA" is specified as the Reference Rate in the applicable Issue Terms, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;
- (b) where "SOFR" or "USD-SOFR ICE Swap Rate" is specified as the Reference Rate in the applicable Issue Terms, means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association ("**SIFMA**") recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; or
- (c) where "€STR" is specified as the Reference Rate in the applicable Issue Terms, a day on which the T2 is open for settlement of payments in euro.

**"Reference Rate Determination Date"** means, in relation to any Reference Rate Business Day(i):

- (a) where "Lag" is specified as the Observation Method in the applicable Issue Terms, the Reference Rate Business Day falling "p" Reference Rate Business Days prior to such Reference Rate Business Day(i); and
- (b) otherwise, such Reference Rate Business Day(i).

**"Relevant Rate"** means with respect to an Interest Period:

- (a) if RFR Index Determination is specified as being not applicable in the applicable Issue Terms (or is deemed to be not applicable as set out in the proviso to paragraph (B) below):
  - (I) where "Compounded Daily Rate" is specified as the Determination Method in the applicable Issue Terms, the rate of return of a daily compound interest investment (with the applicable Reference Rate specified in the Issue Terms as reference rate for the calculation of interest) calculated as follows, with the resulting percentage rounded, if necessary, (i) in the case of SONIA and €STR to the nearest one ten- thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards and (ii) in the case of SOFR to the nearest one hundred-thousandth of a percentage point (0.00001 per cent.), with 0.00005 per cent. being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{REF_i \times n_i}{Y} \right) - 1 \right] \times \frac{Y}{d}$$

- (II) where "Weighted Average Rate" is specified as the Determination Method in the applicable Issue Terms the arithmetic mean of Reference Rate(i) for each Reference Rate Business Day during such Applicable Period (each "**Reference Rate Business Day(i)**"), calculated by multiplying the relevant Reference Rate(i) for any Reference Rate Business Day(i) by the number of days such Reference Rate(i) is in effect (being the number of calendar days from (and including) such Reference Rate Business Day(i) up to (but excluding) the next following Reference Rate Business Day), determining the sum of such products and dividing such sum by the number of calendar days in the relevant Applicable Period; or
- (b) if RFR Index Determination is specified as being applicable in the applicable Issue Terms, the rate calculated as follows, with the resulting percentage rounded, if necessary, (i) in the case of SONIA and €STR to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards and (ii) in the case of SOFR to the nearest one hundred-thousandth of a percentage point (0.00001 per cent.), with 0.00005 per cent. being rounded upwards:

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$$\left( \frac{Index_{End}}{Index_{Start}} - 1 \right) \times \frac{Y}{d_c}$$

provided, however, that if the Calculation Agent is unable for any reason to determine IndexEnd or IndexStart in relation to any Interest Period, the Relevant Rate shall be calculated for such Interest Period as if RFR Index Determination had been specified as being not applicable in the applicable Issue Terms (and accordingly paragraph (a)(I) of this definition and "Observation Shift" and "Standard Shift" will apply).

"**SOFR Index**" means the index known as the SOFR Index administered by the Federal Reserve Bank of New York (or any successor administrator thereof).

"**SONIA Compounded Index**" means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof).

"**Y**" is the number specified as such in the applicable Issue Terms, or if no number is so specified, a number reflecting the denominator for day count fractions customarily used to calculate floating rate interest amounts on instruments denominated in the Specified Currency and with an original maturity equal to that of the Securities, as determined by the Calculation Agent.

"**€STR Compounded Index**" means the level of the index measuring the change in the returns from a rolling unit of investment earning compound interest each day at €STR, administered by the European Central Bank (or a successor administrator).

- (3) Additional Provisions applicable where "SONIA" is specified as the Reference Rate in the applicable Issue Terms:

*(x) If "Lag", "Lock-Out", "Observation Shift" or "Payment Delay" is specified as the Observation Method in the applicable Issue Terms*

If, in respect of any London Business Day, the Reference Rate is not available on the Relevant Screen Page (and has not otherwise been published by the relevant authorised distributors), such Reference Rate shall be:

- I. (a) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at the close of business on the relevant London Business Day; plus (b) the arithmetic mean of the spread of SONIA to the Bank Rate over the previous five days on which SONIA has been published, excluding the highest spread (or, if there is more than one highest spread, only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
- II. if such Bank Rate is not available, the Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the immediately preceding London Business Day on which the Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors), and

such rate shall be deemed to be the Reference Rate for such London Business Day.

Notwithstanding the foregoing, in the event of the Bank of England publishing guidance as to (i) how the Reference Rate is to be determined or (ii) any rate that is to replace the Reference Rate, the Principal Paying Agent or the Calculation Agent, as applicable, shall follow such guidance to determine the Reference Rate for so long as the Reference Rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions in respect of an Interest Period, the Rate of Interest shall be (i) determined as at the immediately preceding Interest Determination Date (though substituting, where a different Margin, Maximum Interest Rate and/or Minimum Interest Rate is to be applied to the relevant Interest Period from that which applied to the immediately preceding Interest Period, the Margin, Maximum Interest Rate and/or Minimum Interest



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Rate relating to the relevant Interest Period, in place of the Margin, Maximum Interest Rate and/or Minimum Interest Rate relation to the immediately preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have applicable to such Series of Securities for the first Interest Period had the Securities been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (subject to the application of the relevant Margin or Maximum Interest Rate or Minimum Interest Rate in respect of such Interest Period).

(y) If "RFR Index Determination" is specified as applicable and "Observation Shift" is specified as the Observation Method in the applicable Issue Terms

If the relevant Index Value is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the SONIA Compounded Index for the applicable Interest Period for which the SONIA Compounded Index is not available shall be the "Compounded Daily Rate" determined in accordance with General Condition 4(b)(iv)(2) where the "Observation Method" will be deemed to be "Observation Shift (Standard Shift)".

- (4) Additional Provisions applicable where "SOFR" is specified as the Reference Rate in the applicable Issue Terms:

If the Principal Paying Agent or the Calculation Agent, as applicable, failing which the Issuer, determines at any time prior to the SOFR Determination Time on any U.S. Government Securities Business Day that a SOFR Transition Event and the related SOFR Replacement Date have occurred, the Calculation Agent will appoint an agent (the "**Replacement Rate Determination Agent**") which will determine the SOFR Replacement. The Replacement Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial centre of the Specified Currency as appointed by the Calculation Agent, (y) the Issuer, (z) an affiliate of the Issuer, or the Calculation Agent or (zz) such other entity that the Calculation Agent determines to be competent to carry out such role.

In connection with the determination of the SOFR Replacement, the Replacement Rate Determination Agent will determine appropriate SOFR Replacement Conforming Changes.

Any determination, decision or election that may be made by the Calculation Agent or Replacement Rate Determination Agent (as the case may be) pursuant to these provisions, will (in the absence of manifest error) be conclusive and binding on the Issuer, the Calculation Agent, the Principal Paying Agent and the Securityholders.

Following the designation of a SOFR Replacement, the Principal Paying Agent or the Calculation Agent, as applicable, may subsequently determine that a SOFR Transition Event and a related SOFR Replacement Date have occurred in respect of such SOFR Replacement, provided that the SOFR Benchmark has already been substituted by the SOFR Replacement and any SOFR Replacement Conforming Changes in connection with such substitution have been applied. In such circumstances, the SOFR Replacement shall be deemed to be the SOFR Benchmark and all relevant definitions shall be construed accordingly.

In connection with the SOFR Replacement provisions above, the following definitions shall apply:

"**ISDA Definitions**" means, unless otherwise specified in the applicable Issue Terms, the 2006 ISDA Definitions published by the international Swaps and Derivatives Association, Inc. ("ISDA") or any successor thereto as amended or supplemented from time to time up to the Issue Date of the first Tranche of such Securities (the "**2006 ISDA Definitions**"); provided that if "2021 ISDA Definitions" is specified in the applicable Issue Terms, ISDA Definitions means the 2021 ISDA Definitions published by ISDA or any successor thereto as amended or supplemented from time to time up to the Issue Date of the first Tranche of such Securities (the "**2021 ISDA Definitions**");

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**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of a SOFR Transition Event with respect to SOFR for the applicable tenor;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of a SOFR Transition Event with respect to SOFR for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Relevant Governmental Body"** means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor thereto;

**"SOFR Benchmark"** means (a) SOFR or (b) the Index Value, as applicable;

**"SOFR Replacement"** means any one (or more) of the SOFR Replacement Alternatives to be determined by the Replacement Rate Determination Agent as of the SOFR Replacement Date if the Principal Paying Agent or the Calculation Agent, as applicable, failing which the Issuer, determines that a SOFR Transition Event and its related SOFR Replacement Date have occurred on or prior to the SOFR Determination Time in respect of any determination of the SOFR Benchmark on any U.S. Government Securities Business Day in accordance with:

- (a) the order of priority specified SOFR Replacement Alternatives Priority in the applicable Issue Terms; or
- (b) if no such order of priority is specified, in accordance with the priority set forth below:
  - (i) Relevant Governmental Body Replacement;
  - (ii) ISDA Fallback Replacement; and
  - (iii) Industry Replacement,

Provided, in each case, that, if the Replacement Rate Determination Agent is unable to determine the SOFR Replacement in accordance with the first SOFR Replacement Alternative listed, it shall attempt to determine the SOFR Replacement in accordance with the each subsequent SOFR Replacement Alternative until a SOFR Replacement is determined. The SOFR Replacement will replace the then-current SOFR Benchmark for the purpose of determining the relevant Rate of Interest in respect of the relevant Interest Period and each subsequent Interest Period, subject to the occurrence of a subsequent SOFR Transition Event and related SOFR Replacement Date;

**"SOFR Replacement Alternatives"** means:

- (a) the sum of: (i) the alternative rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the relevant Interest Period and (ii) the SOFR Replacement Adjustment (the **"Relevant Governmental Body Replacement"**);
- (b) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment (the **"ISDA Fallback Replacement"**); or
- (c) the sum of: (i) the alternative rate that has been selected by the Replacement Rate Determination Agent as the replacement for the then-current SOFR Benchmark for the relevant Interest Period giving due consideration to any industry-accepted rate as a replacement for the then-current SOFR Benchmark for U.S. dollar-denominated floating rate securities at such time and (ii) the SOFR Replacement Adjustment (the **"Industry Replacement"**);

**"SOFR Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Replacement Rate Determination Agent as of the applicable SOFR Replacement Date:

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- (a) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;
- (b) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate, the ISDA Spread Adjustment; or
- (c) the spread adjustment (which may be a positive or negative value or zero) determined by the Replacement Rate Determination Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current SOFR Benchmark with the applicable Unadjusted SOFR Replacement for U.S. dollar- denominated floating rate securities at such time;

**"SOFR Replacement Conforming Changes"** means, with respect to any SOFR Replacement, any technical, administrative or operational changes (including, but not limited to, changes to timing and frequency of determining rates with respect to each interest period and making payments of interest, rounding of amounts or tenors, day count fractions, business day convention and other administrative matters) that the Replacement Rate Determination Agent decides may be appropriate to reflect the adoption of such SOFR Replacement in a manner substantially consistent with market practice (or, if the Replacement Rate Determination Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Determination Agent determines that no market practice for use of the SOFR Replacement exists, in such other manner as the Replacement Rate Determination Agent or the Calculation Agent, as the case may be, determines is reasonably necessary, acting in good faith and in a commercially reasonable manner);

**"SOFR Replacement Date"** means the earliest to occur of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

- (a) in the case of paragraph (a) or (b) of the definition of "SOFR Transition Event" the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark (or such component); or
- (b) in the case of paragraph (c) of the definition of "SOFR Transition Event" the date of the public statement or publication of information referenced therein; or
- (c) in the case of paragraph (d), the last such consecutive U.S. Government Securities Business Day on which the SOFR Benchmark has not been published,

provided that, in the event of any public statements or publications of information as referenced in paragraph (a) or (b) above, should such event or circumstance referred to in such a public statement or publication occur on a date falling later than three months after the relevant public statement or publication, the SOFR Transition Event shall be deemed to occur on the date falling three months prior to such specified date (and not the date of the relevant public statement or publication).

For the avoidance of doubt, if the event giving rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the SOFR Determination Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the SOFR Determination Time for such determination.

**"SOFR Transition Event"** means the occurrence of any one or more of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

- (a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark (or such component, if relevant) announcing that such administrator has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);

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- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component, if relevant), the central bank for the currency of the SOFR Benchmark (or such component, if relevant), an insolvency official with jurisdiction over the administrator for the SOFR Benchmark (or such component, if relevant), a resolution authority with jurisdiction over the administrator for SOFR (or such component, if relevant) or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark (or such component, if relevant), which states that the administrator of the SOFR Benchmark (or such component, if relevant) has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark (or such component, if relevant) announcing that the SOFR Benchmark (or such component, if relevant) is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such benchmark is intended to measure and that representativeness will not be restored, the SOFR Benchmark (or such component, if relevant) has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally or in respect of the Securities; or
- (d) the SOFR Benchmark is not published by its administrator (or a successor administrator) for six consecutive U.S. Government Securities Business Days; and

**"Unadjusted Benchmark Replacement"** means the SOFR Replacement prior to the application of any SOFR Replacement Adjustment.

- (5) Additional Provisions applicable where "€STR" is specified as the Reference Rate in the applicable Issue Terms:

### *Effect of €STR Transition Event on Securities*

If the Principal Paying Agent or the Calculation Agent, as applicable, failing which the Issuer, determines at any time prior to the €STR Reference Time on any TARGET Business Day that a €STR Transition Event and the related €STR Replacement Date have occurred, then the Principal Paying Agent or the Calculation Agent, as applicable, will appoint an agent (the "**Replacement Rate Determination Agent**") which will determine the €STR Replacement. The Replacement Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial centre of the Specified Currency as appointed by the Calculation Agent, (y) the Issuer, (z) an affiliate of the Issuer or the Calculation Agent or (aa) such other entity that the Calculation Agent determines to be competent to carry out such role. In connection with the determination of the €STR Replacement:

- (a) the €STR Replacement will replace the then-current €STR Benchmark for all purposes relating to the relevant Securities in respect of such determination on such date and all determinations on all subsequent dates;
- (b) the Replacement Rate Determination Agent may make €STR Replacement Conforming Changes with respect to the relevant Securities from time to time;
- (c) any determination, decision or election that may be made by the Replacement Rate Determination Agent pursuant to this General Condition 4(b)(iv)(4), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non- occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to the relevant Securities, will be conclusive and binding absent manifest error, will be made by the Replacement Rate Determination Agent acting in good faith and a commercially reasonable manner;
- (d) to the extent that there is any inconsistency between this Condition and any other General Condition, this General Condition 4(b)(iv)(5) shall prevail with respect to any Securities for which the Rate of Interest is calculated in accordance with this General Condition 4(b)(iv)(5);

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- (e) the Calculation Agent may determine that it is appropriate for a €STR Replacement to replace the then-current €STR Benchmark and apply any €STR Replacement Conforming Changes in respect of any subsequent €STR Transition Event; and
- (f) where a €STR Transition Event or details of it are announced prior to the relevant €STR Replacement Date then the Replacement Rate Determination Agent may on or after such earlier announcement date give notice to Securityholders in accordance with General Condition 13 of the relevant changes which will be made to the Securities provided that such changes will only take effect as of the €STR Replacement Date.

*No €STR Transition Event has occurred and the €STR Benchmark is unavailable*

If, by the relevant €STR Reference Time on a relevant determination date, the €STR Benchmark is unavailable in respect of such determination date and a €STR Transition Event has not occurred, then the rate for such determination date will be the €STR Benchmark, where applicable, of the Corresponding Tenor, as provided by the administrator of the €STR Benchmark and published by an alternative authorised distributor or by or on behalf of the administrator of the €STR Benchmark itself. If no such rate has been published by 5.00 p.m. (Frankfurt time), then the rate for such determination date will be the rate determined by the Calculation Agent to be a commercially reasonable alternative for the €STR Benchmark by applying one of the following rates:

- (1) a rate formally recommended for use by the administrator of the €STR Benchmark; or
- (2) a rate formally recommended for use by the Relevant Governmental Body or any other supervisor which is responsible for supervising the €STR Benchmark or the administrator of the €STR Benchmark,

in each case, during the period of non-publication of the €STR Benchmark and for so long as a €STR Transition Event has not occurred. If a rate described in paragraph (1) is available, the Calculation Agent shall apply that rate. If no such rate is available but a rate described in paragraph (2) is available, the Calculation Agent shall apply that rate. If neither a rate described in paragraph (1) nor a rate described in paragraph (2) is available, then the Calculation Agent shall determine a commercially reasonable alternative for the €STR Benchmark taking into account where available any rate implemented by central counterparties and/or futures exchanges, in each case with trading volumes in derivatives or futures referencing the €STR Benchmark that the Calculation Agent considers sufficient for that rate to be a representative alternative rate.

Notwithstanding any other definitions to the contrary in these General Conditions, the following definitions shall apply with respect to this General Condition 4(b)(iv)(5):

**"Corresponding Tenor"** with respect to a €STR Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current €STR Benchmark.

**"€STR Benchmark"** means, initially, the Relevant Rate (as defined in General Condition 4(b)(iv)(2)(D) above) of the appropriate tenor (if applicable); provided that if a €STR Transition Event and its related €STR Replacement Date have occurred with respect to Compounded Daily €STR, or the then-current €STR Benchmark, then "€STR Benchmark" means the applicable €STR Replacement.

**"€STR Reference Time"** with respect to any determination of the €STR Benchmark means 11:00 am (Brussels time) on the TARGET Business Day immediately following the date of such determination.

**"€STR Replacement"** means the first alternative set forth in the order below that can be determined by the Replacement Rate Determination Agent as of the €STR Replacement Date:

- (1) the ISDA Fallback Rate;
- (2) the alternative rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current €STR Benchmark, where applicable for the applicable Corresponding Tenor; or

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- (3) the alternative rate of interest that has been selected by the Replacement Rate Determination Agent as the replacement for the then-current €STR Benchmark, where applicable for the applicable Corresponding Tenor, giving due consideration to any industry-accepted rate of interest as a replacement for the then-current €STR Benchmark for floating rate Securities denominated in the currency of the €STR Benchmark (the "**Relevant Benchmark Currency**") calculated at such time.

"**€STR Replacement Conforming Changes**" means, with respect to any €STR Replacement, any technical, administrative or operational changes (including, but not limited to, timing and frequency of determining rates with respect to each interest period and making payments of interest, rounding of amounts or tenors, day count fractions, business day convention, amendments to any other Condition and other administrative matters) that the Replacement Rate Determination Agent decides may be appropriate to reflect the adoption of such €STR Replacement in a manner substantially consistent with market practice (or, if the Replacement Rate Determination Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Determination Agent determines that no market practice for use of the €STR Replacement exists, in such other manner as the Replacement Rate Determination Agent or the Calculation Agent, as the case may be, determines is reasonably necessary, acting in good faith and in a commercially reasonable manner).

"**€STR Replacement Date**" means the earliest to occur of the following events with respect to the then-current €STR Benchmark:

- (1) in the case of paragraph (1) or (2) of the definition of "€STR Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the €STR Benchmark permanently or indefinitely ceases to provide such €STR Benchmark; or
- (2) in the case of paragraph (3) of the definition of "€STR Transition Event", the date of the public statement or publication of information referenced therein,

for the avoidance of doubt, if the event giving rise to the €STR Replacement Date occurs on the same day as, but earlier than, the €STR Reference Time in respect of any determination, the €STR Replacement Date will be deemed to have occurred prior to the €STR Reference Time for such determination.

"**€STR Transition Event**" means the occurrence of one or more of the following events with respect to the then-current €STR Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of the €STR Benchmark announcing that the administrator has ceased or will cease to provide the €STR Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the €STR Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the €STR Benchmark, the central bank for the currency of the €STR Benchmark, an insolvency official with jurisdiction over the administrator for the €STR Benchmark, a resolution authority with jurisdiction over the administrator for the €STR Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the €STR Benchmark, which states that the administrator of the €STR Benchmark has ceased or will cease to provide the €STR Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the €STR Benchmark; or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the €STR Benchmark announcing that the €STR Benchmark is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such benchmark is intended to measure and that representativeness will not be restored, the €STR Benchmark has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally or in respect of the Securities.

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**"ISDA Definitions"** means, unless otherwise specified in the applicable Issue Terms, the 2006 ISDA Definitions published by the international Swaps and Derivatives Association, Inc. ("**ISDA**") or any successor thereto as amended or supplemented from time to time up to the Issue Date of the first Tranche of such Securities (the "**2006 ISDA Definitions**"); provided that if "2021 ISDA Definitions" is specified in the applicable Issue Terms, ISDA Definitions means the 2021 ISDA Definitions published by ISDA or any successor thereto as amended or supplemented from time to time up to the Issue Date of the first Tranche of such Securities (the "**2021 ISDA Definitions**");

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of a €STR Transition Event with respect to the €STR Benchmark for the applicable tenor.

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of a €STR Transition Event with respect to the €STR Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**"Relevant Governmental Body"** means the European Central Bank (including any board thereof) or any committee officially endorsed and/or convened thereby.

(v) Determination of Rate of Interest and Calculation of Interest Amount

The Principal Paying Agent will, on or as soon as practicable after each date on which the Rate of Interest is to be determined (the "**Interest Determination Date**"), determine the Rate of Interest (subject to any Minimum Interest Rate or Maximum Interest Rate specified in the Issue Terms) for the relevant Interest Period.

Subject to the Payout Conditions, the Principal Paying Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Securities for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Securities and Reference Item Linked Interest Securities which are represented by a Global Security, the aggregate outstanding nominal amount of the Securities represented by such Global Security (or, if they are Partly Paid Securities, the aggregate amount paid up); or
- (B) in the case of each Floating Rate Security, Reference Item Linked Interest Security and Combination Interest Security in definitive form, the Calculation Amount (subject to General Condition 4(f)),

and, in each case, multiplying such sum by (i) the Day Count Fraction (as defined in General Condition 4(j) below) specified in the Issue Terms and (ii) where an Interest Leverage Multiplier is specified as "Applicable" in the Issue Terms, the Interest Leverage Multiplier specified in the Issue Terms, and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Floating Rate Security and Reference Item Linked Interest Security in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Security shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount (subject to General Condition 4(f)) comprising the Specified Denomination without any further rounding.

(vi) Minimum and/or Maximum Interest Rate

If the Issue Terms specifies a Minimum Interest Rate for any Interest Period, then in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii), (iii), (iv) or (v) above or (d) below (as appropriate) is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate. If the Issue Terms

## TERMS AND CONDITIONS OF THE SECURITIES

do not specify a Minimum Interest Rate for any Interest Period, then the Rate of Interest for such Interest Period shall not be less than zero.

If the Issue Terms specifies a Maximum Interest Rate for any Interest Period, then in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii), (iii), (iv) or (v) above or (d) below (as appropriate) is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(vii) Linear Interpolation

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

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

(viii) Notification of Rate of Interest and Interest Amount

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor (if applicable), and, if applicable, to the stock exchange on which the relevant Securities are for the time being listed. In addition, the Principal Paying Agent shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with General Condition 13 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Rate of Interest, Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Securities are for the time being listed and to the Securityholders in accordance with General Condition 13.

(ix) Certificates to be Final

All certificates, communications, determinations, calculations and decisions made for the purposes of the provisions of this paragraph (b), by the Principal Paying Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Principal Paying Agent, the other Paying Agents and all Securityholders, and (in the absence as aforesaid) no liability to the Securityholders shall attach to the Principal Paying Agent, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest on Specified Interest Amount Securities

Each Specified Interest Amount Security shall bear interest at an amount per Calculation Amount equal to the Specified Interest Amount as so specified in the Specified Interest Amount provisions of the Issue Terms which shall be payable on the relevant Specified Interest Payment Date(s) also specified thereon, adjusted, where applicable for any Business Day Convention. For the avoidance of doubt, different Specified Interest Amounts may be payable in respect of Specified Interest Payment Dates. In respect of Credit Linked Securities only, the Specified Interest shall be multiplied by the Specified Interest Amount Multiplier as so specified in the Specified Interest Amount provisions of the Issue Terms. If no Specified Interest Amount Multiplier is specified or the Specified Interest Amount Multiplier is specified in the Issue Terms as "Not applicable", the Specified Interest Amount Multiplier shall be deemed to be equal to 1.

(d) Zero Coupon Securities



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Where a Zero Coupon Security becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the amount determined in accordance with General Condition 6(f)(i) as its Early Redemption Amount. As from the Maturity Date, any overdue principal of such Security shall bear interest at a rate per annum equal to the Accrual Yield specified in the Issue Terms. Such interest shall continue to accrue (as well after as before any judgment) until the day on which all sums due in respect of such Security up to that day are received by or on behalf of the holder of such Security. Such interest will be calculated on the basis of a 360 day year consisting of 12 months of 30 days each and in the case of an incomplete month the actual number of days elapsed in such incomplete month or on such other basis as may be specified in the Issue Terms.

### (e) Interest on Reference Item Linked Interest Securities

In the case of Reference Item Linked Interest Securities, 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 in the Payout Annex.

### (f) Interest on Partly Paid Securities

In the case of Partly Paid Securities (other than Partly Paid Securities which are Zero Coupon Securities) interest will accrue as aforesaid on the paid-up nominal amount of such Securities.

### (g) Interest Payments and Accrual of Interest

Interest will be paid subject to and in accordance with the provisions of General Condition 4. Interest will cease to accrue on each Security (or, in the case of the redemption of part only of a Security, that part only of such Security) on the due date for redemption thereof unless otherwise provided in these General Conditions or any Annex and otherwise unless, upon due presentation thereof, payment of principal or the payment, and/or delivery of the Entitlement as set out in the Issue Terms (if applicable), is improperly withheld or refused, in which event interest will continue to accrue (as well after as before any judgment) at the Fixed Rate or, as the case may be, the Rate of Interest at such day count fraction as the Principal Paying Agent determines appropriate or as otherwise provided in the Issue Terms until whichever is the earlier of (i) the day on which all sums due and/or assets comprised in the Entitlement in respect of such Security up to that day are received by or on behalf of the holder of such Security and (ii) the day on which the Principal Paying Agent or any agent appointed by the Issuer to deliver such assets to Securityholders has notified the holder thereof (either in accordance with General Condition 13 or individually) of receipt of all sums due and/or assets comprised in the Entitlement in respect thereof up to that date (subject, in the case of Credit Linked Securities to which Credit Linked Interest is applicable, to the provisions of Credit Linked Condition 5).

### (h) Calculation Agent

(i) If a Calculation Agent is specified in the Issue Terms, any determination specified in General Conditions 4(b) to (g) (inclusive) as being determinations to be made by the Principal Paying Agent will instead be made by the Calculation Agent as if references to the Principal Paying Agent in such General Conditions (and related provisions of the Agency Agreement) were to the Calculation Agent. The Calculation Agent will notify any amount of interest to the Principal Paying Agent as soon as reasonably practicable following its determination.

(ii) A Calculation Agent must be appointed for the determination of the Rate of Interest where such determination is other than a single determination of the Rate of Interest for each Interest Period that is made in accordance with this General Condition 4 and the related provisions of the Agency Agreement and without the imposition of any additional duties on the Principal Paying Agent.

### (i) Benchmark

Where an Administrator/Benchmark Event (as defined in General Condition 6(l)) occurs in respect of a Benchmark which is used in whole or in part to calculate interest under General Condition 4, the Calculation Agent shall elect to take one of the actions described in General Condition 6(l).

### (j) Definitions

## TERMS AND CONDITIONS OF THE SECURITIES

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

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

- (A) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (T2) or any successor thereto (the **"T2 System"** or **"T2"**) is open (a **"TARGET Settlement Day"**);
- (B) 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 the principal financial centre of the country of the relevant currency (and which, if the currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively); and
- (C) 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 any Additional Business Centre specified in the Issue Terms;

**"Business Day Convention"**: If any date referred to in these General Conditions which is specified to be subject to adjustment in accordance with a business day convention would otherwise fall on a day which is not a Business Day, then, if the business day convention specified in the Issue Terms is:

- (A) the **"Floating Rate Convention"**, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred;
- (B) the **"Following Business Day Convention"**, such date shall be postponed to the next day which is a Business Day;
- (C) the **"Modified Following Business Day Convention"**, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or
- (D) the **"Preceding Business Day Convention"**, such date shall be brought forward to the immediately preceding Business Day;

**"Daily Capped Rate"** has the meaning specified in the ISDA Definitions;

**"Daily Floored Rate"** has the meaning specified in the ISDA Definitions;

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest for any Interest Period:

- (A) if **"Actual/Actual (ICMA)"** is specified in the Issue Terms:
  - (1) in the case of Securities where the number of days in the relevant period from (and including) the most recent Interest Period End Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **"Accrual Period"**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the Issue Terms) that would occur in one calendar year; or
  - (2) in the case of Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

## TERMS AND CONDITIONS OF THE SECURITIES

- (3) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the Issue Terms) that would occur in one calendar year; and
- (4) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates that would occur in one calendar year;

**"Determination Date(s)"** means the date(s) specified in the Issue Terms;

**"Determination Period"** means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

- (A) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the Issue Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if "Actual/365 (Fixed)" is specified in the Issue Terms, the actual number of days in the Interest Period divided by 365;
- (C) if "Actual/365 (Sterling)" is specified in the Issue Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if "Actual/360" is specified in the Issue Terms, the actual number of days in the Interest Period divided by 360;
- (E) if "30/360", "360/360" or "Bond Basis" is specified in the Issue Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31 in which case D<sub>1</sub>, will be 30; and

"D<sub>2</sub>" is the calendar day expressed as a number immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub>, is greater than 29, in which case D<sub>2</sub> will be 30;

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- (F) if "30E/360" or "Eurobond Basis" is specified in the Issue Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31 in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (G) if "30E/360 (ISDA)" is specified in the Issue Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 in which case D<sub>2</sub> will be 30.

(A) if "1/1" or "1" is specified, one.

(B) if "Not applicable" is specified then the Day Count Fraction will not be taken into account in any calculation of interest.

### 5. Payments, Physical Delivery and Exchange of Talons

For the purposes of this General Condition 5, references to payment or repayment (as the case may be) of principal and/or interest and other similar expressions shall, where the context so admits, be deemed also to refer to delivery of any Entitlement(s).

## TERMS AND CONDITIONS OF THE SECURITIES

### (a) Method of Payment

#### (i) Registered Securities

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Security (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Security at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Security appearing in the Register (i) where in a global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are 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**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the nominal amount of the Securities held by a holder is less than US\$250,000 (or integral multiples of US\$1,000 in excess thereof) (or its approximate equivalent in any other currency), payment will instead be made by a cheque in the relevant currency of payment drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a currency other than euro) a bank in the principal financial centre of the country of such currency (which, if such currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Security (whether or not in global form) will be made by a cheque in the currency of payment drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Security appearing in the Register (i) where in a global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System 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 Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Security, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Securities which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Security on redemption and the final instalment of principal will be made in the same manner as payment of the nominal amount of such Registered Security.

Holders of Registered Securities will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Security as a result of a cheque posted in accordance with this General Condition 5 arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Securities.

None of the Issuer, the Guarantor or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Security in respect of Securities denominated in a currency other than US dollars shall be paid by transfer by the Registrar

## TERMS AND CONDITIONS OF THE SECURITIES

to an account in the relevant currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in US dollars in accordance with the provisions of the Agency Agreement.

### (ii) Bearer Securities

Payments of principal and interest (if any) in respect of the Definitive Bearer Securities will (subject as provided below) be made against presentation or surrender of such Bearer Securities or Coupons, as the case may be, at any specified office of any Paying Agent. Payments of principal in respect of instalments (if any), other than the last instalment, will (subject as provided below) be made against surrender of the relevant Receipt. Payment of the last instalment will be made against surrender of the relevant Bearer Security. Each Receipt must be presented for payment of such instalment together with the relevant Definitive Bearer Security against which the amount will be payable in respect of that instalment. If any Definitive Bearer Securities are redeemed or become repayable prior to the Maturity Date in respect thereof, principal will be payable on surrender of each such Security together with all unmatured Receipts appertaining thereto. Unmatured Receipts and Receipts presented without the Definitive Bearer Securities to which they appertain do not constitute obligations of the Issuer. All payments of interest and principal with respect to Bearer Securities will be made only against presentation and surrender of the relevant Bearer Securities, Coupons or Receipts outside the United States (which expression, as used herein, means the United States of America and except as otherwise provided in the third succeeding paragraph. No payment with respect to the Bearer Securities will be made by mail to an address in the United States or by transfer to an account maintained by the holder in the United States.

Subject as provided below and subject also as provided in the Issue Terms, payments in respect of definitive Securities (other than Foreign Exchange (FX) Rate Linked Securities) denominated in a currency (other than euro) or, in the case of Foreign Exchange (FX) Rate Linked Securities, payable in a currency (other than euro) will (subject as provided below) be made by a cheque in the currency drawn on, or, at the option of the holder and upon 15 days' prior notice to the Principal Paying Agent, by transfer to an account in the currency maintained by the payee with, a bank in the principal financial centre of the country of such currency. Payments in euro will be made by credit or transfer to a euro account or any other account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by euro-cheque.

### (iii) Global Securities

Payments of principal and interest (if any) in respect of Securities represented by any Global Security will be made in the manner specified above and otherwise in the manner specified in the relevant Global Security against presentation or surrender, as the case may be, of such Global Security at the specified office of any Paying Agent outside of the United States. A record of each payment made on such Global Security, distinguishing between any payment of principal and any payment of interest, will be made on such Global Security by the Paying Agent to which such Global Security is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of a Global Security shall be the only person entitled to receive payments in respect of Securities represented by such Global Security and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Securities represented by such Global Security must look solely to Euroclear or Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Security. No person other than the holder of the relevant Global Security shall have any claim against the Issuer or the Guarantor in respect of any payments due in respect of such Global Security.

### (iv) Payments in United States

Notwithstanding the foregoing, payments in respect of Bearer Securities denominated and payable in US dollars will be made at the specified office of any Paying Agent in the United States if (a) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the

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United States of the full amount due on the Bearer Securities in the manner provided above when due; (b) payment of the full amount due at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in US dollars; and (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences for the Issuer and the Guarantor.

(v) Coupons

Fixed Rate Bearer Securities in definitive form should be presented for payment with all unmatured Coupons appertaining thereto (which expression shall include Coupons to be issued on exchange of Talons which will have matured on or before the relevant redemption date), failing which the full amount of any missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupon which the sum so paid bears to the total amount due) will be deducted from the sum due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of 10 years from the Relevant Date (as defined in General Condition 7) for the payment of such sum due for payment, whether or not such Coupon has become void pursuant to General Condition 10 or, if later, five years from the due date for payment of such Coupon. Upon any Fixed Rate Bearer Security becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the due date for redemption of any Floating Rate Security, Specified Interest Amount Security, Index Linked Security, Equity Linked Security, Inflation Linked Security, ETF Linked Security, Fund Linked Security, Credit Linked Security, Foreign Exchange (FX) Rate Linked Security or Combination Security in definitive bearer form all unmatured Coupons relating to such Security (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Floating Rate Security, Specified Interest Amount Security, Index Linked Security, Equity Linked Security, Inflation Linked Security, ETF Linked Security, Fund Linked Security, Credit Linked Security, Foreign Exchange (FX) Rate Linked Security or Combination Security is presented for redemption without all unmatured Coupons appertaining thereto, payment of all amounts due in relation to such Security shall be made only against the provision of such indemnity of the Issuer or the Guarantor (if applicable).

(vi) Payments

If any date for payment of any amount in respect of any Security, Receipt or Coupon is not a Payment Day, then the holder thereof shall not be entitled to payment of the amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay.

For these purposes, "**Payment Day**" means any day which (subject to General Condition 10) is:

- (A) If (i) no Additional Financial Centre is specified in the applicable Issue Terms and (ii) the Securities are not issued in definitive form, a Business Day; or
- (B) in the case of Securities 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; or
- (C) If Additional Financial Centre(s) is/are specified in the applicable Issue Terms, 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 Additional Financial Centre specified in the Issue Terms;

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Security to which it appertains) a further Talon, subject to the provisions of General Condition 11. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

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Payments in respect of the Securities will be subject in all cases to (i) any fiscal or other laws, regulations and directives applicable thereto; (ii) any withholding or deduction required pursuant to Section 871(m) of the Code, and (iii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreement thereunder, any official interpretations thereof, or in each case any law implementing an intergovernmental approach thereto (without prejudice to the provisions of General Condition 7.

(vii) Payment Disruption Event

If "Payment Disruption Event" is specified as applicable in the Issue Terms, where the Calculation Agent determines that a Payment Disruption Event has occurred or is likely to occur:

- (A) the next date for payment of any amount due in respect of the Securities 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 (ii) the date falling 30 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
- (B) (i) in the case of paragraph (A)(i) above, the Issuer will pay the relevant amount due in respect of the Securities in the Specified Currency on the Postponed Payment Date, or (ii) in the case of paragraph (A)(ii) above, the Issuer shall give notice to the Securityholders in accordance with General Condition 13, and (i) convert the relevant amount due in respect of the Securities 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 amending or 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 Securities or (ii) if the Calculation Agent determines that it is not possible to determine the rate of exchange, the Issuer may early redeem all the Securities at an amount in U.S. Dollars determined pursuant to General Condition 6(f).

For the purposes of the above, "**Payment Disruption Event**" means an event 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 currencies exclusion as full settlement currency in the clearing systems where the Securities settled on the Issue Date.

(b) Physical Delivery

(i) Physical Delivery

If (i) Physical Settlement is specified as applicable in the Issue Terms (each such Security a "**Physical Delivery Security**") and the conditions for Physical Settlement are satisfied or (ii) Variation Settlement is specified as applicable in the Issue Terms and the Issuer exercises such option, such Security will be redeemed by the Issuer by delivery of the Entitlement on the Delivery Date.

(A) Asset Transfer Notices

In relation to Securities to be redeemed by delivery or, in the case of Credit Linked Securities to which Credit Linked Redemption is applicable, Delivery (as such term is defined in the Credit Linked Conditions) of the Entitlement(s) (as defined below), in order to obtain delivery or Delivery, as the case may be, of the Entitlement in respect of any Security, the relevant Securityholder must:



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- (1) if such Security is represented by a Global Security, deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Principal Paying Agent and any entity appointed by the Issuer to deliver or Deliver, as the case may be, the Entitlement on its behalf no later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice; and
- (2) if such Security is in definitive form, deliver (i) if such Security is a Bearer Security, to any Paying Agent or (ii) if such Security is a Registered Security, to the Registrar or any Paying Agent, in each case, with a copy to the Principal Paying Agent and the Delivery Agent (as defined above) no later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

For the purposes hereof, "**Cut-off Date**" means the date specified as such in the Issue Terms or if not so specified (a) in respect of a Security that is not a Credit Linked Security to which Credit Linked Redemption is applicable, the fifth Business Day immediately preceding the Delivery Date or (b) in respect of a Credit Linked Security to which Credit Linked Redemption is applicable, the third Business Day immediately preceding the Credit Settlement Date.

A form of Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Security is represented by a Global Security, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such Security is in definitive form, in writing.

If a Security is in definitive form, it must be delivered together with the duly completed Asset Transfer Notice.

The Asset Transfer Notice shall:

- (1) specify the name, address and contact telephone number of the relevant Securityholder and the person from whom the Issuer or Delivery Agent may obtain details for the delivery or Delivery of the Entitlement;
- (2) specify the series number of the Securities and the number of Securities which are the subject of such notice;
- (3) in the case of Securities represented by a Global Security, specify the nominal amount of Securities which are the subject of such notice and the number of the Securityholder's account at the relevant Clearing System to be debited with such Securities and irrevocably instruct and authorise the relevant Clearing System to debit the relevant Securityholder's account with such Securities on or before the Delivery Date or (in the case of Credit Linked Securities to which Credit Linked Redemption is applicable) the Credit Settlement Date;
- (4) include an undertaking to pay all Expenses (as defined below) and, in the case of Securities represented by a Global Security, an authority to the relevant Clearing System to debit a specified account of the Securityholder with the relevant Clearing System in respect thereof and to pay such Expenses;
- (5) include such details as are required for delivery or Delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered or Delivered and specify the name and number of the Securityholder's account to be credited with any cash payable by the Issuer, (including, where applicable, pursuant to Credit Linked Condition 1, in respect of any cash amount constituting the Entitlement) or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Redemption Amount or Failure to Deliver Redemption Amount,

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as applicable, or as a result of the Issuer electing to pay the Alternate Cash Redemption Amount (each as defined below);

- (6) certify that the beneficial owner of each Security is not a U.S. person (as defined in the Asset Transfer Notice), the Security is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and
- (7) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

Copies of such Asset Transfer Notice may be obtained from the Registrar or any Paying Agent.

### (B) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Principal Paying Agent, and shall be conclusive and binding on the Issuer, the Guarantor (if applicable), the Principal Paying Agent(s), any Delivery Agent and the relevant Securityholder. 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 and any Delivery Agent immediately after being delivered or sent as provided in General Condition 5(b)(i)(A), shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, in the case of Securities represented by a Global Security, the relevant Clearing System, in the case of Securities in definitive form, by the relevant Paying Agent or the Registrar, in each case in consultation with the Principal Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

The relevant Clearing System, Delivery Agent, Registrar or Paying Agent, as applicable, shall use its reasonable efforts as soon as reasonably practicable to notify the Securityholder submitting an Asset Transfer Notice or, if, in consultation with the Principal Paying Agent, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Paying Agents or the relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Securityholder.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System, the Registrar, the Delivery Agent or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Securityholder may not transfer the Securities which are the subject of such notice.

The Entitlement will be delivered on the date fixed for redemption (such date, subject to adjustment in accordance with this General Condition 5(b)(i)(B), the "**Delivery Date**") or (in the case of Credit Linked Securities to which Credit Linked Redemption is applicable) Delivered on the Credit Settlement Date, in each case at the risk of the relevant Securityholder in the manner provided below and provided that, in each case, the Asset Transfer Notice, is duly delivered as provided above not later than the close of business in each place of reception on the Cut-Off Date.

If a Securityholder fails to give an Asset Transfer Notice as provided herein with a copy to each relevant party prior to the close of business in each place of reception on the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as soon as practicable after the Delivery Date or the Credit Settlement Date, as the case may be, at the risk of such Securityholder in the manner set out below, provided that, if in respect of a Security, an Asset

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Transfer Notice is not delivered to the relevant Clearing System and/or each other relevant party, as the case may be, with a copy to the Issuer, prior to the close of business in each place of reception on the 90th calendar day following the Cut-off Date then (a) if "Assessed Value Payment Amount" is specified as applicable in the Issue Terms, the Issuer shall as soon as reasonably practicable following such date determine the Assessed Value Payment Amount (as defined below) and in respect of such Security shall pay the Assessed Value Payment Amount to the relevant Securityholder in lieu of delivery of the Entitlement as soon as reasonably practicable following determination of the Assessed Value Payment Amount, or (b) if "Assessed Value Payment Amount" is specified as 'not applicable' in the Issue Terms, the Issuer's obligations in respect of such Security and the Guarantor's obligations pursuant to the Guarantee in respect of such Security shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor, as applicable. Upon payment of the Assessed Value Payment Amount, if applicable, the Issuer's and the Guarantor's obligations in respect of such Security shall be discharged. For the avoidance of doubt, in the circumstances described above, such Securityholder shall not be entitled to any payment, whether of interest or otherwise, as a result of a failure to give an Asset Transfer Notice in relation to a Delivery Date or the Credit Settlement Date, as applicable and no liability in respect thereof shall attach to the Issuer or the Guarantor as applicable.

The Issuer (or any Delivery Agent on its behalf) shall, at the risk of the relevant Securityholder, deliver (or procure the delivery) or Deliver (or procure the Delivery) of the Entitlement for each Security, in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Securityholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Issue Terms. All costs, taxes, duties and/or expenses including stamp duty, stamp duty reserve tax, transfer tax and/or other costs, duties or taxes ("**Expenses**") arising from the delivery or Delivery, as the case may be, of the Entitlement, in respect of such Securities shall be for the account of the relevant Securityholder and no delivery or Delivery of the Entitlement shall be made until all Expenses have been paid by the relevant Securityholder to the satisfaction of the Issuer.

### (C) General

Securities held by the same Securityholder may be aggregated for the purpose of determining the aggregate Entitlements in respect of such Securities, provided that, the aggregate Entitlements in respect of the same Securityholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Securityholder.

Following the Delivery Date or Credit Settlement Date in respect of a share forming part of the Entitlement, all dividends on the relevant shares to be delivered will be payable to the relevant party according to market practice assuming a sale of the shares has been executed on the Delivery Date or Credit Settlement Date. Any such dividends to be paid to a Securityholder will be paid to the account specified by the Securityholder in the relevant Asset Transfer Notice as referred to in General Condition 5(b)(i)(A).

For such period of time after delivery or Delivery of the Entitlement until the Delivery Date or the Credit Settlement Date (the "**Intervening Period**"), none of the Issuer, the Guarantor (if applicable), the Paying Agents, the Registrar, any Delivery Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Securityholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities, obligations or Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities, obligations or Deliverable Obligations or (iii) be under any liability to a Securityholder in respect of any loss or damage which such Securityholder 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.

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### (D) Settlement Disruption

The provisions of this General Condition 5(b)(i)(D) apply to Securities other than Credit Linked Securities to which Credit Linked Redemption is applicable.

If, in the opinion of the Calculation Agent, delivery of the Entitlement in such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event other than a Relevant Asset Redemption Event (each as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. Following the occurrence of a Relevant Asset Redemption Event, the Entitlement Amount shall be deemed to be a cash amount equal to the proceeds of redemption of the Entitlement specified in the Issue Terms less (where 'Unwind Costs' are specified as being applicable in the Issue Terms), an amount equal to all Unwind Costs (as defined below), as determined by the Calculation Agent and notified to the Securityholders in accordance with General Condition 13. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event other than a Relevant Asset Redemption Event, then in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by payment to the relevant Securityholder of the Disruption Cash Redemption Amount (as defined below) on the fifth Business Day following the date that notice of such election is given to the Securityholders in accordance with General Condition 13. Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 13. The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 13 that a Settlement Disruption Event has occurred.

No Securityholder shall be entitled to any payment in respect of the relevant Security in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

**"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;

**"Disruption Cash Redemption Amount"** means, in respect of any relevant Security, the fair market value of such Security (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets) less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion;

**"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 Securities.

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**"Relevant Asset Redemption Event"** means, in respect of a Relevant Asset which is specified in the Issue Terms to be a debt obligation in the form of a bond, that the Relevant Asset has been redeemed for any reason, on or prior to the Maturity Date of the Securities;

**"Settlement Business Day"** has the meaning specified in the Issue Terms;

**"Settlement Disruption Event"** means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer or the Guarantor, as the case may be, as a result of which the Issuer or the Guarantor, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the Conditions and/or the Issue Terms; and

**"Unwind Costs"** means the amount specified in the Issue Terms (if any) or if "Standard Unwind Costs" are specified in the Issue Terms, 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 of the Relevant Assets and the Securities and the related termination, settlement or re-establishment of any Hedging Arrangements.

(E) Failure to Deliver due to Illiquidity

The provisions of this General Condition 5(b)(i)(E) apply to the Securities other than Credit Linked Securities to which Credit Linked Redemption is applicable.

If "Failure to Deliver due to Illiquidity" is specified as applying in the Issue Terms and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the "**Affected Relevant Assets**") comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a "**Failure to Deliver due to Illiquidity**"), then:

- (1) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated date of redemption in accordance with this General Condition 5(b); and
- (2) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by payment to the relevant Securityholder of the Failure to Deliver Redemption Amount (as defined below) on the fifth Business Day following the date that notice of such election is given to the Securityholders in accordance with General Condition 13. Payment of the Failure to Deliver Redemption Amount will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 13. The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 13 that the provisions of this General Condition 5(b)(i)(E) apply.

For the purposes hereof, "**Failure to Deliver Redemption Amount**" means, in respect of any relevant Security, the fair market value of such Security (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or any of its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

(ii) Variation of Settlement

If the Issue Terms indicate that the Issuer has an option to vary settlement in respect of the Securities, the Issuer may at its sole and unfettered discretion in respect of each such Security, elect not to pay the relevant Securityholders the Final Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Securityholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Final Redemption Amount on the Maturity Date to the relevant Securityholders, as the case may be. Notification of such election will be given to Securityholders in accordance with General Condition 13 and the provisions of this General

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Condition 5(b) shall apply accordingly. Where so specified in the Issue Terms, the Issuer shall give not less than the minimum period of notice and/or not more than the maximum period of notice.

(iii) Issuer's Option to Substitute Assets or to pay the Alternate Cash Redemption Amount

Notwithstanding any provision of these General Conditions to the contrary, the Issuer may, in its sole and absolute discretion in respect of Securities to which this General Condition 5(b) applies, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises assets which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other assets which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, to the relevant Securityholders, but in lieu thereof to make payment to the relevant Securityholder on the Delivery Date of an amount equal to the fair market value of the Entitlement on or about the time of so electing as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the "**Alternate Cash Redemption Amount**"). Notification of any such election will be given to Securityholders in accordance with General Condition 13 and in the event that the Issuer elects to pay the Alternate Cash Redemption Amount such notice shall give details of the manner in which such amount shall be paid.

For purposes hereof, a "**freely tradable**" security shall mean (i) with respect to the United States, a security which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such security and not purchased from an affiliate of the issuer of such security or which otherwise meets the requirements of a freely tradable security for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a security not subject to any legal restrictions on transfer in such jurisdiction.

(iv) Rights of Securityholders and Calculations

None of the Issuer, the Guarantor (if applicable), the Calculation Agent, any Delivery Agent and the Agents shall have any responsibility for any errors or omissions in any calculation or determination in respect of the Securities.

The purchase of Securities does not confer on any holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(v) For the purposes of the General Conditions:

"**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; and

"**Assessed Value Payment Amount**" means, in respect of a Security, an amount determined by the Calculation Agent to be the fair market value of the assets comprised in the Entitlement in respect of such Security less the cost to the Issuer and/or its Affiliates of unwinding any underlying relating hedging arrangements, all as determined by the Issuer.

"**Entitlement**", in respect of each Calculation Amount, shall be a quantity of the Relevant Asset(s) (and any cash amount to be delivered as a result of rounding down) specified in the Issue Terms equal to the Entitlement Amount specified in the Issue Terms or, in the case of Credit Linked Securities to which Credit Linked Redemption is applicable, the Deliverable Obligations to be delivered pursuant to the Credit Linked Conditions. If the Relevant Asset is specified in the Issue Terms to be a debt obligation in the form of a bond (a "**Bond Asset**"), the Entitlement in respect of each Calculation Amount, shall be a nominal amount of such Bond Asset (and any cash amount to be delivered as a result of rounding down) specified in the Issue Terms having a face value equal to the Entitlement Amount specified in the Issue Terms. In respect of any Bond Asset (i) the Calculation Agent shall make such adjustments as it, in its sole and absolute discretion determines to be necessary, to the Entitlement to be so delivered, in order to

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take account of any redenomination, subdivision, consolidation, reclassification or any event having a dilutive or concentrative effect on the value of the Bond Asset; or (ii) if such Bond Asset is converted into or exchanged for other securities in accordance with the terms of any voluntary or involuntary exchange or restructuring programme, the Entitlement shall be a nominal amount of the such converted securities or securities for which the Bond Asset has been exchanged, having a face value equal to the Entitlement Amount. If the Calculation Agent determines in its sole and absolute discretion that such securities are not freely tradable, the provisions of General Condition 5(b)(iii) shall apply.

"**Relevant Asset(s)**" means the relevant asset(s) so specified in the Issue Terms.

### 6. Redemption and Purchase

#### (a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, each Security will be redeemed by the Issuer at its relevant Final Redemption Amount in the Specified Currency on the Maturity Date specified in the Issue Terms. This does not apply for (i) Credit Linked Securities and/or (ii) if Physical Settlement is specified as applicable in the Issue Terms and the conditions for Physical Settlement are satisfied. Securities may not be redeemed other than in accordance with these General Conditions and any applicable Annex.

"**Final Redemption Amount**" shall be, unless specified otherwise in the applicable Issue Terms, an amount in respect of each Calculation Amount, equal to the Calculation Amount multiplied by: (i) the percentage, or (ii) the Final Payout specified in the Issue Terms. For the avoidance of doubt, if the Final Payout is zero or negative, no amount shall be payable on the final redemption of the Security.

#### (b) Redemption for tax reasons

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Security is not a Floating Rate Security) or on any Interest Payment Date (if the Security is a Floating Rate Security), on giving not less than 30 or more than 60 days' notice to the Principal Paying Agent and, in accordance with General Condition 13, the Securityholders (which notice shall be irrevocable), if:

- (i) (A) on the occasion of the next payment due under the Securities, the Issuer has or will become obliged to pay additional amounts as provided or referred to in General Condition 7 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts (as defined in General Condition 7); or (B) there is any change after the Issue Date of the Securities in the application or binding official interpretation of the applicable laws or regulations as a result of which withholding tax is applicable to the Securities, which change or amendment becomes effective on or after the issue date of the Securities; and
- (ii) in the case of General Condition 6(b)(i)(A) above, such obligation to pay additional amounts cannot be avoided by the Issuer or, as the case may be, the Guarantor 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, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Securities then due.

Prior to the publication of any notice of redemption pursuant to this General Condition 6, the Issuer or, as the case may be, the Guarantor shall deliver to the Principal Paying Agent a certificate signed by two Directors of the Issuer (or if at the time that such certification is to be given the Issuer has only one Director, such certificate may be signed by such Director) or, as the case may be, by a duly authorised signatory of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts.

Each Security redeemed pursuant to this General Condition 6(b) will be redeemed at its Early Redemption Amount referred to in General Condition 6(f) below and no further interest will be payable since the immediately preceding Interest Payment Date or, if none, the Issue Date.

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### (c) Redemption for Illegality

In the event that the Issuer determines in good faith that the performance of its obligations under the Securities or that any arrangements made to hedge its obligations under the Securities has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 days' notice to the Securityholders in accordance with General Condition 13 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Securities, each Security being redeemed at its Early Redemption Amount referred to in General Condition 6(f) below and no further interest will be payable since the immediately preceding Interest Payment Date or, if none, the Issue Date.

### (d) Redemption at the Option of the Issuer (Issuer Call)

If "**Issuer Call Option**" is specified as being applicable in the Issue Terms, the Issuer may, having given:

- (i) not less than 5 Business Days' (or such other notice period specified in the Issue Terms) notice to the Securityholders in accordance with General Condition 13; and
- (ii) not less than 4 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Securities then outstanding on any Optional Redemption Date and each at the Optional Redemption Amount(s) specified in, or determined on the Optional Redemption Valuation Date in the manner specified in, the Issue Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any partial redemption must be of a nominal amount equal to the Minimum Redemption Amount or, if applicable, a Higher Redemption Amount as specified in the Issue Terms. In the case of a partial redemption of Securities, the Securities to be redeemed ("**Redeemed Securities**") will be selected individually by lot, in the case of Redeemed Securities represented by definitive Securities, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC, in the case of Redeemed Securities represented by a Global Security, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Securities represented by definitive Securities, a list of the serial numbers of such Redeemed Securities will be published in accordance with General Condition 13 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Securities represented by definitive Securities shall bear the same proportion to the aggregate nominal amount of all Redeemed Securities as the aggregate nominal amount of definitive Securities outstanding bears to the Aggregate Nominal Amount of the Securities outstanding, in each case on the Selection Date, provided that the aggregate nominal amount of Redeemed Securities represented by definitive Securities shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Securities represented by a Global Security shall be equal to the balance of the Redeemed Securities. No exchange of the relevant Global Security will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this General Condition 6(d) and notice to that effect shall be given by the Issuer to the Securityholders in accordance with General Condition 13 at least five days prior to the Selection Date.

### (e) Redemption at the Option of the Securityholders (Securityholder Put)

If "**Securityholder Put Option**" is specified as being applicable in the Issue Terms, upon the holder of any Security giving to the Issuer in accordance with General Condition 13 not less than 15 or more than 30 days' notice (or such other minimum and/or maximum notice period specified in the Issue Terms) (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem in whole or in part, subject to and in accordance with the terms specified in the Issue Terms, such Security on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined on the Optional Redemption Valuation Date specified in the Issue Terms, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of any Security the holder of such Security must, if such Security is in definitive form and held outside Euroclear and Clearstream, Luxembourg and/or DTC, deliver at the specified office of any Paying Agent (in the case of Bearer Securities) or the Registrar (in the case of Registered Securities) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within



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the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this General Condition 6(e) and, in the case of Registered Securities, the nominal amount thereof to be redeemed. If a Security is in definitive bearer form, the Put Notice must be accompanied by the Security or evidence satisfactory to the Paying Agent concerned that the Security will, following delivery of the Put Notice, be held to its order or under its control.

If a Security is represented by a global Security or is in definitive form and held through Euroclear or Clearstream, Luxembourg and/or DTC, to exercise the right to require redemption of such Security the holder of such Security must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg and/or DTC (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg and/or DTC or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg and/or DTC from time to time, and, if such Security is a Bearer Security represented by a global Security, the terms of which requires presentation for recording changes to its nominal amount, at the same time present or procure the presentation of the relevant global Security to the Principal Paying Agent for notation accordingly. Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, and/or Clearstream Luxembourg and/or DTC given by a holder of any Security pursuant to this General Condition 6(e) shall be irrevocable except where prior to the due date of redemption an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this General Condition 6(e).

### (f) Early Redemption

For the purposes of General Condition 6(b), (c), and (k), General Condition 9 and any circumstances where the Securities are to be redeemed prior to their Maturity Date at their Early Redemption Amount (as defined below), each Security will be redeemed at an amount (the "**Early Redemption Amount**") calculated as follows, unless specified otherwise in the Issue Terms, and no further interest will be payable since the immediately preceding Interest Payment Date or, if none, the Issue Date:

- (i) in the case of any Security at an amount determined by the Calculation Agent on the second Business Day immediately preceding the due date for the early redemption of the Securities, representing such Security's *pro rata* share of (a) the fair market value of such Securities taking into account all factors which the Calculation Agent determines relevant (including, if applicable, any interest provision of the Security, the event which resulted in such redemption and, if they are Partly paid Securities, the aggregate amount paid up) less (b) all costs incurred by the Issuer, the Guarantor or any of its Affiliates in connection with such early redemption, including, without limitation, any costs associated with unwinding any related hedging arrangements, and all other expenses related thereto, as determined by the Calculation Agent in good faith and in a commercially reasonable manner.
- (ii) For the purposes of General Condition 6(f)(i)(a) above where the relevant Securities provide for any minimum amount(s) of cash or assets to be payable or deliverable this shall be taken into account in determining the fair market value. However, the Calculation Agent shall reduce (i.e. discount) the value of such amounts in determining the fair market value to take into account the length of time remaining to the first possible date on which such amount(s) would otherwise have been payable or deliverable. Such discounting may be determined by reference to such information as the Calculation Agent may select which may include risk free rate(s).

The Calculation Agent shall also take into account appropriate values for any other amount which would or could otherwise have been payable or deliverable under the relevant Securities. This may include the element of the return on the Securities determined by reference to the relevant assets or reference basis(es) to which the Securities relate (i.e. a derivative element). The relevant value for this element of the Securities may be determined by reference to the cost at the relevant time of entering into a transaction to provide similar amounts.

### (g) Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Securities (provided that, in the case of Definitive Bearer Securities, all unmaturing Receipts, Coupons and Talons appertaining thereto

## TERMS AND CONDITIONS OF THE SECURITIES

are purchased therewith) at any price in the open market or otherwise. Securities purchased as aforesaid may, at the option of the Issuer, the Guarantor or their respective subsidiaries, as the case may be, be held, reissued, resold or surrendered to any Paying Agent and/or the Registrar for cancellation except that all Securities in definitive form purchased by the Issuer must be surrendered for cancellation.

### (h) Cancellation

All Securities which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Securities so cancelled and any Securities purchased and cancelled pursuant to General Condition 6(g) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

### (i) Instalments

Unless previously redeemed or purchased and cancelled on or prior to an Instalment Date, Instalment Securities will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the Issue Terms. The Instalment Amount payable on an Instalment Date shall be, unless specified otherwise in the applicable Issue Terms, an amount in respect of each Calculation Amount, which may be an amount per Calculation Amount equal to (i) Calculation Amount multiplied by an Instalment Factor (if so specified in the applicable Issue Terms) and multiplied by a Final Payout (for such purposes an "**Instalment Payout**") or (ii) in case of the last Instalment Date, the Final Redemption Amount if so specified in the applicable Issue Terms. In the case of Securities in definitive form, all instalments (other than the final instalment) will be paid by surrender of, in the case of a Definitive Bearer Security, the relevant Receipt (which must be presented with the Security to which it appertains) and, in the case of a definitive Registered Security, the relevant Security and issue of a new Security in the nominal amount remaining outstanding, all as more fully described in General Condition 5. In the case of early redemption, the Early Redemption Amount will be determined pursuant to General Condition 6(f) above.

Where the Securities are Credit Linked Securities in respect of which Instalment Amounts are payable and the Issue Terms specify that the Credit Linked Conditions shall not apply to the Instalment Amounts, such Instalment Amounts shall be paid in full on each Instalment Date specified in the Issue Terms notwithstanding the occurrence of any Credit Event Determination Date.

### (j) Late payment on Zero Coupon Securities

If the amount payable in respect of any Zero Coupon Security upon redemption of such Zero Coupon Security pursuant to General Condition 6(b), (d) or (e) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Security shall be the amount calculated as provided in General Condition 6(f)(ii) above as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Security becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of the Zero Coupon Security have been paid; and
- (ii) the date on which the full amount of the moneys payable has been received by the Principal Paying Agent and notice to that effect has been given to the Securityholders in accordance with General Condition 13.

### (k) Partly Paid Securities

In the event that any Securityholder fails to pay a Part Payment Amount with respect to Partly Paid Securities on the due date (a "**Part Payment Default Date**"), such Partly Paid Securities held by such Securityholder shall automatically be redeemed, unless specified otherwise in the Issue Terms, on the seventh Business Day following a Part Payment Default Date, each at its Early Redemption Amount referred to in General Condition 6(f) above and no further interest will be payable from the Interest Payment Date immediately preceding such Part Payment Default Date or, if none, the Issue Date. Following the occurrence of a Part Payment Default Date with respect to Partly Paid Securities, the Issuer will, as soon as reasonably practicable, give notice of the occurrence of such Part Payment Default Date and resulting automatic redemption, to the relevant Securityholder in accordance with General Condition 13, provided that (i) failure to give such notice or (ii) payment of the Part Payment Amount following the occurrence of a Part Payment Default Date, will not void the automatic redemption of such Securities.

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Partly Paid Securities will be redeemed, whether at maturity, early redemption or otherwise in accordance with the provisions of this General Condition 6.

- (l) Redemption for the occurrence of an Administrator/Benchmark Event
- (i) Following the occurrence of an Administrator/Benchmark Event, the Issuer, having given not less than 10 nor more than 30 days' notice to the Securityholders in accordance with General Condition 13 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Securities, each Security being redeemed at its Early Redemption Amount referred to in General Condition 6(f) above. Interest will cease to accrue and no further interest will be payable from the Interest Payment Date or (if none, the Issue Date) immediately preceding such Administrator/Benchmark Event.
- (ii) Notwithstanding General Condition 6(l)(i) above, in the event that the Calculation Agent determines that an Administrator/Benchmark Event has occurred, the Calculation Agent, shall give notice to the Issuer and the Securityholders as soon as reasonably practicable of the occurrence of such Administrator/Benchmark Event. The Calculation Agent shall then use reasonable endeavours to determine what amendments (if any) may be made to the terms and conditions of the Securities as the Calculation Agent determines necessary or appropriate to account for the effect of the relevant event or circumstance. 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 Securities; and (c) include selecting a successor benchmark(s) and making related adjustments to the terms of the Securities, including where applicable to reflect any increased costs of the Issuer providing exposure to the successor benchmark(s), and, in the case of more than one successor benchmark, making provision for allocation of exposure as between the successor benchmarks. In the event that the Calculation Agent proposes amendments to the terms and conditions of the Securities in accordance with this General Condition 6(l)(ii), the Issuer shall make such amendments to the terms and conditions of the Securities and there shall be no redemption of the Securities. However, if the Calculation Agent determines, within 20 calendar days of the Issuer receiving notice of an Administrator/Benchmark Event, that no amendments may be made to the terms and conditions of the Securities to account for the effect of the relevant event or circumstance, (A) the Calculation Agent shall notify the Issuer of the same and (B) upon, the Issuer having given not less than 10 nor more than 30 days' notice to the Securityholders in accordance with General Condition 13 (which notice shall be irrevocable), the Securities shall be redeemed in accordance with General Condition 6(l)(i).

For the purposes of this General Condition 6(l):

**"Administrator/Benchmark Event"** means, in relation to any Benchmark, the occurrence of a Benchmark Modification or Cessation Event, a Non-Approval Event, a Pre-Cessation Event a Rejection Event or a Suspension/Withdrawal Event.

**"Benchmark"** means any figure or rate and where any amount payable under the Securities, or the value of the Securities, is determined by reference to such figure or rate, all as determined by the Calculation Agent.

**"Benchmark Modification or Cessation Event"** means, in respect of the Benchmark, any of the following has occurred or will occur:

- (A) any material change in such Benchmark;
- (B) any public statement by the relevant competent authority as a consequence of which the Benchmark will be prohibited from being used either generally, or in respect of the Securities;
- (C) the permanent cancellation or cessation in the provision of such Benchmark;
- (D) the making of a public statement by (i) the administrator of the Benchmark that it has ceased publishing the Benchmark permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Benchmark); or (ii) by the supervisor of the administrator of the Benchmark that the Benchmark has been permanently or indefinitely discontinued; or

## TERMS AND CONDITIONS OF THE SECURITIES

- (E) it is not commercially reasonable to continue the use of the relevant Benchmark in connection with the Securities 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 Securities 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).

"**BMR**" means the EU Benchmarks Regulation (Regulation (EU) 2016/1011).

"**Non-Approval Event**" means, in respect of the Benchmark:

- (A) any authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the Benchmark or the administrator of the Benchmark is not obtained or will not be obtained;
- (B) the Benchmark or the administrator of the Benchmark is not or will not be included in an official register; or
- (C) the Benchmark or the administrator of the Benchmark does not or will not fulfil any legal or regulatory requirement applicable to the Issuer, the Calculation Agent or the Benchmark,

in each case, as required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities. For the avoidance of doubt, a Non-Approval Event shall not occur if the Benchmark or the administrator of the Benchmark is not included in an official register because its authorisation, registration, recognition, endorsement, equivalence or approval is suspended if, at the time of such suspension, the continued provision and use of the Benchmark is permitted in respect of the Securities under the applicable law or regulation during the period of such suspension.

"**Pre-Cessation Event**": a public statement by the supervisor of the administrator of the Benchmark (as applicable) that, in the view of such supervisor, (A) the Benchmark is (or will be deemed by such supervisor to be) no longer representative of an underlying market and such representativeness shall not be restored or (B) the methodology to calculate the Benchmark has materially changed.

"**Rejection Event**" means, in respect of the Benchmark, the relevant competent authority or other relevant official body rejects or refuses, or will reject or refuse any application for authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register which, in each case, is required in relation to the Benchmark or the administrator of the Benchmark under any applicable law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities.

"**Suspension/Withdrawal Event**" means, in respect of the Benchmark:

- (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 the Benchmark or the administrator of the Benchmark which is required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities; or
- (B) the Benchmark or the administrator of the Benchmark is or will be removed from any official register where inclusion in such register is required under any applicable law in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or where inclusion in any official register is withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Benchmark is permitted in respect of the Securities under the applicable law or regulation.

For the further avoidance of doubt, the above is additional, and without prejudice, to any other terms of the Securities. In the event that under any such terms (i) any other consequences could apply in relation to an event or occurrence the subject of an Administrator/Benchmark Event or (ii) any such terms contradict the terms in this Condition 6(l), the Calculation Agent shall determine which terms shall apply in its sole and absolute discretion.

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### 7. Taxation

All payments of principal and interest in respect of the Securities, Receipts and Coupons by or on behalf of the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any jurisdiction having the power to tax unless such withholding or deduction is required by law. In such event, the Issuer or the Guarantor, as applicable (or, as the case may be, the relevant Paying Agent) will account to the relevant authorities for the amount required to be withheld or deducted and, in the case of any taxes or duties imposed or levied by or on behalf of the Kingdom of Spain ("**Spain**") or any political subdivision or authority thereof or therein having the power to tax, will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Securities, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Securities, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Security, Receipt or Coupon:

- (a) presented for payment by or on behalf of a beneficial owner or a holder who is liable for such taxes or duties in respect of such Security, Receipt or Coupon by reason of his having some connection with Spain other than the mere holding of such Security, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in General Condition 5(a)); or
- (c) to, or to a third party on behalf of, a holder if such taxes or duties may be avoided by complying with any relevant requirement of Spanish law or by making a declaration of non-residence or other similar claim for exemption to any authority of or in Spain, unless such holder proved that he is not entitled so to comply or to make such declaration or claim.

In addition, no additional amounts shall be payable by the Issuer, the Guarantor or any Paying Agent or any other person on account of any withholding or deduction in respect of the Securities, Receipts and Coupons where such withholding or deduction is required pursuant to:

- (i) 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 thereunder, any official interpretations thereof, any governmental agreement with respect thereto or any law implementing, or relating to, an intergovernmental agreement ("**FATCA**");
- (ii) the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*); or
- (iii) any payment being treated as a dividend or "dividend equivalent" for purposes of the Code or any regulations thereunder.

In these General Conditions, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Securityholders in accordance with General Condition 13.

### 8. Redenomination

- (a) Redenomination

Where redenomination is specified in the Issue Terms as being applicable, the Issuer may, without the consent of the Securityholders, the Receiptholders and the Couponholders, on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Securityholders in accordance with General Condition 13, elect that, with effect from the Redenomination Date specified in the notice, the Securities shall be redenominated in euro.

The election will have effect as follows:

## TERMS AND CONDITIONS OF THE SECURITIES

- (i) the Securities and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a nominal amount for each Security and Receipt equal to the nominal amount of that Security or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Securityholders, the stock exchange (if any) on which the Securities may be listed and the Paying Agents of such deemed amendments;
  - (ii) save to the extent that an Exchange Notice has been given in accordance with General Condition 8(a)(iv) below, the amount of interest due in respect of the Securities will be calculated by reference to the aggregate nominal amount of Securities presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant Securityholder and the amount of such payment shall be rounded down to the nearest euro 0.01;
  - (iii) if definitive Securities are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations agreed at the time by the Issuer and the Principal Paying Agent;
  - (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Securities) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Securities, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Securities and Receipts so issued will also become void on that date although those Securities and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Securities, Receipts and Coupons will be issued in exchange for Securities, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Securityholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Securities;
  - (v) after the Redenomination Date, all payments in respect of the Securities, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Securities to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
  - (vi) if the Securities are Fixed Rate Securities and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on a Fixed Interest Date, it will be calculated by applying the Rate of Interest to each Calculation Amount (subject to General Condition 4(f)), multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;
  - (vii) if the Securities are Floating Rate Securities, the Issue Terms will specify any relevant changes to the provisions relating to interest; and
  - (viii) such other changes shall be made to these General Conditions as the Issuer may decide, after consultation with the Principal Paying Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.
- (b) Definitions

In these General Conditions, the following expressions have the following meanings:

**"Established Rate"** means the rate for the conversion of the Specified Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 1091(4) of the Treaty;

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"**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"**Redenomination Date**" means (in the case of interest bearing Securities) any date for payment of interest under the Securities or (in the case of Zero Coupon Securities) any date, in each case specified by the Issuer in the notice given to the Securityholders pursuant to General Condition 8(a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"**Treaty**" means the Treaty establishing the European Community, as amended by the Treaty on European Union as amended by the Treaty of Amsterdam.

### 9. Events of Default

If any of the following events (each an "**Event of Default**") shall have occurred and be continuing:

- (a) a default is made for more than 14 days in the payment of any principal (including any Instalment Amount(s)) due in respect of any of the Securities or 30 days or more in the payment of any interest or other amount due in respect of any of the Securities; or
- (b) a default is made in the performance by the Issuer or the Guarantor of any other obligation under the provisions of the Securities or under the provisions of the Guarantee relating to the Securities and such default continues for more than 60 days following service by a Securityholder on the Issuer and the Guarantor of a notice requiring the same to be remedied; or
- (c) an order of any competent court or administrative agency is made or any resolution is passed by the Issuer for the winding-up or dissolution of the Issuer (other than for the purpose of an amalgamation, merger or reconstruction (i) which has been approved by an Extraordinary Resolution or (ii) where all of the assets of the Issuer are transferred to, and all of its debts and liabilities are assumed by, a continuing entity); or
- (d) an order is made by any competent court commencing insolvency proceedings (*procedimientos concursales*) against the Guarantor or an order is made or a resolution is passed for the dissolution or winding up of the Guarantor (except in any such case for the purpose of a reconstruction or a merger or amalgamation (i) which has been approved by an Extraordinary Resolution or (ii) where the entity resulting from any such reconstruction or merger or amalgamation is a Financial Institution (*Entidad de Crédito* according to article 1 of Law 10/2014 of June 26, on Organisation, Supervision and Solvency of Credit Entities) and will have a rating for long-term senior debt assigned by Standard & Poor's Rating Services, Moody's Investors Services or Fitch Ratings Ltd equivalent to or higher than the rating for long-term senior debt of the Guarantor immediately prior to such reconstruction or merger or amalgamation); or
- (e) the Issuer or the Guarantor is adjudicated or found bankrupt or insolvent by any competent court, or any order of any competent court or administrative agency is made for, or any resolution is passed by Issuer or the Guarantor to apply for, judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to the Issuer or the Guarantor or substantially all of the assets of either of them (unless in the case of an order for a temporary appointment, such appointment is discharged within 60 days); or
- (f) the Issuer (except for the purpose of an amalgamation, merger or reconstruction approved by an Extraordinary Resolution) or the Guarantor (except for the purpose of an amalgamation, merger or reconstruction (i) which has been approved by an Extraordinary Resolution or (ii) where the entity resulting from any such reconstruction or merger or amalgamation will have a rating for long-term senior debt assigned by Standard & Poor's Rating Services or Moody's Investor Services equivalent to or higher than the rating for long-term senior debt of the Guarantor immediately prior to such reconstruction or merger or amalgamation) ceases or threatens to cease to carry on the whole or substantially the whole of its business; or
- (g) an application is made for the appointment of an administrative or other receiver, manager, administrator or similar official in relation to the Issuer or the Guarantor or in relation to the whole or substantially the whole of the undertaking or assets of the Issuer or the Guarantor and is not discharged within 60 days; or
- (h) the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect.

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then the holder of any Security may declare such Security by written notice to the Issuer at the specified office of the Principal Paying Agent or the Registrar, as the case may be, effective upon the date of receipt thereof by the Principal Paying Agent or the Registrar, as the case may be, (in the case of General Condition 9(c) and, in relation to the Issuer only, General Conditions 9(d), 9(e), 9(f) and 9(g) above, only if then permitted by applicable Spanish Law) to be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount (as described in General Condition 6(f)), together with accrued interest (if any) to the date of repayment.

For the purpose of General Conditions 9(e), 9(f) and 9(g) a report by the auditors for the time being of the Issuer or the Guarantor, as the case may be, as to whether any part of the undertaking, business or assets of the Issuer or the Guarantor is "substantial" shall, in the absence of manifest error, be conclusive.

***Securityholders may not be able to exercise their rights on an event of default in the event of the adoption of any resolution measure under Law 11/2015.***

The Spanish Insolvency Law provides: (i) that any claim not included in the company's accounts or otherwise reported to the insolvency administrators within one month from the last official publication of the court order declaring the insolvency may become subordinated, (ii) that provisions in certain contracts granting one party the right to terminate on the other's insolvency are not enforceable and (iii) for the further accrual of interest to be suspended from the date of declaration of insolvency (subject to certain exceptions).

### ***Sustainable Securities***

In the case of any Securities where the "Reasons for the Offer" of the applicable Issue Terms are stated to be for "green", "social" or "sustainability" purposes as described in the "Use of Proceeds" section (the "**Sustainable Securities Use of Proceeds Disclosure**"), no Event of Default shall occur or other claim against the Issuer or the Guarantor or right of a holder of, or obligation or liability of the Issuer or the Guarantor in respect of, such Sustainable Securities arise as a result of the net proceeds of such Sustainable Securities not being used, any report, assessment, opinion or certification not being obtained or published, or any other step or action not being taken, in each case as set out and described in the Sustainable Securities Use of Proceeds Disclosure.

## **10. Prescription**

Claims for payment of principal in respect of Securities other than New York Law 3(a)(2) Notes (as defined in General Condition 14) shall be prescribed upon the expiry of 10 years from the due date thereof and claims for payment of interest (if any) in respect of such Securities shall be prescribed upon the expiry of five years, from the due date thereof. With respect to New York Law 3(a)(2) Notes, any legal action to enforce any payment of principal or any payment of interest in respect of such New York Law 3(a)(2) Notes must be commenced within six years from the due date thereof. There shall not be included in any Coupon sheet issued on exchange of a Talon, any Coupon the claim for payment in respect of which would be void pursuant to this General Condition 10 or General Condition 5 above.

## **11. Replacement of Securities, Receipts, Coupons and Talons**

If any Security (including any Global Security), Receipt, Coupon or Talon is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Principal Paying Agent or the Registrar, as the case may be, upon payment by the claimant of the costs incurred in connection therewith and on such terms as to evidence and indemnity, as the Issuer and the Principal Paying Agent or the Registrar may require. Mutilated or defaced Securities, Receipts, Coupons or Talons must be surrendered before replacements will be issued. Cancellation and replacement of Securities, Receipts, Coupons or Talons shall be subject to compliance with such procedures as may be required under any applicable law and subject to any applicable stock exchange requirements and any applicable procedures of DTC, Euroclear or Clearstream, Luxembourg.

## **12. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Securityholders, the Receiptholders or the Couponholders to create and issue further Securities having terms and conditions the same as the Securities or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Securities; *provided that*, if either outstanding Securities or additional Securities of any Series are



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treated by the Issuer as indebtedness for U.S. federal income tax purposes and are issued or offered by the Issuer to U.S. persons, and if such additional Securities are not fungible with the outstanding Securities of that Series for U.S. federal income tax purposes, the additional Securities will be issued with a CUSIP, ISIN or other identifying number separate from the applicable number for the outstanding Securities of the relevant Series.

### 13. Notices

All notices regarding the Bearer Securities will be deemed to be validly given if published in one leading English language daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or any other relevant authority on which the Bearer Securities are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Securities will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Securities are listed on a stock exchange or admitted to trading by another relevant authority, such notice will be published in a manner which complies with the rules of that stock exchange or relevant authority.

Until such time as any definitive Securities are issued, notice may be given (so long as any Global Securities representing the Securities are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC (instead of by way of publication in a newspaper or mailing)) by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Securities. For so long as any Securities are listed on a stock exchange or admitted to listing by another relevant authority, such notice will be also published in a manner which complies with the rules of that stock exchange or relevant authority by the Issuer. Any such notice shall be deemed to have been given to the holders of the Securities on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Securityholder shall be in writing and given by lodging the same, together (in the case of any Security in definitive form) with the relative Security or Securities, with the Principal Paying Agent (in the case of Bearer Securities) or the Registrar (in the case of Registered Securities). Whilst any of the Securities are represented by a Global Security, such notice may be given by any holder of a Security to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, may approve for this purpose.

### 14. Meetings of Securityholders, Modification and Waiver

- (a) *For Securities other than 3(a)(2) Notes in which New York Law is specified as the Governing Law in the relevant Pricing Supplement and Securityholders of such Securities*

The Agency Agreement contains provisions for convening meetings of Securityholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Securities, the Receipts, the Coupons or any provisions of the Agency Agreement. Such a meeting may and, if required in writing by Securityholders holding not less than 10 per cent. in nominal amount of the Securities for the time being outstanding, shall be convened by the Issuer. At a meeting of the holders of the Securities for the purpose of, amongst others, approving a modification or amendment to, or obtaining a waiver of any covenant or condition set forth in the Securities, the Receipts, the Coupons or the Agency Agreement, persons entitled to vote a majority in aggregate nominal amount of the Securities at the time outstanding shall constitute a quorum. In the absence of a quorum at any such meeting that is not a meeting convened upon the requisition of Securityholders, within 30 minutes of the time appointed for such meeting, the meeting may be adjourned for a period of not less than 14 days, in the absence of a quorum any meeting that is convened on the requisition of Securityholders shall be dissolved; the persons entitled to vote a majority in aggregate nominal amount of the Securities at the time outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any Extraordinary Resolution to, amongst others, modify or amend any of the Securities, the Receipts, the Coupons or any provisions of the Agency Agreement (other than those items specified in General Conditions 14(a)(i) and

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(ii)), or to waive compliance with, any of the terms and conditions of the Securities shall be effectively passed if passed by a majority consisting of at least 75 per cent. of the votes cast.

The Principal Paying Agent (or the U.S. Paying Agent for Securities cleared and settled through DTC), the Issuer and the Guarantor may agree, without the consent of the Securityholders, Receiptholders or Couponholders, to:

- (i) any modification of the Securities, the Receipts, the Coupons or the Agency Agreement which is not materially prejudicial to the interests of the Securityholders; or
- (ii) any modification of the Securities, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or to cure, correct or supplement any defective provision or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer or the Guarantor are incorporated.

Any such modification shall be binding on the Securityholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Securityholders, in accordance with General Condition 13 as soon as practicable thereafter.

Notwithstanding any provision of these General Conditions to the contrary, this General Condition 14(a) shall not apply to 3(a)(2) Notes in which New York law is specified as the governing law in the relevant Pricing Supplement or to Securityholder holding such 3(a)(2) Notes. Furthermore, notwithstanding any provision of these General Conditions to the contrary, this General Condition 14(a) shall not apply to any modification of any series of 3(a)(2) Notes in which New York law is specified as the governing law in the relevant Pricing Supplement or to any modification of the Agency Agreement solely pertaining to or affecting any such series of 3(a)(2) Notes or Securityholders of such series of 3(a)(2) Notes. Any such modification described in the preceding sentence shall instead be governed by and be subject to the relevant provisions of General Condition 14(b) below, as applicable.

(b) *For 3(a)(2) Notes in which New York Law is specified as the Governing Law in the relevant Pricing Supplement and Securityholders of such 3(a)(2) Notes*

- (i) The Principal Paying Agent (or the U.S. Paying Agent for Securities cleared and settled through DTC), BGS and the Guarantor may agree, without the consent of the Securityholders, Receiptholders or Couponholders, to any modification of 3(a)(2) Notes in which New York law is specified as the governing law in the relevant Pricing Supplement (such 3(a)(2) Notes, the "**New York Law 3(a)(2) Notes**") or the Agency Agreement to:
  - (a) evidence the succession of another person as the Issuer of New York Law 3(a)(2) Notes, and the assumption by any such successor of the covenants of the Issuer of New York Law 3(a)(2) Notes in the Agency Agreement and in any New York Law 3(a)(2) Notes of such series;
  - (b) add to the covenants of the Issuer of New York Law 3(a)(2) Notes for the benefit of the holders of New York Law 3(a)(2) Notes of all or any series or to surrender any right or power conferred upon the Issuer of New York Law 3(a)(2) Notes under the Agency Agreement;
  - (c) establish the form or terms of New York Law 3(a)(2) Notes of any series as permitted by the Agency Agreement;
  - (d) cure any ambiguity or correct or supplement any defect or inconsistency in the Agency Agreement or the New York Law 3(a)(2) Notes or make any other provisions with respect to matters or questions arising under the Agency Agreement or New York Law 3(a)(2) Notes which do not adversely affect the interests of the holders of the New York Law 3(a)(2) Notes of any series in any material respect;
  - (e) add to, delete from or revise the conditions, limitations and restrictions on the authorised amount, terms or purposes of issue, authentication and delivery of New York Law 3(a)(2) Notes, as set forth in the Agency Agreement;
  - (f) supplement any of the provisions of the Agency Agreement to such extent as shall be necessary to permit the discharge of any series of New York Law 3(a)(2) Notes, *provided* such action does

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not adversely affect the interests of any holders of New York Law 3(a)(2) Notes of any series in any material respect;

- (g) add additional guarantors to any series of New York Law 3(a)(2) Notes, or secure any series of New York Law 3(a)(2) Notes;
- (h) delete, amend or supplement any provision of the Agency Agreement *provided* such actions do not materially adversely affect the interests of the holders of New York Law 3(a)(2) Notes outstanding immediately prior thereto; or
- (i) delete, amend or supplement any provision of the Agency Agreement to comply with mandatory provisions of the law of the jurisdiction in which the Issuer of New York Law 3(a)(2) Notes or the Guarantor are incorporated.

Any modification made under paragraphs (a) through (i) of this General Condition 14(b)(i) shall be binding on the Securityholders, the Receiptholders and the Couponholders of New York Law 3(a)(2) Notes.

- (ii) With the consent, as evidenced in an Act or Acts (as defined below), as the case may be, of the Securityholders of New York Law 3(a)(2) Notes of not less than a majority in principal amount of the outstanding New York Law 3(a)(2) Notes of each such series affected by such amendment or modification voting separately, the Principal Paying Agent, BGS and the Guarantor may enter into an amendment or modification of the Agency Agreement or the New York Law 3(a)(2) Notes of a series for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of Agency Agreement or of modifying in any manner the rights of the Securityholders of such New York Law 3(a)(2) Notes of such series and of waiving future compliance with respect to the Agency Agreement solely with respect to the New York Law 3(a)(2) Notes; *provided, however*, that no such amendment or modification shall, without the consent of the Securityholder of each outstanding New York Law 3(a)(2) Note affected thereby, shall:
  - (a) change or extend the stated maturity of the principal of or any instalment of interest on any such New York Law 3(a)(2) Note,
  - (b) reduce the principal amount or any redemption amount of, or interest on, any such New York Law 3(a)(2) Note;
  - (c) change the obligation of the Issuer of New York Law 3(a)(2) Notes to pay additional amounts under this Agreement for the New York Law 3(a)(2) Notes;
  - (d) change the currency of payment of such New York Law 3(a)(2) Note or interest thereon;
  - (e) impair the right to institute suit for the enforcement of any payment on or with respect to any such New York Law 3(a)(2) Note;
  - (f) reduce the percentage in aggregate principal amount of New York Law 3(a)(2) Notes outstanding necessary to modify or amend the Agency Agreement or waive any past default relating solely in respect of the New York Law 3(a)(2) Notes; or
  - (g) reduce the voting requirements or the percentage of aggregate principal amount of New York Law 3(a)(2) Notes outstanding required to take any other action authorised to be taken by the Securityholders of a specified principal amount of New York Law 3(a)(2) Notes;

A modification which changes or eliminates any covenant or other provision of the Agency Agreement which shall have been included expressly and solely for the benefit of one or more particular series of New York Law 3(a)(2) Notes, or which modifies the rights of the Securityholders of New York Law 3(a)(2) Notes of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under the Agency Agreement of the Securityholders of New York Law 3(a)(2) Notes of any other series.

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It shall not be necessary for any Act of Securityholders of New York Law 3(a)(2) Notes under this General Condition 14(b)(ii) to approve the particular form of any proposed modification or amendment, but it shall be sufficient if such Act shall approve the substance thereof.

As used in this General Condition 14(b)(ii), "Act" means means any request, demand, authorisation, direction, notice, consent, waiver or other action provided by or pursuant to this Agreement to be given or taken by holders of the relevant series of New York Law 3(a)(2) Notes and the written instrument or instruments in which such action is embodied and by which such action is evidenced.

### 15. Agents and Registrar

The names of the initial Agents and their initial specified offices are set out below.

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Securities are listed on any stock exchange or admitted to listing by any relevant authority, there will at all times be a Paying Agent (in the case of Bearer Securities) and a Transfer Agent (in the case of Registered Securities) with a specified office in such place as may be required by the rules and regulations of such other stock exchange or other relevant authority; and
- (c) so long as any of the Registered Global Securities payable in a Specified Currency other than US dollars are held through DTC or its nominee, there will at all times be an Exchange Agent.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in General Condition 5(a). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 or more than 45 days' prior notice thereof shall have been given to the Securityholders in accordance with General Condition 13, provided that no such variation, termination, appointment or changes shall take effect (except in the case of insolvency) within 7 days before any due date for the payment of any Security or any related Receipt or Coupon. Notice of all changes in the identities or specified offices of any Agent will be given promptly by the Issuer to Securityholders in accordance with General Condition 13.

In acting under the Agency Agreement, the Agents will act solely as agents of each of the Issuer and Guarantor (if applicable) and do not assume any obligations or relationship of agency or trust to or with the Securityholders, Receiptholders or Couponholders, except that (without affecting the obligations of the Issuer and the Guarantor (if applicable) to the Securityholders, Receiptholders and Couponholders, to repay Securities and pay interest thereon) funds received by the Principal Paying Agent for the payment of the principal of or interest on the Securities shall be held by it in trust for the Securityholders and/or Receiptholders or Couponholders until the expiration of the relevant period of prescription under General Condition 10. The Issuer will agree to perform and observe the obligations imposed upon it under the Agency Agreement. The Agency Agreement contains provisions for the indemnification of the Paying Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer and any of its subsidiaries without being liable to account to the Securityholders, Receiptholders or the Couponholders for any resulting profit.

All calculations, determinations, decisions, selections, elections and opinions made by the Calculation Agent shall be made in its discretion in accordance with the Conditions of the Securities, having regard in each case to any criteria stipulated therein, and shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the other Agents and the Securityholders.

In exercising its discretion as described above, the Calculation Agent may take into account such factors as it determines appropriate in each case, which may include, in particular, any circumstances or events which have or may have a material impact on the hedging arrangements (as described below) entered into by the Issuer and/or any of its Affiliates and/or any other relevant party (each a "**Relevant Party**") in respect of the Securities. The exercise of the Calculation Agent's discretion in respect of the Securities as provided herein is necessary because certain circumstances or events (for example a material modification or disruption to a relevant asset(s) to which the Securities are linked) may occur subsequent to the issuance of the Securities which may materially affect the

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costs to the Relevant Party of maintaining the Securities or any relevant hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the Securities. In addition, as a result of certain circumstances or events (e.g. unavailability or disruption to any reference source) it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of any relevant asset(s) to which the Securities are linked or otherwise in connection with the Securities to be made, thus making it necessary for the Calculation Agent to exercise its discretion in such a case.

### 16. Substitution

#### (a) Substitution of the Issuer

- (i) The Issuer may, without the consent of the Securityholders (and by subscribing any Securities, each Securityholder expressly consents to it), be replaced and substituted by the Guarantor or any other company of which 100 per cent. of the shares or other equity interests (as the case may be) carrying the right to vote are directly or indirectly owned by the Guarantor as principal debtor (in such capacity, the "**Substituted Debtor**") in respect of the Securities provided that:
- (A) a deed poll and such other documents (if any) shall be executed by the Substituted Debtor, the representative for the relevant Series of Securities in the applicable public deed of issuance (the "**Representative**"), the Issuer and (if the Substituted Debtor is not the Guarantor) the Guarantor as may be necessary to give full effect to the substitution (together the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Securityholder to be bound by the "*Terms and Conditions of the Securities*" and the provisions of the Agency Agreement and the Deed of Covenant, as fully as if the Substituted Debtor had been named in the Securities, the Agency Agreement and the Deed of Covenant as the principal debtor in respect of the Securities in place of the Issuer (or any previous substitute) and (if the Substituted Debtor is not the Guarantor) pursuant to which the Guarantor shall unconditionally and irrevocably guarantee (the "**New Guarantee**") in favour of each Securityholder the payment of all sums payable by the Substituted Debtor, as such principal debtor on the same terms *mutatis mutandis* as the Guarantee;
- (B) without prejudice to the generality of General Condition 16(a)(i)(A), where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than Spain, the Documents shall contain a covenant by the Substituted Debtor and/or such other provisions as may be necessary to ensure that each Securityholder has the benefit of a covenant in terms corresponding to the provisions of General Condition 7 with the substitution for the references to Spain of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and (if the Substituted Debtor is not the Guarantor) the Guarantor to indemnify and hold harmless each Securityholder against all taxes or duties which arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such holder as a result of any substitution pursuant to this General Condition 16(a) and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, any and all taxes or duties which are imposed on any such Securityholder by any political sub-division or taxing authority of any country in which such Securityholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (C) the Documents shall contain a warranty and representation by the Substituted Debtor and (if the Substituted Debtor is not the Guarantor) the Guarantor that the Substituted Debtor and (if the Substituted Debtor is not the Guarantor) the Guarantor have obtained all necessary governmental and regulatory approvals and consents for such substitution and (if the Substituted Debtor is not the Guarantor) for the giving by the Guarantor of the New Guarantee in respect of the obligations of the Substituted Debtor on the same terms *mutatis mutandis* as the Guarantee, that each of the Substituted Debtor and the Guarantor (if the Substituted Debtor is not the Guarantor) has obtained all necessary governmental and regulatory approvals and consents for the performance by each of the Substituted Debtor and the Guarantor (if the Substituted Debtor is not the Guarantor) of its obligations under the Documents and that all such approvals and consents are in full force and effect;

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- (D) each stock exchange which has the Securities listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor the Securities would continue to be listed on such stock exchange;
  - (E) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer, the Substituted Debtor and the Guarantor from a leading firm of lawyers in the country of incorporation of the Substituted Debtor, to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion(s) to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Securityholders at the specified offices of the Principal Paying Agent and the Registrar;
  - (F) the Guarantor shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer, the Substituted Debtor and the Guarantor from a leading firm of Spanish lawyers acting for the Guarantor to the effect that in the case where the Substituted Debtor is not the Guarantor, the Documents (including the New Guarantee given by the Guarantor in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the Guarantor, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Securityholders at the specified offices of the Principal Paying Agent and the Registrar;
  - (G) the Guarantor shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer, the Substituted Debtor and the Guarantor from a leading firm of English lawyers to the effect that the Documents (including the New Guarantee given by the Guarantor in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the parties thereto under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Securityholders at the specified offices of the Principal Paying Agent and the Registrar;
  - (H) the Substituted Debtor shall have appointed a process agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities or the Documents;
  - (I) there is no outstanding Event of Default in respect of the Securities;
  - (J) any credit rating assigned to the Securities will remain the same or be improved when the Substituted Debtor replaces and substitutes the Issuer in respect of the Securities; and
  - (K) the substitution complies with all applicable requirements established under the relevant laws applicable laws.
- (ii) Upon the execution of the Documents as referred to in General Condition 16(a)(i)(A) above, the Substituted Debtor shall be deemed to be named in the Securities as the principal debtor in place of the Issuer (or of any previous substitute under these provisions) and the Securities shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer (or such previous substitute as aforesaid) from all of its obligations in respect of the Securities.
  - (iii) The Documents shall be deposited with and held by the Principal Paying Agent and the Registrar for so long as any Security remains outstanding and for so long as any claim made against the Substituted Debtor or (if the Substituted Debtor is not the Guarantor) the Guarantor by any Securityholder in relation to the Securities or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and (if the Substituted Debtor is not the Guarantor) the Guarantor shall acknowledge in the Documents the right of every Securityholder to the production of the Documents for the enforcement of any of the Securities or the Documents.
  - (iv) Not later than 15 London Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Securityholders in accordance with General Condition 13.

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**"London 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 London.

### 17. **Contracts (Rights of Third Parties) Act 1999; Benefits of New York Law 3(a)(2) Notes and Agency Agreement**

The Securities shall not confer any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Securities, but, subject to the succeeding sentence, this does not affect any right or remedy of a third party which exists or is available apart from that Act. Solely with respect to New York Law 3(a)(2) Notes and the provisions of the Agency Agreement solely relating to such New York Law 3(a)(2) Notes, nothing in the Agency Agreement or the New York Law 3(a)(2) Notes, express or implied, shall give to any person, other than the parties to the Agency Agreement and their successors and the Securityholders of such New York Law 3(a)(2) Notes, any benefit or any legal or equitable right, remedy or claim under the Agency Agreement or the New York Law 3(a)(2) Notes.

### 18. **Governing Law and Submission to Jurisdiction**

#### (a) **Governing Law**

(i) The status of the Guarantee in respect of Certificated Securities (General Condition 3), the capacity of the Guarantor, and the relevant Guarantor corporate resolutions, will be governed by Spanish law. The Issue of the Certificated Securities, the capacity of the Issuer and the relevant Issuer corporate resolutions will be governed by Dutch Law. Subject as provided above, the terms and conditions of the Certificated Securities, all related contractual documentation (other than the Spanish Law Guarantee and Schedules 4 and 10 of the Agency Agreement which will be governed by the laws of Spain, and the New York Law Guarantee and any New York Law 3(a)(2) Notes which will both be governed by the laws of New York) and any non-contractual obligations arising out of or in connection with the Certificated Securities and all related contractual documentation (other than the Spanish Law Guarantee and Schedules 4 and 10 of the Agency Agreement which will be governed by the laws of Spain, and the New York Law Guarantee and any New York Law 3(a)(2) Notes which will both be governed by the laws of New York) will be governed by, and shall be construed in accordance with, English law unless specified otherwise in the applicable Pricing Supplement. Any New York Law 3(a)(2) Notes (including any New York Law 3(a)(2) Note that is 3(a)(2) Global Security in substantially the form set forth in Part 3 of Schedule 5 of the Agency Agreement), the provisions of the Agency Agreement to the extent they relate solely to such New York Law 3(a)(2) Notes, and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, the laws of the State of New York without reference to or inclusion of the principles of choice of law or conflicts of law in that jurisdiction.

#### (b) **Submission to Jurisdiction**

- (i) Subject to General Condition 18(b)(iii) of the *"Terms and Conditions of the Securities"* below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Securities and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Securities and/or the Coupons (a **"Dispute"**) and accordingly each of the Issuer and any Securityholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts unless specified otherwise in the applicable Pricing Supplement.
- (ii) For the purposes of this General Condition 18, the Issuer and any Securityholders, Receiptholders or Couponholders in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (iii) This General Condition 18(b)(iii) is for the benefit of the Securityholders, Receiptholders and the Couponholders only. To the extent allowed by law, the Securityholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

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- (iv) (a) Notwithstanding any provision of these General Conditions to the contrary, the provisions of General Condition 18(b)(i) through (iii) above shall not apply to any New York Law 3(a)(2) Notes Dispute (as defined below). Subject to General Condition 18(b)(iv)(c) below, any New York State court or United States federal court sitting in the Borough of Manhattan in the City of New York (the "**New York Courts**") shall have exclusive jurisdiction to settle any disputes arising solely out of or in connection with New York Law 3(a)(2) Notes or with the Agency Agreement to the extent it relates solely to such 3(a)(2) Notes, including, in each case, any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection thereto (a "**New York Law 3(a)(2) Notes Dispute**") and accordingly each of the Issuer and any Securityholders or Couponholders in relation to any New York Law 3(a)(2) Notes Dispute submits to the exclusive jurisdiction of the New York Courts.
- (b) For the purposes of this General Condition 18(b)(iv), the Issuer and any Securityholders, Receiptholders or Couponholders in relation to any New York Law 3(a)(2) Notes Dispute waives any objection to the New York Courts on the grounds that they are an inconvenient or inappropriate forum to settle any New York Law 3(a)(2) Notes Dispute.
- (c) This General Condition 18(b)(iv)(c) is for the benefit of the Securityholders, Receiptholders and the Couponholders only. To the extent allowed by law, the Securityholders and the Couponholders may, in respect of any New York Law 3(a)(2) Notes Dispute or New York Law 3(a)(2) Notes Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### (c) **Appointment of Process Agent**

The Issuer irrevocably appoints the Guarantor at its registered office for the time being in England as its agent for service of process in any proceedings before the English courts in relation to any Proceedings and undertakes that, in the event of the Guarantor being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Proceedings. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

The Issuer irrevocably appoints the New York Branch at its registered office in the Borough of Manhattan in the City of New York as its agent for service of process in any proceedings before the New York Courts relating to a New York Law 3(a)(2) Notes Dispute and undertakes that, in the event of the New York Branch being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in New York in respect of such proceedings. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.



## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

### ANNEX 1

#### ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

*If specified as applicable in the Issue Terms, the terms and conditions applicable to payouts shall comprise the General 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 Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between (i) the General Conditions and/or any other Annex and (ii) the Payout Conditions, the Payout Conditions shall prevail.*

#### 1. Reference Item Linked Securities

##### (a) Use of Payout Conditions

These Payout Conditions set out the methodology for determining various payouts and product features in respect of the Securities. The applicable text shown in Payout Conditions 2, 3, 4 and 5 below will be extracted, included and completed at the paragraph indicated in the Issue Terms on the basis that (i) applicable text (including, where appropriate, section headings and terms defined in Payout Condition 5 which are required to be completed) from the relevant Payout Condition will be set out at the paragraph indicated in the Issue Terms and (ii) inapplicable text (and any terms defined in Payout Condition 5 which are not required to be completed) need not be included. For Exempt Securities issued under the Programme, the applicable text that may be extracted, included and completed in the Pricing Supplement may be shortened, condensed and simplified to make it more concise and clear and to avoid repeating text. Where the Issue Terms specify that a table may be inserted, such table will set out amounts, entities, dates, items, rates, value levels, triggers, figures and other information which completes the definitions that appear in the relevant subparagraphs of the Issue Terms, the Terms and Conditions of the Securities and the applicable Annex(es) to the Terms and Conditions of the Securities. Notwithstanding the above, a table may be inserted in any section of the Issue Terms whether or not is so specified that a table may be inserted in such section of the Issue Terms.

##### (b) Use of Terms

Terms in these Payout Conditions or in the Issue Terms may be attributed a numerical or letter suffix value when included in the Issue Terms. 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 Securities. 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 Issue Terms, 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 Issue Terms. A term in Payout Condition 5 may be included in the applicable Issue Terms 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. Suffixes may also be applied to payouts to denote that more than one payout or Rate of Interest etc, may be concurrently applicable (on the same dates or otherwise) in respect of any Security.

The constituent parts of any formula(e) or term(s) used in these Payout Conditions and that are to be specified in the Issue Terms may be replaced in the Issue Terms by the prescribed amount, level, or percentage or other value or term (the "**Variable Data**"). If a Variable Data has a value of either 0 (zero) or 1 (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 Issue Terms, by deleting such Variable Data.

##### (c) Security Types

The applicable Issue Terms will specify the Interest Basis applicable in respect of a Security. Such Securities are, where the Interest Basis is: Index Linked Interest, an "**Index Linked Interest Security**"; Equity Linked Interest, an "**Equity Linked Interest Security**"; Inflation Linked Interest, an "**Inflation Linked Interest Security**"; Reference Item Rate Linked Interest, a "**Reference Item Rate Linked Interest Security**"; ETF Linked Interest a "**ETF Linked Interest Security**"; Fund Linked Interest, a "**Fund Linked Interest Security**"; Credit Linked Interest, a "**Credit Linked Interest Security**" or "**Credit Linked Security**"; Foreign Exchange (FX) Rate Linked

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

Interest, a "**Foreign Exchange (FX) Rate Linked Interest Security**", EUA Contract Linked Interest, an "**EUA Contract Linked Interest Security**" or where a combination of any two or more Interest Bases, a "**Combination Interest Security**" (each, a "**Reference Item Linked Interest Security**"). The Securities can also bear no interest in which case the Securities may be zero coupon, if so specified in the applicable Issue Terms.

The applicable Issue Terms will specify the Redemption Basis applicable in respect of a Security. Such Securities are, where the Redemption Basis is: Index Linked Redemption, an "**Index Linked Redemption Security**"; Equity Linked Redemption, an "**Equity Linked Redemption Security**"; ETF Linked Redemption, a "**ETF Linked Redemption Security**" Fund Linked Redemption; a "**Fund Linked Redemption Security**"; Inflation Linked Redemption, an "**Inflation Linked Redemption Security**"; Reference Item Rate Linked Redemption, a "**Reference Item Rate Linked Redemption Security**"; Foreign Exchange (FX) Rate Linked Redemption, a "**Foreign Exchange (FX) Rate Linked Redemption Security**"; Credit Linked Redemption, a "**Credit Linked Redemption Security**"; or "**Credit Linked Security**", or EUA Contract Linked Redemption, an "**EUA Contract Linked Redemption Security**" or where a combination of any two or more Redemption Bases, a "**Combination Redemption Security**" (each, a "**Reference Item Linked Redemption Security**").

### (d) Alternative Interest Basis

Other than in respect of Zero Coupon Securities, Partly Paid Securities or Credit Linked Securities if it is specified in Paragraph 9 (*Interest Basis*) of the Issue Terms that 'Calculation Amount Basis will apply' to the Securities then for the purposes of any calculations of interest with respect to Securities which are represented by a Global Security pursuant to General Condition 4, the Principal Paying Agent, or if a Calculation Agent is specified in the Issuer Terms, the Calculation Agent will calculate Interest Amount payable on the Securities for the relevant Interest Period by applying the Rate of Interest to the Calculation Amount, and, in each case, multiplying such sum by the Day Count Fraction (as defined in General Condition 4(j)) specified in the Issue Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention. For the avoidance of doubt, the Calculation Amount may be an amount that is different from the Specified Denomination, however, when this Calculation Amount Basis is applied, only one Calculation Amount per Specified Denomination may be specified.

## 2. Interest Rates Payout Formula(e) and Final Payout Formula(e) for Structured Securities

### 2.1 Interest Rate Payout Formula(e)

*(For insertion and completion into paragraph 16(ix) (Rate of Interest) in the Issue Terms (except for Non-Exempt Securities, the numbering is subject to change as appropriate). Note: where a Rate of Interest is a fixed or floating rate, paragraph 17 or 18 as applicable, in the Issue Terms should be completed (except for the Non-Exempt Securities, the numbering is subject to change as appropriate).)*

#### (i) "Rate of Interest (i)"

Coupon Value (i) \* Leverage (i)

#### (ii) "Rate of Interest (ii)"

Rate (i)

#### (iii) "Rate of Interest (iii)"

Leverage (i) \* Rate (i) + Spread (i)

#### (iv) "Rate of Interest (iv)"

Leverage (i) \* Reference Spread (i) + Spread (i)

#### (v) "Rate of Interest (v)"

Previous Interest (i) + Spread (i)

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

(vi) **"Rate of Interest (vi)"**

Previous Interest (i) + Leverage (i) \* Reference Item Rate (i) + Spread (i)

(vii) **"Rate of Interest (vii)"**

Leverage (i) \* Coupon Value (i) + Spread (i)

(viii) **"Rate of Interest (viii) - Call"**

*(Insert the following if no cap or floor is applicable)*

Leverage \* (Coupon Value (i) – Strike Percentage)

*(Insert the following if a floor is applicable)*

Max [Floor Percentage; Leverage \* (Coupon Value (i) – Strike Percentage)]

*(Insert the following if a cap is applicable)*

Min [Cap Percentage; Leverage \* (Coupon Value (i) – Strike Percentage)]

*(Insert the following if a cap and a floor is applicable)*

Min [Cap Percentage; Max [Floor Percentage; Leverage \* (Coupon Value (i) – Strike Percentage)]]

(ix) **"Rate of Interest (ix) – Put"**

*(Insert the following if no cap or floor is applicable)*

Leverage \* (Strike Percentage - Coupon Value (i))

*(Insert the following if a floor is applicable)*

Max [Floor Percentage; Leverage \* (Strike Percentage – Coupon Value (i))]

*(Insert the following if a cap is applicable)*

Min [Cap Percentage; Leverage \* (Strike Percentage - Coupon Value (i))]

*(Insert the following if a cap and a floor are applicable)*

Min [Cap Percentage; Max [Floor Percentage; Leverage \* (Strike Percentage - Coupon Value (i))]]

(x) **"Rate of Interest (x) - Range Accrual"**

*(insert the following where interest accrual is calculated based on the number of days on which the Range Accrual Coupon Condition or Range Accrual Countdown Condition is satisfied)*

*(insert the following if leverage and/or spread is applicable)*

$$\text{Leverage (i)} * (\text{Rate (i)} + \text{Spread (i)}) * \frac{n}{N}$$

*(insert the following if no leverage and/or spread is applicable)*

$$\text{Rate (i)} * \frac{n}{N}$$

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

*(insert the following where interest accrual is calculated based on the number of days on which the Range Accrual Coupon Condition or Range Accrual Countdown Condition is satisfied but subtracting the number of days on which the Range Accrual Condition is not satisfied)*

$$\text{Leverage (i) * (Rate (i) + Spread (i)) * Max[0; (2n - N)/N]}$$

(xi) **"Rate of Interest (xi) - Call Participation"**

(A) If Coupon Barrier Condition is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]:

[Coupon Value (i) \* Leverage] [Min [Cap Percentage; Coupon Value (i) \* Leverage]] [Max [Floor Percentage; Coupon Value (i) \* Leverage]] [Max [Floor Percentage; Min [Cap Percentage; Coupon Value (i) \* Leverage]]]; or

(B) Otherwise,

Zero.

(xii) **"Rate of Interest (xii) - Digital One Barrier"**

(A) If Coupon Barrier Condition is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]:

[Constant Percentage]; or

(B) Otherwise:

[zero]

(xiii) **"Rate of Interest (xiii) - Digital One Barrier Standard"**

(A) If Coupon Barrier Condition [●] is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period][or was satisfied in any previous Interest Period]

[Constant Percentage[1]] [*select and insert the Interest Rate Payout Formula from any one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive)*]; or

(B) Otherwise:

[zero][Constant Percentage [2]] [*select and insert the Interest Rate Payout Formula from one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive); for the avoidance of doubt the selected Interest Rate Payout Formula for this paragraph (B) may be different from the Interest Rate Payout Formula for paragraph (A)*].

(xiv) **"Rate of Interest (xiv) - Strike Podium n Barriers"**

(A) If Coupon Barrier Condition 1 is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period][or was satisfied in any previous Interest Period]

[Constant Percentage 1][*select and insert the Interest Rate Payout formula from any one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive)*]; 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][and was not satisfied in any previous Interest Period]:

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[Constant Percentage 2] *[select and insert the Interest Rate Payout Formula from any one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive); for the avoidance of doubt the selected Interest Rate Payout Formula for this paragraph (B) may be different from the Interest Rate Payout Formula for paragraph (A)]; or*

(C) Otherwise:

zero] [Constant Percentage 3] *[select and insert the Interest Rate Payout Formula from any one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive); for the avoidance of doubt the selected Interest Rate Payout Formula for this paragraph (C) may be different from the Interest Rate Payout Formulae for A and B respectively].*

*(The above provisions of paragraph (B) may be duplicated in case more than two Coupon Barrier Conditions apply)*

(xv) **"Rate of Interest (xv) - Partial Memory"**

(A) If Barrier Count Condition is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]:

Rate (i) + SumRate (i) \* Leverage (i); or

(B) Otherwise, zero.

(xvi) **"Rate of Interest (xvi) - Memory"**

(A) If Barrier Count Condition is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]:

Rate(i) + SumRate(i); or

(B) Otherwise, zero.

(xvii) **"Rate of Interest (xvii) - Call with Individual Caps"**

$$\text{Max} \left[ \text{MinCoupon}(i); \sum_{k=1}^K (\text{RIWeighting}(k) * \text{Max} [\text{FloorPercentage}(i); \text{Min}[\text{CapPercentage}(i); \text{CouponValue}(i, k)]] - \text{StrikePercentage}(i)) \right] + \text{ConstantPercentage}(i)$$

(xviii) **"Rate of Interest (xviii) - Cappuccino"**

$$\text{Max} \left[ \text{MinCoupon}(i); \sum_{k=1}^K (\text{RIWeighting}(k) * \text{Max}[\text{FloorPercentage}(i); \text{CappuccinoBarrierValue}(i, k)]) - \text{StrikePercentage}(i) \right] + \text{ConstantPercentage}(i)$$

(xix) **"Rate of Interest (xix) - Best Replace"**

*(Insert the following if local floor is applicable)*

$$\text{Max} \left[ \text{MinCoupon}(i); \sum_{k=1}^K (\text{RIWeighting}(k) * \text{Max}[\text{FloorPercentage}(i); \text{ModifiedValue}(i, k)]) - \text{StrikePercentage}(i) \right]$$

*(Insert the following if local floor is not applicable)*

**ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS**

$$\text{Max} \left[ \text{MinCoupon}(i); \sum_{k=1}^K (\text{RIWeighting}(k) * \text{ModifiedValue}(i, k) - \text{StrikePercentage}(i)) \right]$$

(xx) **"Rate of Interest (xx) - Cliquet"**

$$\text{Max} \left[ \sum_{i=1}^T (\text{Max} [\text{FloorPercentage}(i); \text{Min}[\text{CapPercentage}(i); \text{CouponValue}(i)]] - \text{StrikePercentage}, \text{FloorPercentage1}) \right]$$

(xxi) **"Rate of Interest (xxi) - 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.

(xxii) **"Rate of Interest (xxii) - Cliquet Digital Lock in"**

$$\text{Max} \left[ \text{FloorLockin}; \sum_{i=1}^T (\text{Max} [\text{FloorPercentage}(i); \text{Min}[\text{CapPercentage}(i); \text{CouponValue}(i)]] - \text{StrikePercentage}, \text{FloorPercentage1}) \right]$$

(xxiii) **"Rate of Interest (xxiii) - Digital Coupon One Dual Condition"**

(A) If Digital Coupon Condition [●] is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period][or was satisfied in any previous Interest Period]:

Rate A (i); or

(B) Otherwise:

Rate B (i).

(xxiv) **"Rate of Interest (xxiv) - Digital Coupon Two Dual Conditions"**

(A) If Digital Coupon Condition 1 is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period][or was satisfied in any previous Interest Period]:

Rate A (i); or

(B) If Digital Coupon Condition 1 is not satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period][or was not satisfied in any previous Interest Period], but 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).

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

(xxv) **"Rate of Interest (xxv) – TARN"**

(A) In respect of each Interest Period other than the Target Final Interest Period:

*[select and insert the Interest Rate Payout Formula from any one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive)]; and*

(B) In respect of the Target Final Interest Period and provided that an Automatic Early Redemption Event has not occurred:

Final Interest Rate.

(xxvi) **"Rate of Interest (xxvi) – Ratchet"**

Min [Cap Percentage; Max [Previous Interest(i); Rate(i)]]

(xxvii) **"Rate of Interest (xxvii) – Multiplier"**

*(insert the following if a cap is applicable)*

Min [Cap Percentage; Max [Floor Percentage, Multiplier Number \* Constant Percentage]]

*(insert the following if a cap is not applicable)*

Max [Floor Percentage, Multiplier Number \* Constant Percentage 2]

(xxviii) **"Rate of Interest (xxviii) - Count Barrier Condition"**

(A) If, in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period], the Count Barrier Condition has been satisfied on *[specify]* [or more] [or less] Observation Dates in respect of such [ST Coupon Valuation Date][ST Coupon Valuation Period]:

[Constant Percentage [1] *[select and insert the Interest Rate Payout Formula from any one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive)]; or*

(B) Otherwise:

[zero][Constant Percentage [2]] *[select and insert the Interest Rate Payout Formula from one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive); for the avoidance of doubt the selected Interest Rate Payout Formula for this paragraph (B) may be different from the Interest Rate Payout Formula for paragraph (A)]*

(xxix) **"Rate of Interest (xxix) – Podium"**

Rate(n)

(xxx) **"Rate of Interest (xxx) - Compensation"**

(A) If, in respect of the [ST Coupon Valuation Date][ST Coupon Valuation Period] falling on  $i=[specify]$  [and  $i=[specify]$ ], the Calculation Agent determines that the sum of the Rate of Interest "(specify name of the applicable Rate of Interest)" above for such [ST Coupon Valuation Date][ST Coupon Valuation Period] [and the *[specify]* preceding [ST Coupon Valuation Dates][ST Coupon Valuation Periods]] is [zero][*specify percentage*] then for each such [ST Coupon Valuation Date][ST Coupon Valuation Period] the Rate of Interest shall be:

[Constant Percentage [1] *[select and insert the Interest Rate Payout Formula from any one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive)]; or*

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

- (B) Otherwise, for each such [ST Coupon Valuation Date][ST Coupon Valuation Period] the Rate of Interest shall be:

[zero][Constant Percentage [2]]*[select and insert the Interest Rate Payout Formula from one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive); for the avoidance of doubt the selected Interest Rate Payout Formula for this paragraph (B) may be different from the Interest Rate Payout Formula for paragraph (A)]*

### (xxxii) "Rate of Interest (xxxii) - Dual Currency Digital Coupon"

- (A) If the Coupon Barrier Condition [●] is satisfied in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period][or was satisfied in any previous Interest Period]

[Constant Percentage[1]] *[select and insert the Interest Rate Payout Formula from any one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive)]; or*

- (B) Otherwise:

[zero][Constant Percentage [2]] *[select and insert the Interest Rate Payout Formula from one of "Rate of Interest (i)" to "Rate of Interest (x) - Range Accrual" (inclusive); for the avoidance of doubt the selected Interest Rate Payout Formula for this paragraph (B) may be different from the Interest Rate Payout Formula for paragraph (A)]* [and the Settlement Exchange Rate Provisions] [and the SER Intermediate Currency Requirements] shall apply with respect to the payment of the corresponding Interest Amount].

### (xxxiii) "Rate of Interest (xxxiii) - Partial Consolidation"

- (A) If Coupon Barrier Condition [●] is satisfied for the first time in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]:

Rate (i); or

- (B) If Coupon Barrier Condition [●] was satisfied in any previous Interest Period:

Leverage \* Rate (i); or

- (C) Otherwise:

[zero][Constant Percentage]

### (xxxiv) "Rate of Interest (xxxiv) - Ulises"

- (A) If Coupon Barrier Condition [●] is satisfied for the first time in respect of a [ST Coupon Valuation Date]:

Rate (i) \* n; or

- (B) If Coupon Barrier Condition [●] was satisfied in any previous Interest Period:

Leverage \* Rate (i); or

- (C) Otherwise:

[zero][Constant Percentage]

### (xxxv) "Rate of Interest (xxxv) – Leonidas Range Accrual"

[Min [Max [Floor Percentage(i), Leonidas Coupon (i),], Cap Percentage(i)]



## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

(xxxv) **"Rate of Interest (xxxv) – Leonidas"**

[Min [Max [Floor Percentage(i), Leonidas Rate (i),], Cap Percentage(i)]

(xxxvi) **"Rate of Interest (xxxvi) – Branch"**

*(insert if a cap is applicable)*

Min [Max [BranchA(i), Branch B(i)]; Cap Percentage(i)]

*(insert if a floor is applicable)*

Max [Min [BranchA(i), Branch B(i)]; Floor Percentage(i)]

(xxxvii) **"Rate of Interest (xxxvii) – Multiple Reverse"**

[Min [Max [Floor Percentage(i), Constant Percent(i) - Leverage (i) \*(Highest Basket Closing Value(i) - Lowest Basket Closing Value(i)), Cap Percentage(i)]

(xxxviii) **"Rate of Interest (xxxviii) – Growth & Income"**

(A) In respect of each Interest Period other than the Final Interest Period:

a. If Coupon Barrier Condition [●] is satisfied in respect of a ST Coupon Valuation Date:

Constant Percentage; or

b. Otherwise:

zero

(B) In respect of the Final Interest Period only:

Max [0 per cent.; Performance – Previous Coupon Percentage]

(xxxix) **"Rate of Interest (xxxix) – Daily Fixed Coupon"**

$$\text{Rate}(i) * \frac{1}{m} * \frac{n}{N}$$

### 2.2 Final Payouts Formula(e)

For insertion and completion into paragraph 31 (*Final Payout*) in the Issue Terms (except for Non-Exempt Securities, the numbering is subject to change as appropriate)

A redemption formula(e) may be inserted and completed in paragraph 46 of the Issue Term as (*Instalment Amounts*) (except for Non-Exempt Securities, the numbering is subject to change as appropriate) for which purposes the selected formula shall be the Instalment Payout:

(i) **"Redemption (i)"**

Constant Percentage + FR Value

(ii) **"Redemption (ii) – Call"**

*(Insert the following if no cap or floor is applicable)*

Constant Percentage + Leverage \* (FR Value – Strike Percentage)

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

*(Insert the following if a floor is applicable)*

Constant Percentage + Leverage \* Max [Floor Percentage; (FR Value - Strike Percentage)]

*(Insert the following if a cap is applicable)*

Constant Percentage + Leverage \* Min [Cap Percentage; (FR Value – Strike Percentage)]

*(Insert the following if a cap and a floor are applicable)*

Constant Percentage + Leverage \* Min [Cap Percentage; Max [Floor Percentage; (FR Value – Strike Percentage)]]

*(Insert if a call and a put are applicable)*

Constant Percentage + (Leverage 1 \* (Min [Cap Percentage 1; Max [Floor Percentage 1; Leverage 2 \* FR Value - Strike Percentage 1]])) + (Leverage 3 \* (Min [Cap Percentage 2; Max [Floor Percentage 2; Strike Percentage 2 – Leverage 4 \* FR Value]]))

### (iii) "Redemption (iii) – Put"

*(Insert the following if no cap or floor is applicable)*

Constant Percentage + Leverage \* (Strike Percentage – FR Value)

*(Insert the following if a floor is applicable)*

Constant Percentage + Leverage \* Max [Floor Percentage; (Strike Percentage – FR Value)]

*(Insert the following if a cap is applicable)*

Constant Percentage + Leverage \* Min [Cap Percentage; (Strike Percentage – FR Value)]

*(Insert the following if a cap and a floor are applicable)*

Constant Percentage + Leverage \* Min [Cap Percentage; Max [Floor Percentage; (Strike Percentage – FR Value)]]

*(Insert the following for put leverage)*

Max [Floor Percentage; Constant Percentage – Leverage \* (Strike Percentage – FR Value)]

### (iv) "Redemption (iv) - Digital"

(A) If the Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:

[Constant Percentage 1][select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)][no Final Redemption Amount will be payable and Physical Delivery will apply]; or

(B) Otherwise:

[Constant Percentage 2][select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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)][no Final Redemption Amount will be payable and Physical Delivery will apply].

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

### (v) "Redemption (v) - Digital with Knock-in"

- (A) If the 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][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*][no Final Redemption Amount will be payable and Physical Delivery will apply]; or

- (B) Otherwise:

[Constant Percentage 2][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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)*][no Final Redemption Amount will be payable and Physical Delivery will apply].

### (vi) "Redemption (vi) - Strike Podium n Conditions"

- (A) If the Final Redemption Condition [1] is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:

[Constant Percentage 1][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*][no Final Redemption Amount will be payable and Physical Delivery will apply]; or

- (B) If the 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][[and [no][a] Knock-in Event has occurred]:

[Constant Percentage 2][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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)*][no Final Redemption Amount will be payable and Physical Delivery will apply]; or

- (C) Otherwise:

[Constant Percentage 3][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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*][no Final Redemption Amount will be payable and Physical Delivery will apply].

*(The above provisions of B may be duplicated in case more than two Final Redemption Conditions apply)*

### (vii) "Redemption (vii) – Knock-in"

- (A) If no Knock-in Event has occurred:

100 per cent; or

- (B) If a Knock-in Event has occurred:

[FR Value] [no Final Redemption Amount will be payable and Physical Delivery will apply].

### (viii) "Redemption (viii) – Knock-in Standard"

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- (A) If no Knock-in Event has occurred:

[Constant Percentage 1][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*] [no Final Redemption Amount will be payable and Physical Delivery will apply]; or

- (B) If a Knock-in Event has occurred:

[Min [Constant Percentage 2; FR Value]][Constant Percentage 2] [Max [Floor Percentage; 100 per cent. - Leverage \* Max [0 per cent; Strike Percentage + Leverage 2 \* FR Value]]] [*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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)*][no Final Redemption Amount will be payable and Physical Delivery will apply].

(ix) **"Redemption (ix) - Knock-in Put Leverage"**

- (A) If no Knock-in Event has occurred:

100 per cent.; or

- (B) If a Knock-in Event has occurred:

[Max [Floor Percentage; Constant Percentage Leverage \* (Strike Percentage – FR Value)]] [no Final Redemption Amount will be payable and Physical Delivery will apply]

(x) **"Redemption (x) – Barrier and Knock-in Standard"**

- (A) If the Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:

[100 per cent. + FR Additional Rate][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*][no Final Redemption Amount will be payable and Physical Delivery will apply]; or

- (B) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and [no][a] Knock-in Event has occurred:

[Constant Percentage 1][*select and insert the Final Payout Formula from any one of "Redemption (i) to "Redemption (iii) – Put" (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)*][no Final Redemption Amount will be payable and Physical Delivery will apply]; or

- (C) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and [no][a] Knock-in Event has occurred:

[Min [Constant Percentage 2; FR Value]][Constant Percentage 2] [Max [Floor Percentage; 100 per cent. - Leverage \* Max [0 per cent; Strike Percentage + Leverage 2 \* FR Value]]] [*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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*][no Final Redemption Amount will be payable and Physical Delivery will apply].

(xi) **"Redemption (xi) – Barrier and Knock-in"**

- (A) If the Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

[Constant Percentage 1]; or

- (B) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and [no][a] Knock-in Event has occurred:

[Constant Percentage 2]; or

- (C) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and [no][a] Knock-in Event has occurred:

[FR Value][no Final Redemption Amount will be payable and Physical Delivery will apply].

(xii) **"Redemption (xii) – Barrier and Knock-in Put Leverage"**

- (A) If the Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:

[Constant Percentage 1]; or

- (B) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and [no][a] Knock-in Event has occurred:

[Constant Percentage 2]; or

- (C) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and [no][a] Knock-in Event has occurred:

[Max [Floor Percentage; Constant Percentage - Leverage \* (Strike Percentage – FR Value)]]  
[no Final Redemption Amount will be payable and Physical Delivery will apply]

(xiii) **"Redemption (xiii) - Twin Win"**

*(Insert the following if a cap is not applicable)*

- (A) If the Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:

Constant Percentage 1 + Max [Floor Percentage 1; Leverage 1 \* (FR Value - Strike Percentage 1)]; or

- (B) If the 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:

Constant Percentage 2 + Max [Leverage 2 \* (Strike Percentage 2 - FR Value); Floor Percentage 2)]; or

- (C) If the 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 3; FR Value]][Constant Percentage 3][select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)] [no Final Redemption Amount will be payable and Physical Delivery will apply].

*(Insert the following if a cap is applicable)*

- (A) If the Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:

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Constant Percentage 1 + Min [Cap Percentage 1; Max [Floor Percentage 1; Leverage 1 \* (FR Value - Strike Percentage 1)]]; or

- (B) If the 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:

Constant Percentage 2 + Min [Cap Percentage 2; Max [Leverage 2 \* (Strike Percentage 2 - FR Value); Floor Percentage 2]]; or

- (C) If the 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 3; FR Value]][Constant Percentage 3][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*][no Final Redemption Amount will be payable and Physical Delivery will apply].

(xiv) **"Redemption (xiv) - Himalaya"**

$$ConstantPercentage1 + Leverage * Max \left[ \frac{1}{TotalM} * \sum_{i=1}^M Max [BestLockValue(i) - StrikePercentage(i); Local Floor Percentage(i)]; 0 \right]$$

(xv) **"Redemption (xv) - Booster"**

- (A) If the Final Redemption Condition is satisfied in respect of a ST Redemption Valuation Date[in the][ST Redemption Valuation Period]:

Constant Percentage 1 + Max [0 per cent; Booster Percentage \* (FR Value – Strike Percentage)]; or

- (B) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][in the][ST Redemption Valuation Period] and no Knock-in Event has occurred:

Constant Percentage 2; or

- (C) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][in the] [ST Redemption Valuation Period] and a Knock-in Event has occurred:

Min [Constant Percentage 3; FR Value] [no Final Redemption Amount will be payable and Physical Delivery will apply]

(xvi) **"Redemption (xvi) - Bonus"**

- (A) If no Knock-in Event has occurred:

Constant Percentage 1 + Max [Bonus Percentage; Leverage (FR Value –Strike Percentage)]; or

- (B) Otherwise:

[FR Value][no Final Redemption Amount will be payable and Physical Delivery will apply]

(xvii) **"Redemption (xvii) - Dual Currency Digital"**

- (A) If the 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][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*]; or

- (B) Otherwise:

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[Constant Percentage 2][select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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)] [and the Settlement Exchange Rate Provisions] [and the SER Intermediate Currency Requirements] shall apply with respect to the payment of the Final Redemption Amount[.][ which, for the avoidance of doubt shall be an amount equal to [specify currency and amount] per Calculation Amount]].

### (xviii) "Redemption (xviii) - Count Barrier Condition"

- (A) If, in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period], the Count Barrier Condition has been satisfied on [specify][or more][or less] Observation Dates in respect of such [ST Redemption Valuation Date][ST Redemption Valuation Period],

[Constant Percentage [1] [select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)][no Final Redemption Amount will be payable and Physical Delivery will apply]; ]; or

- (B) Otherwise:

[zero][Constant Percentage [[select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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)][no Final Redemption Amount will be payable and Physical Delivery will apply]

*(The above provisions of paragraph (A) may be duplicated)*

### (xix) "Redemption (xix) Accumulation"

$$\text{Max} \left[ \text{Constant Percentage} + \sum_{i=1}^T \text{Ladder Value}(i); \text{Floor Percentage} \right]$$

### (xx) "Redemption (xx) - Range Accrual"

$$\text{Max} [100 \text{ per cent} + [( \text{Constant Percentage 1} * (n/N) ) - ( \text{Constant Percentage 2} * ((N - n)/N) )]; 0 \text{ per cent}]$$

### (xxi) "Redemption (xxi) – Twin Win with Knock-out Event capital protected"

- (A) If no Knock-out Event has occurred:

$$100 \text{ per cent} + \text{Max} [0 \text{ per cent}, \text{Max} [ \text{Leverage 1} * ( \text{FR Value} - \text{Strike Percentage 1} ), \text{Leverage 2} * ( \text{Strike Percentage 2} - \text{FR Value} ) ]]; \text{ or}$$

- (B) Otherwise:

100 per cent.

### (xxii) "Redemption (xxii) – Twin Win with Knock-out Barriers capital at risk"

- (A) If no Knock-out Event has occurred:

$$100 \text{ per cent} + \text{Max} [0 \text{ per cent}, \text{Max} [ \text{FR Value} - \text{Strike Percentage 1}, \text{Strike Percentage 2} - \text{FR Value} ]]; \text{ or}$$

- (B) If a Knock-out Event has occurred and Final Redemption Condition 1 is satisfied in respect of a ST Redemption Valuation Date:

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100 per cent – Min [Cap Percentage; Max [0 per cent; FR Value – Strike Percentage 1]]; or

- (C) If a Knock-out Event has occurred, Final Redemption Condition 2 is satisfied in respect of a ST Redemption Valuation Date and Final Redemption Condition 1 is not satisfied in respect of a ST Redemption Valuation Date:

100 per cent – Min [Floor Percentage; Max [0 per cent; Strike Percentage 2 – FR Value]]; or

- (D) Otherwise:

100 per cent.

### (xxiii) "Redemption (xxiii) – Knock-out Standard"

- (A) If no Knock-out Event has occurred:

[Constant Percentage 1][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*] [no Final Redemption Amount will be payable and Physical Delivery will apply]; or

- (B) If a Knock-out Event has occurred:

[Min [Constant Percentage 2; FR Value]][Constant Percentage 2] [Max [Floor Percentage; 100 per cent. - Leverage \* Max [0 per cent; Strike Percentage + Leverage 2 \* FR Value]]] [*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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)*][no Final Redemption Amount will be payable and Physical Delivery will apply].

### (xxiv) "Redemption (xxiv) – Barrier and Knock-out"

- (A) If the Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:

[Constant Percentage 1]; or

- (B) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and [a][no] Knock-out Event has occurred:

[Constant Percentage 2]; or

- (C) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and [a][no] Knock-out Event has occurred:

[FR Value][no Final Redemption Amount will be payable and Physical Delivery will apply].

### (xxv) "Redemption (xxv) – Dual Currency Barriers"

- (A) If FX Condition 1 is satisfied in respect of a [ST Valuation Date][ST Valuation Period]:

[Constant Percentage 1]; or

- (B) If FX Condition 1 is not satisfied in respect of a [ST Valuation Date][ST Valuation Period] and FX Condition 2 is satisfied in respect of a [ST Valuation Date][ST Valuation Period]

[Constant Percentage 2]; and



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[Constant Percentage 3][where the Settlement Exchange Rate Provisions shall apply with respect to this part of the payment] which, for the avoidance of doubt shall be an amount equal to [specify currency and amount] per Calculation Amount]].

(C) Otherwise

[Constant Percentage 4] [and the Settlement Exchange Rate Provisions] shall apply with respect to the payment of the [Final Redemption Amount][Instalment Amount] ][ which, for the avoidance of doubt shall be an amount equal to [specify currency and amount] per Calculation Amount]].

*(The above provisions of (B) may be duplicated if more than two FX Conditions apply)*

*(For the avoidance of any doubt, the Final Redemption Amount and/or any Instalment Amount may be paid in the Specified Currency, the Settlement Currency or a combination of both)*

### (xxvi) "Redemption (xxvi) – Dual Currency Barrier and Knock-out"

(A) If no Knock-out Event has ever occurred and FX Condition 1 is satisfied in respect of a ST Valuation Date][ST Valuation Period]:

[Constant Percentage 1]; or

(B) If no Knock-out Event has ever occurred and FX Condition 1 is not satisfied in respect of a [ST Valuation Date][ST Valuation Period] and FX Condition 2 is satisfied in respect of a [ST Valuation Date][ST Valuation Period]

[Constant Percentage 2]; and

[Constant Percentage 3][where the Settlement Exchange Rate Provisions shall apply with respect to the [Final Redemption Amount][Instalment Amount] which, for the avoidance of doubt shall be an amount equal to [specify currency and amount] per Calculation Amount]].

(C) Otherwise

[Constant Percentage 4]

*(The above provisions of (B) may be duplicated if more than two FX Conditions apply)*

*(For the avoidance of any doubt, the Final Redemption Amount and/or any Instalment Amount may be paid in the Specified Currency, the Settlement Currency or a combination of both)*

### (xxvii) "Redemption (xxvii) – Dual Currency Accumulation"

Specified Currency Percentage + Settlement Currency Percentage

*(for the avoidance of any doubt, the Final Redemption Amount may be paid in the Specified Currency, the Settlement Currency or a combination of both)*

### (xxviii) "Redemption (xxviii) – Knock-out, Knock-in and Barrier"

(A) If a Knock-out Event has occurred

[Constant Percentage 1]; or

(B) If no Knock-out Event has occurred and [a][no] Knock-in Event has occurred

[Constant Percentage 2]; or

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

- (C) If [a][no] Knock-in Event has occurred and the Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]  
[Constant Percentage 3]; or
- (D) Otherwise  
[FR Value] [no Final Redemption Amount will be payable and Physical Delivery will apply].

### (xxix) "Redemption (xxix) – Knock-out and Knock-in"

- (A) If a Knock-out Event has occurred  
[Constant Percentage 1] [*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*]; or
- (B) If no Knock-out Event has occurred and [a][no] Knock-in Event has occurred  
[Constant Percentage 2] [*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*]; or
- (C) Otherwise  
[FR Value] [no Final Redemption Amount will be payable and Physical Delivery will apply][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*].

### (xxx) "Redemption (xxx) – Barrier and Knock-out Standard"

- (A) If the Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period]:  
[Constant Percentage 1][*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*] or
- (B) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and [no][a] Knock-out Event has occurred:  
[Constant Percentage 2][*select and insert the Final Payout Formula from any one of "Redemption (i) to "Redemption (iii) – Put" (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) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and [no][a] Knock-out Event has occurred:  
[Constant Percentage 3] [*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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*][no Final Redemption Amount will be payable and Physical Delivery will apply].

### (xxxi) "Redemption (xxxi) – Combined Barriers"

- (A) If the Final Redemption Condition is satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and no Knock-[out][in] Event has occurred:  
[Constant Percentage 1] [*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive)*]; or

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

- (B) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and a Knock-[out][in] Event has occurred:

[Constant Percentage 2] [*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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) If the Final Redemption Condition is not satisfied in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period] and no Knock-[out][in] Event has occurred:

[Constant Percentage 3] [*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (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*];

- (D) Otherwise:

[Constant Percentage 4] [*select and insert the Final Payout Formula from any one of "Redemption (i)" to "Redemption (iii) – Put" (inclusive) ); for the avoidance of doubt the selected Final Payout Formula for this paragraph (D) may be different from the Final Payout Formula for any of the preceding paragraphs*] [no Final Redemption Amount will be payable and Physical Delivery will apply].

### 3. Automatic Early Redemption Amounts

If Automatic Early Redemption is specified as applicable in the Issue Terms and an Automatic Early Redemption Event occurs, then:

For insertion into paragraph 32(iii) (*Automatic Early Redemption Amount*) of the Issue Terms (except for Non-Exempt Securities, the numbering is subject to change as appropriate):

- (i) *If ST Automatic Early Redemption is specified in the Issue Terms, then any of the two following formula shall be inserted and completed in Automatic Early Redemption Amount:*

- (A) Calculation Amount \* (AER Percentage + AER Additional Rate)

- (B) (i) If no Knock-in Event has occurred:

Calculation Amount \* [Constant Percentage 1]; or

- (ii) If a Knock-in Event has occurred:

Calculation Amount \* [Min [Constant Percentage 2; Leverage \* FR Value]

- (ii) *If Target Automatic Early Redemption is specified in the Issue Terms, the following formula shall be inserted and completed in the Automatic Early Redemption Amount:*

Calculation Amount \* (100% + Final Interest Rate);

### 4. Entitlement Amounts for Physical Delivery

[For insertion into paragraph 47(i) (*Provisions applicable to Physical Delivery – Entitlement Amount*) (except for Non-Exempt Securities, the numbering is subject to change as appropriate) of the applicable Issue Terms , as applicable.]

*(Insert if one Reference Item is specified as Relevant Asset in paragraph 47(ii) (except for the Non-Exempt Securities, the numbering is subject to change as appropriate))*

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

Calculation Amount/(Constant Percentage \* Reference RI Initial Price \* FX)

(insert if more than one Reference Item is specified as Relevant Asset in item 47(ii) (except for the Final Terms, the numbering is subject to change as appropriate))

1/K \* Calculation Amount/(Constant Percentage \* Reference RI Initial Price \* FX)

The Entitlement Amount will be rounded down to the nearest unit of each Relevant Asset capable of being delivered (the "**Equity Element**") and in lieu thereof the Issuer will pay a residual amount (the "**Residual Amount**") equal to:

(Entitlement Amount – Equity Element) \* Physical Delivery Price \* FX

### 5. Definitions

#### 5.1 General Definitions

"**AER Additional Rate**" means, in respect of a [ST AER Valuation Date] or [ST AER Valuation Period], [the AER Rate][AER Rate DCF][AER Rate MT][AER Value][AER Reference Item Rate].

"**AER Percentage**" means [specify] per cent.

"**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 in respect of a [ST Valuation Date][ST Valuation Period]and in respect of [each][of] Reference Item (k[=[specify]] to (k[=[specify]])) [specify value from Payout Condition 5.2].

"**Barrier**[1][2][3][4]" means [specify amount or percentage or number or rate of exchange].

"**Barrier Percentage Strike Price**" means [specify percentage].

"**Barrier Value**" means, in respect of a [Observation Date][ST Valuation Date] [ST Valuation Period], [and in respect of [each][of] Reference Item (k[=[specify]] to (k[=[specify]])), [specify defined term from Payout Condition 5.2]. (repeat as necessary)

"**Basket**" means: (a) if the relevant Reference Items are Indices, the Basket of Indices (as defined in the Index Linked Conditions) as specified in the Issue Terms; (b) if the relevant Reference Items are Shares, the Basket of Shares (as defined in the Equity Linked Conditions) as specified in the Issue Terms; (c) if the relevant Reference Item are Inflation Indices, a basket composed of each Inflation Index specified in the Issue Terms (d) if the relevant Reference Items are ETF Shares, the ETF Basket (as defined in the ETF Linked Conditions) (e) if the relevant Reference Item are Fund Shares, the Fund Basket (as defined in the Fund Linked Conditions) as specified in the Issue Terms; (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 Issue Terms; (g) if the relevant Reference Item are Subject Currencies, a basket composed of each Subject Currency specified in the Issue Terms; and (h) in the case of Reference Items which are Shares, ETFs and/or Indices, where applicable, a basket of Shares, ETFs and/or Indices, as specified in the applicable Issue Terms, in each case subject to Weightings.

"**Basket Ranking**" means, in respect of a ST Valuation Date, the ranking of each Basket by Basket Value from highest Basket Value to lowest Basket Value in respect of such ST Valuation Date.

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

"**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).

"**Best Replace Percentage**" means [specify percentage].

"**Bonus Percentage**" means [specify percentage].

"**Booster Percentage**" means [specify percentage].

"**Branch A (i)**" means in respect of a ST Coupon Valuation Date:

[Leverage 1(i)\* Previous Interest(i)+Constant Percentage 1(i)+Basket Closing Value A(i)]

"**Branch B (i)**" means in respect of a ST Coupon Valuation Date:

[Leverage 2(i)\*Previous Interest(i)+Constant Percentage 2(i)+Basket Closing Value B(i)]

"**Call Strike Percentage**" means [specify percentage].

"**Cap Percentage[1][2]**" means [specify percentage].

"**Cappuccino Barrier Value**" means in respect of a Reference Item:

- (i) if in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period] the Cappuccino Barrier Condition is satisfied, Cap Percentage(i);
- (ii) otherwise, Coupon Barrier Value(i,k).

"**Cliquet Digital Performance**" means, in respect of a [ST Valuation Date][ST Valuation Period]:

$\sum_{i=1}^t \text{Max}[FloorPercentage(i); \text{Min}[CapPercentage(i); CouponValue(i)]]$

"**Constant Percentage[1][2][3][4][5][6]**" means [specify percentage].

"**Coupon Barrier[1][2][3][4]**" means [specify amount or percentage or number or rate of exchange].

"**Coupon Barrier Value**" means, in respect of a [Observation Date][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 5.2]. (repeat as necessary)

"**Coupon Lock in**" means:

$\text{Max}_{t=1}^T [\sum_{i=1}^t \text{Max}[FloorPercentage(i); \text{Min}[CapPercentage(i); CouponValue(i)]]]$

"**Coupon 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 5.2]

"**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.

"**Final Coupon Rate**" means the Rate of Interest calculated in respect of the [Current Interest Period][Target Final Interest Period] (the "**Final Interest Period**")

"**Final Day Count Fraction**" means the Day Count Fraction applicable to the Final Interest Period.

"**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.]

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

(If not capped or guaranteed:) [the Final Coupon Rate multiplied by the Final Day Count Fraction.]

(If capped only:) [Min [Final Coupon Rate \* Final Day Count Fraction; [AER Percentage][Target Coupon Percentage] - Paid Coupon Percentage].]

(If guaranteed only:) [Max [Final Coupon Rate \* Final Day Count Fraction; [AER Percentage][Target Coupon Percentage] - Paid Coupon Percentage].]

"**Final Redemption Condition Level [1][2][3][4]**" means [specify amount or percentage or number or rate of exchange].

"**Final Redemption Value**" means, in respect of a [ST Valuation Date][ST Valuation Period] [and in respect of [each][of] Reference Item (k[=specify])] to (k[=specify])] [specify defined term from Payout Condition 5.2].

"**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]**" means [specify percentage].

"**FR Additional Rate**" means [FR Rate][FR MT up Rate][FR Rate DCF][FR Rate MT].

"**FR MT up Rate**" means:

(insert if cap is applicable)

[Min [Max [Floor Percentage; Leverage \* (FR Value - Strike Percentage)]; Cap Percentage] + Constant Percentage].

(insert if cap is not applicable)

[Max [Floor Percentage; Leverage \* (FR Value - Strike Percentage)] + 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].

"**FX Condition Value**" means means, in respect of a [ST Valuation Date][ST Valuation Period] [and in respect of [each][of] Reference Item (k[=specify])] to (k[=specify])] [specify defined term from Payout Condition 5.2].

"**FX Level [1][2][3]**" means [specify level or rate].

"**FR Value**" means, in respect of a [ST Valuation Date] [ST Valuation Period][and in respect of [each][of] Reference Item (k[=specify])] to (k[=specify])], [specify defined term from Payout Condition 5.2].

"**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.]

"**FX Accumulation Value**" means in respect of an Observation Date (i) Constant Percentage 1, if FX Condition 1 is satisfied in respect of such Observation Date or (ii) Constant Percentage 2, if FX Condition 1 is not satisfied in respect of such Observation Date and FX Condition 2 is satisfied in respect of such Observation Date or (iii) Constant Percentage 3 otherwise (FX Condition may be duplicated in case more than two FX Condition apply)

"**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).

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

"**K**" means [specify number], being the total number of Reference Items in the Basket.

"**Knock-in Value**" in respect of a [ST Valuation Date] [ST Valuation Period] [and in respect of [each][of] Reference Item (k=[specify])] to (k=[specify])], [specify defined term from Payout Condition 5.2].

"**Knock-out Value**" in respect of a [ST Valuation Date] [ST Valuation Period] [and in respect of [each][of] Reference Item (k=[specify])] to (k=[specify])], [specify defined term from Payout Condition 5.2].

"**Ladder Percentage [1][2][3]**" means [specify percentage]

"**Ladder Value**" means in respect of an Observation Date:

- (i) If, in respect of an Observation Date, Ladder Condition 1 is satisfied, Ladder Percentage 1
- (ii) If, in respect of an Observation Date, Ladder Condition 1 is not satisfied but Ladder Condition 2 is satisfied, Ladder Percentage 2
- (iii) Otherwise, Ladder Percentage 3

*(the above provision (ii) may be deleted in case that only one Ladder Condition applies)*

"**Leonidas Coupon (i-1)**" means in respect of a ST Coupon Valuation Date, the Leonidas Coupon (i) 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.

"**Leonidas Coupon(i)**" means in respect of a ST Coupon Valuation Date

*(insert if Leonidas Coupon is determined considering the Previous Interest included in the rate calculated on the number of days on which the range accrual coupon condition is satisfied)*

$\text{Leverage 1} * \text{Rate (i)} + \text{Spread(i)} + [\text{Leverage 2(i)} * \text{Previous Interest (i)} + \text{Range-In Leverage(i)} * \text{Rate (i)} + \text{Range-in Spread(i)}] * n/N + [\text{Range-Out Leverage(i)} * \text{Rate (i)} + \text{Range-Out Spread(i)}] * (N-n)/N$

*(insert if Leonidas Coupon is determined considering the previous Leonidas Coupon)*

$\text{Leverage 1(i)} * \text{Rate(i)} + \text{Spread(i)} + [\text{Leverage 2(i)} * \text{Leonidas Coupon (i-1)} + \text{Range-In Leverage(i)} * \text{Rate(i)} + \text{Range-In Spread(i)}] * n/N + [\text{Range-Out Leverage(i)} * \text{Rate (i)} + \text{Range-Out Spread(i)}] * (N-n)/N$

*(insert if Leonidas Coupon is determined considering Previous Interest regardless of the number of days on which the range accrual coupon condition is satisfied)*

$\text{Leverage 1(i)} * \text{Rate(i)} + \text{Spread(i)} + \text{Leverage 2(i)} * \text{Previous Interest} + [\text{Range-in Leverage} * \text{Rate(i)} + \text{Range-in Spread}] * n/N + [\text{Range-Out Leverage} * \text{Rate (i)} + \text{Range-Out Spread}] * (N-n)/N$

*(insert if Leonidas Coupon is determined considering Previous Leonidas Coupon regardless of the number of days on which the range accrual coupon condition is satisfied)*

$\text{Leverage 1(i)} * \text{Rate(i)} + \text{Spread(i)} + \text{Leverage 2(i)} * \text{Leonidas Coupon (i-1)} + [\text{Range-in Leverage(i)} * \text{Rate(i)} + \text{Range-in Spread(i)}] * n/N + [\text{Range-Out Leverage(i)} * \text{Rate (i)} + \text{Range-Out Spread(i)}] * (N-n)/N$

"**Leonidas Rate(i)**" means in respect of a ST Coupon Valuation Date:

$\text{Leverage 1(i)} * \text{Previous Interest (i)} + \text{ABS Value(i)} + \text{Spread (i)} + \text{Slope Participation 1 (i)} * \text{Slope 1 (i)} + \text{Slope Participation 2(i)} * \text{Slope 2 (i)}$

"**Leverage [1][2][3][4]**" means [specify percentage].

"**Local Floor Percentage**" means [specify percentage].

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

"**Lower Coupon Barrier [1][2][3][4][n]**" means [*specify percentage*]

"**m**" means [*specify number*]

"**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:

- (i) if the Coupon Value(i,k) is one of the n fixed greatest value in the basket of the Reference Items, the Best Replace Percentage; and
- (ii) otherwise, Coupon Value(i,k).

"**Multiplier Level**" means [*specify percentage*].

"**Multiplier Number**" shall be the number of Observation Dates, in respect of a [ST Valuation Date][ST Valuation Period], that the Multiplier Condition is satisfied.

"**Multiplier Value**" means, in respect of a ST Valuation Date or ST Valuation Period, [*specify defined term from Payout Condition 5.2*].

"**n**" means:

- (a) in respect of "*Rate of Interest (xxxiii) - Ulises*", in respect of a ST Coupon Valuation Date, the number of ST Coupon Valuation Dates (in the period from the Issue Date to and including such ST Coupon Valuation Date);
- (b) in respect of "*Rate of Interest (x) - Range Accrual*", 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][Basket Range Accrual Coupon Condition] is satisfied;
- (c) in respect of "*Rate of Interest (xxxiv) - Leonidas Range Accrual*", in respect of a ST Coupon Valuation Date, the number of Range Accrual Days in the relevant Range Period on which the Basket Range Accrual Coupon Condition is satisfied;
- (d) in respect of "*Rate of Interest (xxxix) - Daily Fixed Coupon*", in respect of a ST Coupon Valuation Period, the number of Scheduled Trading Days within the relevant ST Coupon Valuation Period up to an including the day on which an Automatic Early Redemption Event occurs, or the last day of the relevant ST Coupon Valuation Period, whichever is earlier; and
- (e) in respect of "*Redemption (xx) - Range Accrual*", in respect of the ST Redemption Valuation Date, the number of Range Accrual Days in the Range Period on which the Range Accrual Final Redemption Condition is satisfied.

"**N**" means:

- (a) in respect of "*Rate of Interest (x) - Range Accrual*", for each ST Coupon Valuation Date, the total number of Range Accrual Days in the relevant Range Period;



## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

- (b) in respect of "*Rate of Interest (xxxix) – Daily Fixed Coupon*", for each ST Coupon Valuation Period, the total number of Scheduled Trading Days in the relevant ST Coupon Valuation Period; and
- (c) In respect of "*Redemption (xx) - Range Accrual*", for ST Redemption Valuation Date, the total number of Range Accrual Days in the Range Period.

"**nfixed**" means [*specify number*].

"**Observation Level [1][2]**" means [*specify amount or percentage or number or rate of exchange*].

"**Observation Value**" means in respect of an Observation Date, [*specify defined term from Payout Condition 5.2*].

"**Option FX**": If Option FX is specified as applicable in respect of any Interest Formula(e) in the Issue Terms, the RI FX Rate will be applied to the calculation of the relevant payout formula as further specified in the applicable Issue Terms.

"**Paid Coupon Percentage**" means, in respect of an Automatic Early Redemption Valuation Date or 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, in each case for such 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).

"**Physical Delivery Price**" means, in respect of a ST Valuation Date, [and in respect of each Reference Item in the Basket] the RI Closing Value in respect of [such][the] Reference Item [with the] [Worst Value][Best Value][Ranked Value][on such ST Valuation Date].

"**Previous Coupon Percentage**" means, in respect of the ST Coupon Valuation Date in respect of the Final Interest Period, the sum of all previous Rate of Interest calculated for each ST Coupon Valuation 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 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 5.2*][in respect of an ST Coupon Valuation Date and a Reference Item, the [*specify defined term from Payout Condition 5.2*][the Reference Spread].]

"**Range-In Leverage**" means [*specify percentage*].

"**Range-In Spread**" means [*specify percentage*].

"**Range-Out Leverage**" means [*specify percentage*].

"**Range-Out Spread**" means [*specify percentage*].

"**Ranked Basket Weighting**" means, in respect of a Basket, the percentage specified for the ordinal positioning of the Based in the Basket Ranking

"**Ranked Weighting**" means, in respect of a Reference Item, the percentage specified for the ordinal positioning of the Reference Item in the Ranking.

"**Ranking**" means, in respect of a ST Valuation Date, the ranking of each Reference Item by RI Value from highest RI Value to lowest RI Value in respect of such ST Valuation Date.

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

"**Rate [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 18 of the Final Terms or item 18 of the Pricing Supplement, as applicable*][Inflation Rate].

"**Rate(n)**" (from n=1 to n=N) means in respect of "*Rate of Interest (xxix) – Podium*" on any ST Coupon Valuation Date, the rate specified in the Issue Terms and associated with the number of Reference Items (from n=1 to n=N) in the Basket for which the Podium Condition is satisfied on the relevant ST Coupon Valuation Date.

"**Redemption Barrier[1][2][3][4]**" means [*specify amount or percentage or number or rate of exchange*].

"**Redemption Barrier Value**" means in respect of a ST Redemption Valuation Date] [ST Redemption Valuation Period] [Observation Date][, [and in respect of [each][of] Reference Item (k=[*specify*]]) to (k=[*specify*]])], [*specify defined term from Payout Condition 5.2*] (*repeat as necessary*)

"**Reference Item [1][2]...[N]**" means the asset or reference basis specified as such in the applicable Issue Terms.

"**Reference Item Rate**" means, in respect of a ST Valuation Date, or a ST Valuation Period, the relevant Rate of Interest determined pursuant to General Condition 4(b) and on the basis of item 27 and/or item 42 of the Final Terms or item 27 and/or item 42 of the Pricing Supplement, as applicable. For this purpose, references in Condition 4(b) to the applicable Rate of Interest being determined for each Interest Period shall be construed to be to such Rate of Interest being determined for the applicable ST Valuation Date or ST Valuation Period. The notification requirements set out in Condition 4(b)(viii) shall not apply where the Rate of Interest or Redemption Amount is determined by reference to a Reference Item Rate only.

"**Reference Spread [1][2]**" means Reference Item Rate [1][2] minus Reference Item Rate [1][2]. (NB Complete Reference Item Rates 1 and 2 to reflect Screen Rate Determination or ISDA Determination for the relevant Reference Item Rates. Repeat for further Reference Spread(s) as necessary)

"**Slope 1**" means, in respect of a ST Coupon Valuation Date:

Max[0; Slope Percentage 1(i) + Basket Closing Value B]

"**Slope 2**" means, in respect of a ST Coupon Valuation Date:

Max[0; Slope Percentage 2(i) + Basket Closing Value C]

"**Slope Participation [1][2]**" means [*specify percentage*].

"**Slope Percentage [1][2]**" means [*specify percentage*].

"**Settlement Currency Percentage**" means in respect of a ST Valuation Date, the sum of the FX Accumulation Value on each Observation Date in respect of such ST Valuation Date determined by the Calculation Agent as  $\sum_{i=0}^t$  FX Accumulation Value and for which the Settlement Exchange Provisions shall apply with respect to the payment of the Final Redemption Amount.

"**Specified Currency Percentage**: means in respect of a ST Valuation Date, a percentage determined by the Calculation Agent in respect of such ST-Valuation Date as (100% - Settlement Currency Percentage) for which the Settlement Exchange Provisions shall not apply with respect to the payment of the Final Redemption Amount.

"**Spread**" means [*specify percentage*].

"**Strike Percentage [1][2]**" means [*specify percentage*].

"**SumRate**" 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).

"**T**" means: [*specify number*], being the total number of [ST Coupon Valuation Dates][Observation Dates] from and including the Issue Date to but excluding the Maturity Date as specified in the Issue Terms.

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

"**Target Coupon Percentage**" means *[specify percentage]*.

"**Total M**" means: *[specify number]* being the total number of [ST Valuation Dates][ST Valuation Periods] for the Securities.

"**Upper Coupon Barrier [1][2][3]4][n]**" means *[specify percentage]*.

"**Weighting**" means, in respect of a Reference Item, *[specify number, amount or percentage in relation to each Reference Item comprising the Basket]*.

### 5.2 Value Definitions

"**ABS Value**" means in respect of a [ST Valuation Date][ST Valuation Period] the absolute value of [the] [Basket Closing Value [A]][Performance][Basket Performance][Worst Performance][Basket Value].

"**Accumulated Coupon**" means, in respect of a ST Valuation Date, the sum of the values calculated for each Interest Period including the Current Interest Period as [the product of (i)] [each 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 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 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.

"**Barrier Count Value**" means, in respect of a [ST Valuation Date][ST Valuation Period], the number of times the Count Barrier Condition has been satisfied, as determined by the Calculation Agent.

"**Barrier Initial Price**" means a price equal to the product of (x) the RI Closing Value for a Reference Item on the [Strike Date][Initial Calculation 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] [Initial Calculation Day in the Initial Calculation 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] [Initial Calculation Day in the Initial Calculation Period] and (y) the Barrier Percentage Strike Price.

"**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] [Initial Calculation Day in the Initial Calculation Period] and (y) the Barrier Percentage Strike Price.

"**Basket Closing Value**" 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.

"**Basket Performance**" 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 per cent.

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

**"Basket Value"** 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][RI Capped Value][RI Floored 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 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 Performance"** means, in respect of a ST Valuation Date, the Performance for the Reference Item(s) with the highest or equal highest Performance 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.

**"FX Average Level"** means the arithmetic average of the RI FX Levels for a Reference Item on each [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period].

**"FX Closing Level"** means the RI FX Level for a Reference Item on the [Strike Date][Initial Calculation Date].

**"FX Maximum Level"** means the greatest RI FX Level for a Reference Item on any [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period].

**"FX Minimum Level"** means the lowest RI FX Level for a Reference Item on any [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period].

**"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 Issue Terms.

**"Highest Basket Closing Value"** means, in respect of a ST Coupon Valuation Period, the sum of the values calculated for each Reference Item in the Basket as (a) the Highest RI Closing Value for such Reference Item in respect of such ST Coupon Valuation Period multiplied by (b) the relevant Weighting.

**"Highest Basket Value"** means, in respect of a ST Valuation Period, the highest or equal highest Basket Value 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 Closing Value"** means, in respect of a Reference Item and a ST Valuation Period, the highest or equal highest RI Closing Value for such Reference Item 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.

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

**"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.][in the period from and including [the start of such ST Valuation Period] [*specify*] up to and including such ST Valuation Date]

**"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 5.2 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 Calculation Day in the Initial Calculation Period].

**"Initial Closing Price"** means the RI Closing Value of a Reference Item on [the Strike Date][the Initial Calculation Date].

**"Initial Maximum Price"** means the highest RI Closing Value for a Reference Item on any [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period].

**"Initial Minimum Price"** means the lowest RI Closing Value for a Reference Item on any [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period].

**"Intraday Level"** means, in respect of an Index and subject to the Index Linked Conditions, an amount equal to the level of such 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 or an ETF Share or a Fund Share and subject to the Equity Linked Conditions or the ETF Linked Conditions or the Fund Linked Conditions, as applicable, an amount equal to the price of such Share or ETF Share 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 per cent. [and multiplied by (c) the FX Value].

**"Lowest Basket Closing Value"** means, in respect of a ST Coupon Valuation Period, the sum of the values calculated for each Reference Item in the Basket as (a) the Lowest RI Closing Value for such Reference Item in respect of such ST Coupon Valuation Period multiplied by (b) the relevant Weighting.

**"Lowest Basket Value"** means, in respect of a ST Valuation Period, the lowest or equal lowest Basket Value 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 Closing Value"** means, in respect of a Reference Item and a ST Valuation Period, the lowest or equal lowest RI Closing Value for such Reference Item 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.

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

**"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 on any [ST Valuation Date [in such ST Valuation Period] [in the period from and including) [the start of such ST Valuation Period][*specify*] up to and including such ST Valuation Date]

**"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.

**"Performance"** means, in respect of a Reference Item and a ST Valuation Date, (a) the RI Value for such Reference Item in respect of such day minus (b) 100 per cent. [, and multiplied by (c) the FX Value].

**"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.

**"Reference RI Initial Price"** means, in respect of a ST Valuation Date [and in respect of each Reference Item in the Basket], the RI Initial Value in respect of [such][the] Reference Item [with the][Worst Value][Best Value][Ranked Value] [on such ST Valuation Date].

**"Rainbow Basket Value"** means, in respect of a ST Valuation Date, the sum of the values calculated for each Basket as (a) the Basket Value for such Basket in respect of such ST Valuation Date multiplied by (b) the relevant Ranked Basket Weighting.

**"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 RI Value for such Reference Item in respect of such ST Valuation Date multiplied by (b) the relevant Ranked Weighting.

**"Ranked Basket Value"** means, in respect of a ST Valuation Date, the Basket Value in respect of the Basket with the [first][second][*specify*] ordinal positioning in the Basket Ranking in respect of such ST Valuation Date.

**"Ranked Value"** means, in respect of a ST Valuation Date, the RI Value in respect of the Reference Item with the [first][second][*specify*] ordinal positioning in the 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 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][Initial Calculation Date] (b) less 100 per cent. [, and multiplied by (c) the FX Value]

**"RI Average Value"** means, in respect of a Reference Item and a ST Valuation Date, [(a)] the arithmetic average of 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 (b) the FX Value].

**"RI Capped Value"** means, in respect of a Reference Item and a ST Valuation Date, the lowest or equal lowest value between the RI Value for such Reference Item in respect of such ST Valuation Date and a Cap Percentage.

**"RI Closing Value"** means, in respect of a Reference Item and a ST Valuation Date:

- (i) if the relevant Reference Item is an Index, the Settlement Level (as defined in the Index Linked Conditions);
- (ii) if the relevant Reference Item is a Share, the Settlement Price (as defined in the Equity Linked Conditions);
- (iii) if the relevant Reference Item is an Inflation Index, the Relevant Level (as defined in the Inflation Linked Conditions);

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- (iv) if the relevant Reference Item is an Exchange Traded Fund, the Settlement Price of the ETF Share (as defined in the ETF Linked Conditions);
- (v) if the relevant Reference Item is a Fund, the NAV per Fund Share (as defined in the Fund Linked Conditions);
- (vi) if the relevant Reference Item is a Subject Currency, the Settlement Price (as defined in the Foreign Exchange (FX) Rate Linked Conditions);
- (vii) if the relevant Reference Item is a rate of interest, the Reference Item Rate;
- (viii) if the relevant Reference Item is a Reference Spread, the Reference Spread, and
- (ix) If the Reference Item is an EUA Contract, the Settlement Price (as defined in the EUA Contract Linked Conditions)

in each case on such ST Valuation Date.

**"RI Floored Value"** means, in respect of a Reference Item and a ST Valuation Date, the highest or equal highest value between the RI Value for such Reference Item in respect of such ST Valuation Date and a Floor Percentage.

**"RI FX Level"** means, in respect of a ST Valuation Date, and for the purpose of converting an amount in respect of a Reference Item into the Specified Currency, [(include relevant rate or page/service and, if applicable, observation time)](or any successor to such page or service) [the Settlement Exchange Rate on the RI FX Observation Date immediately following such ST Valuation Date.] [the FX rate determined as set out in item 26 in the Final Terms or item 26 of the Pricing Supplement][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 any such source(s) and/or any information that the Calculation Agent deems relevant as soon as reasonably practicable thereafter.]

**"RI FX Rate"** means (i) the RI FX Level, (ii) the FX Value or (iii) the number, as specified in the applicable Issue Terms

**"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:

- (i) if the relevant Reference Item is an Index, the Intraday Level; or
- (ii) if the relevant Reference Item is a Share or an ETF Share or a Fund Share, the Intraday Price; or
- (iii) if the relevant Reference Item is 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].

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"**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][Initial Calculation Date].

"**RI Value**" [A][B] means, in respect of a Reference Item and a ST Valuation Date, [(a) (i) the [RI Closing Value][RI Average Value] for such Reference Item in respect of such ST Valuation Date, divided by (ii) the relevant RI Initial Value [multiplied by (b) the FX Value][(expressed as a percentage)].

"**Value Difference**" means, in respect of a ST Valuation Date, [the RI Value for Reference Item (k[=*specify*])] [Basket Value [A]] in respect of such ST Valuation Date minus [the RI Value for Reference Item (k[=*specify*])] [Basket Value [B]] in respect of such ST Valuation Date.

"**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) with the lowest or equal lowest 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.

### 5.3 Dates and Periods

Payments of interest and principal on the Securities may be associated with ST Valuation Dates and/or ST Valuation Periods, as the case may be, as specified in the Issue Terms. For the avoidance of doubt, several set of dates may be used for the determination and calculation of a particular payout. If, as a result of application of any provision of these Conditions, the date on which any determination in respect of a payment or redemption is due to be made (including, without limitation, any Valuation Date) is postponed (the "**Postponed Date**") and would consequently fall on or after such relevant payment or redemption date (including, without limitation any Interest Payment Date or Automatic Early Redemption Date), the date for such payment or redemption shall be postponed to first Business Day immediately succeeding the Postponed Date. No additional interest or other amount shall be payable in respect of any such delay.

"**Calculation Date**" means [*specify*].

"**Coupon Valuation Date**" shall be the relevant date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of 'Valuation Date' or "Fund Valuation Date".

"**Coupon Valuation Period**" shall be the relevant period specified as such in the Issue Terms.

"**Final Calculation Date**" means [*specify*].

"**Final Interest Period**" means the Interest Period ending on but excluding the Maturity Date.

"**Initial Calculation Date**" means [*specify*].

"**Range Accrual Cut-Off Date**" means [in respect of [each][a] [Reference Item [(k)][Basket] and] [in respect of any [Range Period] [*specify other period*] [the][each] date specified as such in the Issue Terms.] or, otherwise,



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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 Day][*specify*].

"**Range Period**" means [*specify period*][each][the][Interest Period] [(and the final date of each such period, the "**Range Period End Date**")].

"**Redemption Valuation Date**" shall be the relevant date specified as such in the applicable Issue Terms, as may be adjusted in accordance with the definition of 'Valuation Date' or "Fund Valuation Date".

"**RI FX Observation Date**" means, in respect of the RI FX level and a ST Valuation Date, the SER Valuation Date (as may be adjusted in accordance with the Settlement Exchange Rate Provisions) immediately following such ST Valuation Date.

"**ST Coupon Valuation Date(s)**" means each [Averaging Date][Coupon Valuation Date][Strike Date][Interest Determination Date][Interest Period End Date][Determination Date][Knock-in Determination Day][Knock-out Determination Day][Settlement Level Date][Settlement Price Date][Valuation Date][Range Accrual Day] [and] [Range Period Cut-Off Date][Observation Date].

"**ST Coupon Valuation Period**" means [the period from and including [*specify*] to and [including][excluding][the immediately following] [*specify*]][each][the][Interest Period][Range Period][ Coupon Valuation Date][Observation Period][Coupon Valuation Period].

"**ST Redemption 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][Redemption Valuation Date][Final Calculation Date].

"**ST Redemption Valuation Period**" means the period from and including [*specify*] to and including [*specify*].

"**ST Valuation Date**" means each [of the] [Coupon Valuation Date][Strike Date] [Strike Day] [Redemption Valuation Date][ST Coupon Valuation Date][ST Redemption Valuation Date][Automatic Early Redemption Valuation Date][Knock-in Determination Day][Knock-out Determination Day][Range Accrual Day][Settlement Level Date][Settlement Price Date][Scheduled Trading Day][Calculation Date][Initial Calculation Date][Final Calculation Date][Observation Date][Averaging Date]

"**ST Valuation Period**" means each [ST Coupon Valuation Period][ST Redemption Valuation Period][Automatic Early Redemption Valuation Period][Knock-in Determination Period][Knock-out Determination Period][Observation Period].

"**Target Determination Date**" means [*specify date(s)*].

"**Target Final Interest Period**" means the Interest Period ending on but excluding the Maturity Date.

### 5.4 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 Issue Terms in order to take into account any value definitions in Payout Condition 5.2, 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][ST Coupon Valuation Period], the [Coupon Barrier Value][Redemption Barrier Value] [for] [each] [any] [Observation Date] [in respect of] [the relevant] [on such] [ST Coupon Valuation Date] [ST Coupon Valuation Period], as determined by the Calculation Agent, is [greater than][less than] [equal to or greater than] [less than or equal to] the [Coupon Barrier][Redemption Barrier] [and][or](*repeat as necessary*).

"**Basket Range Accrual Coupon Condition**" will be deemed satisfied if:

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- (a) Basket Closing Value [A] for the relevant Range Accrual Day in the applicable Range Period is [(i)] [[equal to or greater than]][greater than] the relevant Lower Coupon Barrier [1] and (ii) [[less than or equal]][less than] to the relevant Upper Coupon Barrier [1], and [
- (b) Basket Closing Value B for the relevant Range Accrual Day in the applicable Range Period is [(i)] [[equal to or greater than]][greater than] the relevant Lower Coupon Barrier [2] and (ii) [[less than or equal]][less than] to the relevant Upper Coupon Barrier [2]. and] [
- (c) Basket Closing Value C for the relevant Range Accrual Day in the applicable Range Period is [(i)] [[equal to or greater than]][greater than] the relevant Lower Coupon Barrier [3] and (ii) [[less than or equal]][less than] to the relevant Upper Coupon Barrier [3]]

*(Delete, replicate and complete the above definition multiple times as necessary or set out relevant table)*

[In respect of [each][the] Basket and a Range Accrual Day (other than a Range Accrual Stub Day) which is not a [Business Day][Scheduled Trading Day or is a Disrupted Day] for any Reference Item (k) in the Basket, the Basket Closing Value for such Basket on such day shall be the Basket Closing Value for such Basket on the immediately preceding [Business Day] [Scheduled Trading Day that was not a Disrupted Day] for all Reference Item (k) in the Basket. [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][the] Basket and the relevant Range Period, the Basket Closing Value in respect of such Basket 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 Basket Closing Value as of such Range Accrual Cut-off Date.]

"**Cappuccino Barrier Condition**" means, in respect of [a] [the] [Reference Item] [and] a [ST Coupon Valuation Date][ST Coupon Valuation Period], that the Coupon Barrier Value [for] [each] [any] [Observation Date] [in respect of] [the relevant] [on such] [ST Valuation Date][ST Coupon 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.

"**Count Barrier Condition**" shall be satisfied if, in respect of an Observation Date, the [Coupon][Redemption] Barrier Value] on such Observation Date in respect of the relevant [ST Coupon Valuation Date] [ST Coupon Valuation Period][ST Valuation Date][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 [Coupon][Redemption] Barrier][and][or](*repeat as necessary*).

"**Coupon Barrier Condition [1]**" means, in respect of [a ST Coupon Valuation Date][a ST Valuation Coupon Period], that the Coupon Barrier Value [for] [each][any] [Observation Date] [in respect of][the relevant] [on such] [ST Coupon Valuation Date][ST Valuation Coupon Period], as determined by the Calculation Agent, is [greater than][less than][greater than or equal to][less than or equal to] [the] Coupon Barrier [1][ but is [greater than][less than][greater than or equal to][less than or equal to] Coupon Barrier [2]].

"**Coupon Barrier Condition [2]**" means, in respect of [a ST Valuation Coupon Date][a ST Coupon Valuation Period], that the Coupon Barrier Value [for] [each][any] [Observation Date] [in respect of][the relevant] [on such] [ST Coupon Valuation Date][ST Coupon 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] but is [greater than][less than][greater than or equal to][less than or equal to] Coupon Barrier [2].

"**Digital Coupon Condition [1]**" means:

- (i) in respect of Reference Item [1], that the Coupon Barrier Value for [the] Reference Item [1] [for] [each] [any] [Observation Date] [in respect of] [the relevant] [on such] [ST Coupon Valuation Date] [ST Coupon Valuation Period] as determined by the Calculation Agent 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] Coupon Barrier 2](*insert (ii) if a Coupon Barrier 2 is specified*); and
- (ii) in respect of Reference Item 2, that the Coupon Barrier Value for Reference Item 2 [for] [each][any] [Observation Date][in respect of][the relevant] [on such] [ST Coupon Valuation Date][in the

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relevant [ST Coupon Valuation Period] as determined by the Calculation Agent is [(i) [greater than][less than][equal to or greater than][less than or equal to] Coupon Barrier [1] [and (ii) [greater than][less than][equal to or greater than][less than or equal to], 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 in respect of a [ST Coupon Valuation Date][ST Coupon Valuation Period]:

- (i) in respect of Reference Item [1], that the Coupon Barrier Value for Reference Item [1] [for] [each][any] [Observation Date][in respect of][the relevant][on such] [ST Coupon Valuation Date][and][ST Coupon Valuation Period] as determined by the Calculation Agent is [(i) [greater than][less than][equal to or greater than][less than or equal to] Coupon Barrier [3] [and (ii) [greater than][less than][equal to or greater than][less than or equal to] Coupon Barrier [4]](*insert (ii) if a Coupon Barrier [4] is specified*); and
- (ii) in respect of Reference Item 2, that the Coupon Barrier Value for Reference Item 2 [for] [each][any][Observation Date][in respect of][the relevant] [on such][ST Coupon Valuation Date][ST Coupon Valuation Period] as determined by the Calculation Agent 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 Redemption Valuation Date][ST Redemption Valuation Period], that the Final Redemption Value [for] [each][any] [Observation Date][in respect of][the relevant][on such] [ST Redemption Valuation Date][ST Redemption 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] [and][or](*repeat as necessary*)[Put Strike Percentage].

**"Final Redemption Condition [1]"** means, in respect of a [ST Redemption Valuation Date][ST Redemption Valuation Period], that the Final Redemption Value [for] [each][any] [Observation Date][in respect of][the relevant][on such] [ST Redemption Valuation Dates] [ST Redemption 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] [and][or](*repeat as necessary*)[Put Strike Percentage][Call Strike Percentage].

**"Final Redemption Condition [2]"** means, in respect of a [ST Redemption Valuation Date] [ST Redemption Valuation Period] that the Final Redemption Value [for] [each][any] [Observation Date] [in respect of] [the relevant] [on such] [ST Redemption Valuation Date] [in the relevant [ST Redemption 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][Call Strike Percentage], but is [greater than][less than][equal to or greater than][less than or equal to] [Final Redemption Condition Level 2][Put Strike Percentage].

**"FX Condition [1]"** means, in respect of a [ST Valuation Date][ST Valuation Period], that the FX Condition Value [for] [each][any] [Observation Date][in respect of][the relevant][on such] [ST Valuation Dates] [ST Valuation Period], as determined by the Calculation Agent is [greater than][less than][equal to or greater than][less than or equal to] [FX Level [1] [and][or](*repeat as necessary*).

**"FX Condition [2]"** means, in respect of a [ST Valuation Date] [ST Valuation Period] that the FX Condition Value [for] [each][any] [Observation Date] [in respect of] [the relevant] [on such] [ST Valuation Date] [in the relevant [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] [FX Condition Level [2]]

**"Ladder Condition [1][2]"** means, in respect of an Observation Date, that the Observation Value on such Observation Date, as determined by the Calculation Agent, is [greater than][less than][equal to or greater than][less than or equal to] the Observation Level[1][2].

**"Multiplier Condition"** shall be satisfied if, in respect of an Observation Date, the Multiplier Value on such Observation Date in respect of the relevant [ST Valuation Date][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 Multiplier Level.

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"**Podium Condition**" shall be satisfied if, in respect of a Reference Item and a ST Coupon Valuation Date, the Coupon Value for such Reference Item on such ST Coupon 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.

"**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 such Reference Item in respect of each 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 set out relevant table)*

[Table]

*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.]

[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:

- (i) in respect of [each][the] Reference Item (k=*specify*), that the Coupon Barrier Value for such Reference Item for the relevant Range Accrual Day [in the applicable Range Period [(n)]] 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
- (ii) [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 (ii) if Reference Item(k=n) is specified).  
*(Set out relevant table)*

[Table]

*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] 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.]

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[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)*

"**Range Accrual Final Redemption Condition**" [subject as provided below] will be deemed satisfied if, in respect of [each][the] Reference Item (k=*specify*), that the Final Redemption 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 Final Redemption Condition Level [*specify number*] [and (ii)] [greater than][less than][equal to or greater than][less than or equal to], the relevant Final Redemption Condition Level [*specify number*](*insert (ii) if an additional Final Redemption Condition Level is specified*) [as specified in the table below].

*(Replicate and complete the above definition multiple times as necessary or set out relevant table)*

[Table]

*Specific Provisions for Range Accrual Final Redemption 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] or is a Disrupted Day][*specify*] for such Reference Item [(k)], the Final Redemption Value for such Reference Item [(k)] on such day shall be the Final Redemption 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 Final Redemption 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 Final Redemption Value as of such Range Accrual Cut-off Date.]

### 5.5 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 Issue Terms 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 Issue Terms and may be tabulated, especially where two or more suffixes apply.

### 6. Settlement Exchange Rate Provisions

If Settlement Exchange Rate Provisions are specified as applicable in the Issue Terms, then notwithstanding the Securities are denominated in, and calculations made in respect of, the Specified Currency (the "**SER Subject Currency**"), as shall be specified in the Issue Terms either, (i) all payments or (ii) only those payments to which

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

the Settlement Exchange Rate Provisions are specified to apply, in respect of the Securities shall be made in the Settlement Currency (the "**Settlement Currency**" or the "**SER Base Currency**").

Unless SER – Intermediate Currency Requirements are specified as applicable in the Issue Terms, 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 6.

If SER Intermediate Currency Requirements are specified as applicable in the Issue Terms, the Calculation Agent will determine the amount to be paid in the SER Base Currency by (i) 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 6 to produce an amount denominated in the SER Intermediate Currency, and then (ii) applying the Second Settlement Exchange Rate to such amount denominated in the SER Intermediate Currency.

Any such payment shall be made on the date such payment would have otherwise been due provided that, if paragraph (b) of the definition of "Settlement Exchange Rate" below applies, such payment may be deferred in accordance with Payout Condition 6.1(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.

### 6.1 SER Valuation and Disruption Provisions

The provisions of this Payout Condition 6.1 apply only in respect of the SER Subject Currency, where Settlement Exchange Rate Provisions are specified as applicable in the Issue Terms and paragraph (b) and/or (c) of the definition of "Settlement Exchange Rate" below applies.

#### (a) SER Disruption Events

The occurrence of any of the following events shall be a "**SER Disruption Event**":

Where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, USD/CLP or USD/COP, unless otherwise specified in the Issue Terms, the occurrence of a Price Source Disruption, or any other event that, in the opinion of the Calculation Agent, is analogous thereto and/or, where so specified in the Issue Terms, the occurrence of any of the events set out in paragraphs (ii) to (viii) below or any other event that in the opinion of the Calculation Agent is analogous thereto.

In respect of any other Settlement Exchange Rate, if so specified in the Issue Terms, the occurrence of any of the following events:

- (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 paragraphs (i) to (viii) above.

The Calculation Agent shall give notice as soon as practicable to Securityholders in accordance with General Condition 13 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.

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### **(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 Issue Terms, then, in no event shall the total number of consecutive calendar days during which any SER Valuation Date is postponed as a consequence of the provisions of this Payout Condition 6.1, 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. Unless otherwise specified in the Issue Terms, SER Cumulative Events will be deemed to be specified as applicable for the purposes of this paragraph (d) if the Settlement Exchange Rate is specified in the Issue Terms as either USD/PEN, USD/CLP or USD/COP.

### **(e) Postponement of payment or settlement days**

Where any SER Valuation Date is postponed as a consequence of the provisions of this Payout Condition 6.1, then the corresponding date for payment or delivery of any assets shall fall on the later of (a) the date for such payment or delivery otherwise determined in accordance with the Issue Terms and (b) (i) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, USD/CLP or USD/COP, the day falling two SER Number of Postponement Settlement Days after the SER Valuation Date, unless otherwise specified in the Issue Terms, and (ii) in the case of any other Settlement Exchange Rate, the day falling the SER Number of Postponement Settlement Days specified in the Issue Terms (or, if none are so specified, two Business Days) after the SER Valuation Date.

## **6.2 Consequences of a SER Additional Disruption Event**

Other than where paragraph (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 Securities by giving notice to Securityholders in accordance with General Condition 13. If the Securities are so redeemed the Issuer will pay an amount to each Securityholder in respect of each Security held by him which amount shall be the fair market value of a Security, 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 Securityholders in accordance with General Condition 13.

## **6.3 Definitions**

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**"Change in Law"** means that, on or after the Trade Date (as specified in the Issue Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it is unable to perform its obligations in respect of the Securities or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Securities.

**"Dual Exchange Rate"** means that the SER Subject Currency splits into dual or multiple currency exchange rates.

**"EMTA"** means EMTA, Inc., the trade association for the Emerging Markets.

**"Exchange Rate Divergence"** means:

- (i) if the Settlement Exchange Rate specified in the Issue Terms is USD/ARS, that, in the reasonable opinion of not less than 5 unaffiliated EMTA Members notified to EMTA (or its successor) by no later than 4 p.m., Buenos Aires time on the SER Valuation Date, the SER Price Source has failed, for a period of not less than three consecutive SER Scheduled Trading Days (for any reason, including due to a split in the currency exchange rate or other event) to reflect the current prevailing Argentine Peso bid and offer rates for a standard size Argentine Peso/U.S. Dollar financial transaction for same-day settlement in the Buenos Aires marketplace on the SER Valuation Date; and
- (ii) if the Settlement Exchange Rate specified in the Issue Terms is USD/BRL, that, in the reasonable and independent judgement, as notified to EMTA in accordance with the EMTA BRL Exchange Rate Divergence Procedures, of not less than 7 unaffiliated EMTA members that are recognised market makers active in the BRL/U.S. Dollar foreign exchange market (no less than 4 of which shall be active participants in the onshore BRL/USD spot market), the SER Price Source (following a split of the exchange rates in Brazil or otherwise) no longer reflects the then-prevailing Brazilian Reais / U.S. Dollar spot rate for standard-size wholesale financial transactions involving the exchange of Brazilian Reais for U.S. Dollars delivered outside of Brazil, and
- (iii) if the Settlement Exchange Rate specified in the Issue Terms is a rate other than USD/ARS or USD/BRL but, it is specified in the relevant EMTA Template Terms as determined by the Calculation Agent as of the Issue Date and in respect of such Settlement Exchange Rate, that Price Source Disruption shall include Exchange Rate Divergence, then Exchange Rate Divergence shall have the meaning given in the relevant EMTA Template Terms with respect to such Settlement Exchange Rate.

**"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 a SER Subject Currency into the SER Intermediate Currency 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 Securities, 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 the 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 Securities (in one or more transaction(s))



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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 Securities, 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.

**"Initial Settlement Exchange Rate"** or **"Initial SER"** means the rate specified as such in the Issue Terms.

**"Second Settlement Exchange Rate"** means the rate published on the price source (or successor to such source) at the observation time, both specified as such in the Issue Terms, for the exchange of the SER Settlement Currency per one unit of the SER Intermediate Currency, however, (i) if it is not reasonably practicable to determine such rate at such time due to a SER Disruption Event or such other delay or postponement in converting the SER Base Currency into the SER Intermediate Currency, the Calculation Agent shall, subject to the consequence of such event, observe such rate as soon as practicable once the conversion into the SER Intermediate Currency has taken place, or (ii) if it is not reasonably practicable to determine the Second Settlement Exchange Rate from such source, the Second Settlement Exchange Rate 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 exchange of the SER Intermediate Currency per one unit of the SER Base Currency at or about the time and by reference to such source(s) as the Calculation Agent deems appropriate.

**"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 Securities 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 Securities 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 in respect of any date on which a calculation is due to be made in accordance with these Settlement Exchange Rate provisions, that it becomes impossible to obtain the rate or rates from which the Settlement Exchange Rate is calculated and, where the Settlement Exchange Rate is specified in the Issue Terms as:

- (i) USD/ARS;
- (ii) USD/BRL; or
- (iii) any other Settlement Exchange Rate in respect of which the Calculation Agent determines that, as of the Issue Date, the relevant EMTA Template Terms for such rate (if any) specifies that Price Source Disruption includes Exchange Rate Divergence,

then Price Source Disruption shall include Exchange Rate Divergence.

**"Relevant Screen Page"** means the relevant page specified as such in the Issue Terms or any successor to such page or service acceptable to the Calculation Agent.

**"Settlement Currency"** or **"SER Base Currency"** means the currency specified as such in the Issue Terms.

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**"Settlement Exchange Rate"** means (a) the rate specified as such in the Issue Terms, (b) if no such rate is specified and, subject as referred to in Payout Condition 6.1 above, 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 for settlement on the SER Number of Settlement Days; or (c) if SER Intermediate Currency Requirements are specified as applicable in the Issue Terms and no rate is specified as the Settlement Exchange Rate in the Issue Terms, 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 Intermediate Currency for settlement on the SER Number of Settlement Days.

**"SER Additional Disruption Event"** means (i) (unless specified as Not applicable in the Issue Terms) Change in Law, or (ii) Hedging Disruption or Increased Cost of Hedging, if specified in the Issue Terms.

**"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,

- (i) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, USD/CLP or USD/COP in the following order: Valuation Postponement and Calculation Agent Determination (unless otherwise specified in the Issue Terms); and
- (ii) in the case of any other Settlement Exchange Rate, any of Calculation Agent Determination, First Fallback Reference Price, Second Fallback Reference Price and Valuation Postponement, as so specified in the Issue Terms 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 either in paragraph (i) or (ii) above or in the Issue Terms until the Settlement Exchange Rate can be determined for such exchange rate relating to that SER Settlement 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. If the Calculation Agent determines that it is not possible to determine the Settlement Exchange Rate, the Issuer may early redeem all but not some only of the Securities pursuant to General Condition 6(f).

**"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 Issue Terms).

**"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 Issue Terms).

**"SER Intermediate Currency"** means the currency specified as such in the applicable Issue Terms.

**"SER Maximum Cumulative Days of Postponement"** means (i) where the SER Subject Currency is PEN, CLP or COP, 30 calendar days, unless otherwise specified in the Issue Terms, and (ii) for any other SER Subject Currency, the number of days specified as such in the Issue Terms or, if no such number is specified, 30 calendar days.

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**"SER Maximum Days of Postponement"** means the number of days specified as such in the Issue Terms or, if no such number is specified, 30 calendar days.

**"SER Number of Postponement Settlement Days"** means SER Settlement Days unless otherwise specified in the Issue Terms.

**"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 SER Settlement Day Centre(s) (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, provided that (i) where the Subject Currency is CLP, unless otherwise specified in the Issue Terms, the SER Number of Settlement Days shall be deemed to be 1 and (ii) where the Subject Currency is PEN or COP, unless otherwise specified in the Issue Terms, the SER Number of Settlement Days shall be deemed to be zero.

**"SER Price Materiality Percentage"** means the percentage specified as such in the Issue Terms or, if no such percentage is specified, 3 per cent.

**"SER Price Source"** means:

- (a) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, unless otherwise specified in the Issue Terms, in respect of a SER Valuation Date the "PEN INTERBANK AVE (PEN05) Rate" being the PEN/USD average exchange rate in the interbank market, expressed as the amount of PEN per one USD for settlement on the same day, reported by the Banco Central de Perú (<https://www.bcrp.gob.pe/>) (or any successor or replacement to such page) as the "Tipo de Cambio Interbancario Promedio" at approximately 2.00 p.m. Lima Time (the **"SER Valuation Time"**) on that SER Valuation Date;
- (b) where the Settlement Exchange Rate is specified in the Issue Terms as USD/CLP, unless otherwise specified in the Issue Terms, in respect of a SER Valuation Date the "CLP DÓLAR OBS (CLP 10)" rate being the USD/CLP exchange rate, expressed as the amount of CLP per one USD, for settlement in one SER Scheduled Trading Day reported by the Banco Central de Chile (<http://www.bcentral.cl/>) (or any successor or replacement to such page) as the "Dólar Observado" rate by no later than 10.30 a.m. Santiago time (the **"SER Valuation Time"**), on the first SER Scheduled Trading Day following that SER Valuation Date (or any successor or replacement to such page);
- (c) where the Settlement Exchange Rate is specified in the Issue Terms as USD/COP, unless otherwise specified in the Issue Terms, in respect of a SER Valuation Date the "COP TRM (COP02) Rate" being the USD/COP exchange rate for such day, expressed as the amount of COP per one USD, for settlement on the same day reported by the Colombian Financial Superintendency as published on its website (<https://www.banrep.gov.co/es>) (or any successor or replacement to such page) as the "Tasa Representativa del Mercado (TRM)" (also referred to as the "Tasa de Cambio Representativa del Mercado" (TCRM)) by no later than 10.30 a.m. Bogotá time (the **"SER Valuation Time"**) on the first SER Scheduled Trading Day following such SER Valuation Date; or
- (d) for any other Settlement Exchange Rate, such other price source(s) specified as such in the Issue Terms, 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 Issue Terms.

**"SER Secondary Rate"** means the rate specified as such in the Issue Terms.

**"SER Settlement Day Centres"** means (i) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, USD/COP or USD/CLP, New York (unless otherwise specified in the Issue Terms) and (ii) for any other Settlement Exchange Rate, each SER Settlement Day Centre specified as such in the Issue Terms.

**"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

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City specified in the Issue Terms 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 at the Trade Date, is not a scheduled 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 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 Scheduled Trading Day City/Cities**" means (i) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, the SER Scheduled Trading Day City/Cities shall be, unless otherwise specified in the Issue Terms, New York City and Lima, (ii) where the Settlement Exchange Rate is specified in the Issue Terms as USD/CLP, the SER Scheduled Trading Day City/Cities shall be, unless otherwise specified in the Issue Terms, in New York City and Santiago; (iii) where the Settlement Exchange Rate is specified in the Issue Terms as USD/COP, the SER Scheduled Trading Day City/Cities shall be, unless otherwise specified in the Issue Terms, New York City and Bogotá; and (iv) in other cases the city or cities specified in the Issue Terms.

"**SER Subject Currency**" means the currency specified as such in the Issue Terms.

"**SER Subject Currency Jurisdiction**" means each country for which the SER Subject Currency is the lawful currency or each country for which the SER Intermediate Currency is the lawful currency, as the case may be.

"**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 9:00a.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 Issue Terms 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 6.1(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 6.1(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 Securities.

"**SER Valuation Time**" means, unless otherwise specified in the Issue Terms, (i) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, approximately 2.00 p.m. Lima Time on the SER Valuation Date, (ii) where the Settlement Exchange Rate is specified in the Issue Terms as USD/CLP, no later than 10.30 a.m. Santiago time on the first SER Scheduled Trading Day following the SER Valuation Date, (iii) where the Settlement Exchange Rate is specified in the Issue Terms as USD/COP, no later than 10.30 a.m. Bogotá time on the first SER Scheduled Trading Day following the SER Valuation Date, or (iv) the time at which the SER Price Source publishes the relevant rate or rates from which the Settlement Exchange Rate is calculated.

"**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.

### 7. UVR Inflation-Adjusted Securities

If UVR Inflation-Adjusted Securities Provisions are specified as applicable in the Issue Terms.

- (a) Amounts denominated in Colombian Peso (including any Aggregate Nominal Amount, Calculation Amount or Specified Denomination) will be adjusted by the Calculation Agent by reference to the UVR Index on the Specified Number of COP/UVR Business Days prior to the date of scheduled payment of any amounts due ("**The Colombian Peso UVR Adjusted Amount**")
- (b) Definitions:

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"**COP/UVR Business Day**" means a day on which commercial banks for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market in Bogota and New York City).

"**IPC**" means, with respect to any period, the Colombian Consumer Price Index (*Índice de Precios al Consumidor*) that is published monthly and certified by the National Administrative Department of Statistics (*Departamento Administrativo Nacional de Estadística*) or by any other authority succeeding to its functions and capacities from time to time.

"**Specified Number of COP/UVR Business Days**" shall be as set out in the Issue Terms.

"**UVR**" means 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 to the COP based on the variation of the IPC and expressed as the amount of COP per unit of UVR as published and outstanding at the relevant time on the website of the Colombian Central Bank: (Banco de la República de Colombia): <https://www.banrep.gov.co/es/estadisticas/unidad-valor-real-uvr> under the heading "Unidad de valor real (UVR)", calculated by the Colombian Central Bank in accordance with Resolución Externa No. 13 de 2000.

If the UVR is wholly replaced or substituted entirely for another unit by the Colombian Central Bank, references to UVR will be to the unit replacing or substituting the UVR 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 is no longer published by or available from the Colombian Central Bank, or (ii) UVR is wholly replaced or substituted entirely for another unit that is not determined by the Colombian Central Bank or (iii) UVR for a determination date is not available on the applicable determination date (such events in (i), (ii) and (iii), a "**UVR Event**"), UVR will be determined by the Calculation Agent (in its sole discretion) and the Calculation Agent may determine that the Securities are redeemed early at the Early Redemption Amount. If the Calculation Agent determines that the Securities are to be redeemed early, the Issuer having given not less than 10 nor more than 30 days' notice to the Securityholders in accordance with General Condition 13 (which notice shall be irrevocable), shall, on expiry of such notice redeem all, but not some only, of the Securities, each Security being redeemed at its Early Redemption Amount referred to in General Condition 6(f). Interest will cease to accrue and no further interest will be payable from the Interest Payment Date (or, if none, the Issue Date) immediately preceding such UVR Event.

"**UVR Inflation-Adjusted Securities**" means Securities denominated in Colombian Pesos which is adjusted by reference to UVR Index and in respect of which payment will be made in the Settlement Currency.

"**UVR Index**" means in respect of a COP/UVR Business Day, the result of (a) the UVR on such day divided by (b) the Initial UVR, provided that if "**Floored UVR Index**" is specified in the Issue Terms as applicable and if the result of such calculation is less than one, the UVR Index shall be one for the purpose of determining the Final Redemption Amount only or determining all payments as specified in the Issue Terms.

"**Initial UVR**" means the UVR specified in the Issue Terms.

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

### ANNEX 2

#### ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

*If specified as applicable in the Issue Terms, the terms and conditions applicable to Index Linked Securities shall comprise the General Conditions and the additional terms and conditions for Index Linked Securities set out below (the "**Index Linked Conditions**"), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the Index Linked Conditions, the Index Linked Conditions shall prevail. In the event of any inconsistency between the Index Linked Conditions and the Payout Conditions, the Payout Conditions 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 Guarantor, the Principal Paying Agent and the Securityholders in accordance with General Condition 13 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Settlement Level Date.

#### 2. **Adjustments to an Index**

##### (a) **Successor Index Sponsor Calculates and Reports an Index**

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

##### (b) **Modification and Cessation of Calculation of an Index**

If (i) on or prior to the last Settlement Level Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for, or the method of, calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent component(s) and capitalisation, contracts or commodities and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (ii) on a Settlement Level Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then:

(i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Settlement Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Settlement Level Date, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those components that comprised that Index immediately prior to that Index Adjustment Event; or

(ii) where the Calculation Agent determines that no adjustment has been proposed by the Related Exchange or Related Pricing Source, as applicable, and that no other action will produce a commercially reasonable result, the Issuer, in its sole and absolute discretion may, on giving notice to Securityholders in accordance with General Condition 13:

(A) redeem all but not some only of the Securities, each Security being redeemed by payment of an amount equal to the fair market value of a Security, taking into account the Index Adjustment Event (the "**Calculated Index Adjustment Amount**") less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Modified Calculated Index Adjustment Amount**"), all as determined by the Calculation Agent in its sole and absolute discretion as soon as practicable following the occurrence of the relevant Index Adjustment Event (the "**Calculated Index Adjustment Amount Determination Date**"); or

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

- (B) require the Calculation Agent to determine the Calculated Index Adjustment Amount on the Calculated Index Adjustment Amount Determination Date, and redeem each Security on the scheduled Maturity Date by payment of the Calculated Index Adjustment Amount. For avoidance of any doubt, the Calculated Index Adjustment Amount shall not accrue any interest from the date of its calculation to the Maturity Date.

In relation to paragraphs (A) and (B) above, notwithstanding General Condition 4(g), each Security shall cease to bear interest from and including the Calculated Index Adjustment Amount Determination Date and no interest amounts scheduled for payment thereafter (including, for the avoidance of doubt, including any Specified Interest Amounts) shall be payable.

- (iii) Notwithstanding paragraphs (i) and (ii) above, in the case of a Single-Exchange or Multi-Exchange Index, if there are any options or future contracts of the Index traded on the Related Exchange, the Calculation Agent may in its sole and absolute discretion, upon the occurrence of an Index Adjustment Event, make the corresponding adjustments made on any Related Exchange (an "**Exchange Based Adjustment**").

- (c) Notice

Upon the occurrence of an Index Adjustment Event, the Calculation Agent shall, as soon as practicable, other than in the case of an Exchange Based Adjustment notify the Issuer of any determination made by it pursuant to paragraph (b) above and the Issuer shall give notice as soon as practicable to the Securityholders in accordance with General Condition 13 stating the occurrence of the Index Adjustment Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Index Adjustment Event or the proposed action.

### 3. Correction of Index

If the relevant level of the Index published on a given day which is used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor within the Index Correction Period, the level to be used shall be the level of the Index as so corrected; provided that any corrections published after the day which is three Exchange Business Days or Index Business Days, as applicable, prior to a due date for payment under the Securities calculated by reference to the level of the Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

### 4. Additional Disruption Events

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in paragraph (i), (ii) or (if applicable) (iii) below:
  - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the Weighting and/or any of the other terms of the General Conditions, these Index Linked Conditions and/or the Issue Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) redeem the Securities by giving notice to Securityholders in accordance with General Condition 13. If the Securities are so redeemed the Issuer will pay an amount to each Securityholder in respect of each Security held by him which amount shall be the fair market value of a Security, taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Adjustment Amount**"), 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 Securityholders in accordance with General Condition 13; or
  - (iii) require the Calculation Agent to calculate the Calculated Additional Disruption Amount as soon as practicable following the occurrence of the Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued on the Calculated Additional Disruption Amount on a daily basis from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Maturity Date,

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

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, at its nominal amount.

- (b) Upon the occurrence of an Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Securityholders in accordance with General Condition 13 stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event or the proposed action.

### 5. Knock-in Event and Knock-out Event

This Index Linked Condition 5 is applicable only if:

- (a) Knock-in Event is specified as applicable in the Issue Terms, in which case any payment under the Securities which is expressed to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event; or
- (b) Knock-out Event is specified as applicable in the Issue Terms, in which case any payment under the relevant Securities which is expressed to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

### 6. Automatic Early Redemption

If "**Automatic Early Redemption**" is specified as applicable in the Issue Terms, then unless previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event occurs, the Securities 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 Automatic Early Redemption Valuation Period, as applicable, and the Issuer shall redeem the Securities at an amount equal to the relevant Automatic Early Redemption Amount.

### 7. Definitions

"**Additional Disruption Event**" means (i) (unless specified otherwise in the Issue Terms) Change in Law (ii) (unless specified otherwise in the Issue Terms) in the case of an Index other than a Single-Exchange Index or Multi-Exchange Index, Hedging Disruption (iii) in the case of a Single-Exchange Index or Multi-Exchange Index, Hedging Disruption, if specified in the Issue Terms and (iv) Increased Cost of Hedging, Increased Cost of Component Borrow and/or Loss of Component Borrow if specified in the Issue Terms.

"**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, in respect of each nominal amount of Securities equal to the Calculation Amount, an amount equal to the Automatic Early Redemption Amount set out in the applicable Issue Terms.

"**Automatic Early Redemption Date**" means each date specified as such in the Issue Terms or if such date is not a Business Day, the next following Business Day, and no Securityholder shall be entitled to any interest or further payment in respect of such delay.

"**Automatic Early Redemption Event**" means the AER Value is (A),

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or



## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

(iv) less than or equal to,

the Automatic Early Redemption Trigger paragraph (i), (ii), (iii) or (iv) applying or (B) within or outside the Automatic Early Redemption Range, as specified in the Issue Terms.

**"Automatic Early Redemption Trigger"** means the level, amount, number or percentage specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Index Linked Conditions.

**"Automatic Early Redemption Range"** means the range of levels, amounts, numbers or percentages specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Index Linked Condition.

**"Automatic Early Redemption Valuation Date"** means each date specified as such in the Issue Terms as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Automatic Early Redemption Valuation Period"** means each period specified as such in the Issue Terms.

**"Automatic Early Redemption Valuation Time"** means the time specified as such in the applicable Issue Terms.

**"AER Value"** has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1 (*General Definitions*).

**"Averaging Date"** means each date specified as an Averaging Date in the Issue Terms 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:

- (i) if **"Omission"** is specified as applying in the Issue Terms, 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 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 Issue Terms, 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 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 Issue Terms then:
  - (A) where the Securities are Index Linked Securities relating to a single Index, the Averaging Date shall be the first succeeding Valid Date (as defined in paragraph (C) 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, price or amount for that Averaging Date in accordance with paragraph (i) of the definition of Valuation Date below;
  - (B) where the Securities are Index Linked Securities relating to a Basket of Indices:
    - (1) if Scheduled Trading Day (All Indices Basis) or Scheduled Trading Day (Cross Asset Basis) applies the Averaging Date for each Index shall be the first succeeding Valid Date in relation to every Index forming part of the Basket of Indices. If the first succeeding Valid Date in relation to every Index forming part of the Basket of Indices has not occurred for a number of consecutive Scheduled Trading days equal to the

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

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 Index forming part of the Basket of Indices, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with paragraph (ii) of the definition of Valuation Date below; and

- (2) if Scheduled Trading Day (Per Index Basis) applies the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally scheduled Averaging Date, and the Averaging Date for each Index affected by the occurrence of a Disrupted Day (each an "**Affected Item**") shall be the first succeeding Valid Date relating to the Affected Item unless a Valid Date in respect of the 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 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 already an Averaging Date with respect to the Affected Item, and (ii) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with paragraph (ii) of the definition of Valuation Date below;
- (C) 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.

"**Basket of Indices**" means a basket composed of each Index specified in the Issue Terms subject to the Weightings.

"**Change in Law**" means that, on or after the Trade Date (as specified in the Issue Terms) (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 Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant hedge positions relating to an Index and/or (B) the Issuer will incur a materially increased cost in performing its obligations in relation to the Index Linked Securities (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 components.

"**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 component would have been) open for the acceptance and execution of settlement instructions.

"**Component**" means, in respect of a Multi-Exchange Index, each component of such Index.

"**Coupon Valuation Date**" means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

"**Coupon Valuation Period**" means the period specified as a Coupon Valuation Period in the Issue Terms.

"**Coupon Valuation Time**" means the time specified as such in the applicable Issue Terms.

"**Disrupted Day**" means any day which is:

- (i)

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

- (A) in the case of a Multi-Exchange Index, any Scheduled Trading Day on which: (x) the Index Sponsor fails to publish the level of the Index; (y) the Related Exchange fails to open for trading during its regular trading session; or (z) a Market Disruption Event has occurred; or
  - (B) in the case of any Single-Exchange Index, any Scheduled Trading Day on which (x) the relevant Exchange and/or any Related Exchange fails to open for trading during their regular trading session or (y) a Market Disruption Event has occurred; or
  - (C) in the case of any Index that is not a Multi-Exchange Index or a Single-Exchange Index, (x) the Index Sponsor fails to publish the level of the Index; (y) the Price Source and/or the Related Pricing Source is not available; or (z) a Hedging Disruption has occurred; or
- (ii) Where either Exchange Business Day (Cross Asset Basis) or Index Business Day (Cross Asset Basis), as applicable and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Issue Terms for (i) Index Linked Securities, (ii) Equity Linked Securities and/or (iii) ETF Linked Securities, a Disrupted Day occurs under and as defined in these Index Linked Conditions, the Equity Linked Conditions and/or the ETF Linked Conditions.

**"Early Closure"** means:

- (i) in the case of a Multi-Exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component 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; and
- (ii) in the case of any Single-Exchange Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to components that comprise 20 per cent. or more of the level of such Index 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.

**"Exchange"** means:

- (i) in the case of a Multi-Exchange Index, in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Calculation Agent; and
- (ii) in the case of any Single-Exchange Index, each exchange or quotation system specified as such for such Index in the Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the components comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the components comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange).

**"Exchange Business Day"** means in the case of a Single-Exchange Index or a Multi-Exchange either (i) in the case of a single Index, Exchange Business Day (Single Index Basis) or (ii) in the case of a basket of Indices or other assets, (a) Exchange Business Day (All Indices Basis) or (b) Exchange Business Day (Per Index Basis) or (c) Exchange Business Day (Cross Asset Basis), in each case as specified in the Issue Terms, provided that if no such specification is made in the Issue Terms, Exchange Business Day (All Indices Basis) shall apply.

**"Exchange Business Day (All Indices Basis)"** means any Scheduled Trading Day on which (i) in respect of all Single-Exchange Indices, 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 and (ii) in respect of all Multi-Exchange Indices, (a) the relevant Index Sponsor(s) publishes the level of such Multi-Exchange Indices and (b) each Related Exchange is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

**"Exchange Business Day (Cross Asset Basis)"** means, in respect of a basket of assets, any Scheduled Trading Day on which (i) in respect of all Single-Exchange Indices, each Exchange and each Related Exchange are open for trading during their regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of all Multi-Exchange Indices, (a) the relevant Index Sponsor(s) publishes the level of such Multi-Exchange Indices and (b) each 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, in each case, is also an Exchange Business Day under and as defined in the Equity Linked Conditions and/or the ETF Linked Conditions, as applicable.

**"Exchange Business Day (Per Index Basis)"** means in respect of any Index:

- (i) in respect of a Single-Exchange Index, any Scheduled Trading Day on which the relevant Exchange and Related Exchange is open for trading during its respective regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time; and
- (ii) in respect of a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of such Multi-Exchange 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 (Single Index Basis)"** means any Scheduled Trading Day on which (i) in respect of a Single-Exchange Index, the Exchange and the Related Exchange are open for trading during their regular trading session, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Multi-Exchange Index (a) the Index Sponsor publishes the level of such Multi-Exchange Index and (b) the Related Exchange is open for trading during its regular trading session, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

**"Exchange Disruption"** means:

- (i) in respect of a Multi-Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (A) any Component on the Exchange in respect of such Component; or (B) in futures or options contracts relating to such Index on the Related Exchange; and
- (ii) in respect of a Single-Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for on any relevant Exchange(s) components that comprise 20 per cent. or more of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange.

**"Hedging Disruption"** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or component(s) it deems necessary to hedge the component(s) price risk or other relevant price risks including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or component(s).

**"Hedging Components"** means the number or amount of components comprised in an Index that the Issuer and/or any of its Affiliates deems necessary to hedge the component(s) price risk or other relevant price risks of entering into and performing its obligations with respect to the Securities.

**"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) (a) to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or component(s) it deems necessary to hedge the component(s) price risk or other relevant price risks (including, without limitation, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) to realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or component(s) relating to any hedge positions in the relevant Index, 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.

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

**"Increased Cost of Component Borrow"** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any component(s) comprised in an Index that is greater than the Initial Component Loan Rate as applicable.

**"Index"** and **"Indices"** mean, subject to adjustment in accordance with these Index Linked Conditions, the index or indices specified in the Issue Terms and related expressions shall be construed accordingly. If any Index is not a Single Exchange or Multi-Exchange Index as determined by the Calculation Agent it will be specified as such in the applicable Issue Terms.

**"Index Business Day"** means in the case of an Index other than a Single-Exchange Index or a Multi-Exchange either (i) in the case of a single Index, Index Business Day (Single Index Basis) or (ii) in the case of a basket of Indices or other assets, (a) Index Business Day (All Indices Basis) or (b) Index Business Day (Per Index Basis) or (c) Index Business Day (Cross Asset Basis), in each case as specified in the Issue Terms, provided that if no such specification is made in the Issue Terms, Index Business Day (All Indices Basis) shall apply.

**"Index Business Day (All Indices Basis)"** means any Scheduled Trading Day on which in respect of all Indices other than Single-Exchange Indices or Multi-Exchange Indices, (i) the relevant Index Sponsor publishes the level of such Index (ii) each Pricing Source and Related Pricing Source (if any) are available, as determined by the Calculation Agent and (iii) that is an Index Trading Day in respect of the relevant Index.

**"Index Business Day (Cross Asset Basis)"** means, in respect of a basket of component and/or assets, any Scheduled Trading Day on which, in respect of all Indices other than Single Exchange Indices or Multi-Exchange Indices, (i) the Index Sponsor publishes the level of the relevant Index (ii) each Pricing Source and Related Pricing Source are available, as determined by the Calculation Agent and (iii) that is an Index Trading Day in respect of the relevant Index which, in each case, is also an Exchange Business Day under and as defined in the Equity Linked Conditions and/or the ETF Linked Conditions, as applicable.

**"Index Business Day (Per Index Basis)"** means in respect of any Index other than a Single-Exchange Index or Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the relevant Index (ii) each Pricing Source and Related Pricing Source are available, as determined by the Calculation Agent and (iii) that is an Index Trading Day in respect of the relevant Index.

**"Index Business Day (Single Index Basis)"** means any Scheduled Trading Day on which in respect of all Indices other than Single Exchange Indices or Multi-Exchange Indices, (i) the Index Sponsor publishes the level of the relevant Index (ii) each Pricing Source and Related Pricing Source are available, as determined by the Calculation Agent and (iii) that is an Index Trading Day in respect of the relevant Index.

**"Index Correction Period"** (a) the period specified in the Issue Terms, or (b) if none is so specified, (i) in respect of a Multi-Exchange Index, no later than five Exchange Business Days following the date of the original publication or (ii) in respect of an Index which is a Single-Exchange Index, one Settlement Cycle or (iii) in respect of an Index which is not a Single-Exchange Index or a Multi-Exchange Index, no later than five Index Business Days following the date of the original publication.

**"Index Sponsor"** means, in relation to an Index, 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 such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the Issue Terms.

**"Index Trading Day"** means, in respect of an Index that is not a Single-Exchange or Multi-Exchange Index, any day with respect to which the Issuer and/or any of its Affiliates determines acting in good faith and in a commercially reasonable manner it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s), asset(s) or component(s) it deems necessary to hedge its obligations in respect of such Index under the Securities.

**"Initial Component Loan Rate"** means in respect of a component comprised in an Index, the Initial Component Loan Rate specified in relation to such component in the Issue Terms.

**"Knock-in Barrier"** means the level, amount, percentage or number specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Index Linked Conditions.

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

**"Knock-in Determination Day"** means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"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 Barrier or (B) within or outside 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 Issue Terms.

**"Knock-in Period Beginning Date"** means the date specified as such in the Issue Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms 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 Issue Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Knock-in Range"** means the range of levels, amounts, numbers or percentages specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Index Linked Conditions.

**"Knock-in Valuation Time"** means the time specified as such in the Issue Terms.

**"Knock-in Value"** has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1.

**"Knock-out Barrier"** means the level, amount, number or percentage specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Index Linked Conditions.

**"Knock-out Determination Day"** means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below

**"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 Barrier or (B) within or outside the Knock-out Range (x) on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period, as specified in the Issue Terms,

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

**"Knock-out Period Beginning Date"** means the date specified as such in the Issue Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms 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 Issue Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Knock-out Range"** means the range of levels, amounts, numbers or percentages specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Index Linked Conditions.

**"Knock-out Valuation Time"** means the time specified as such in the Issue Terms.

**"Knock-out Value"** has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1.

**"Loss of Component Borrow"** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component(s) comprised in an Index in an amount equal to the Hedging Components at a rate equal to or less than the Maximum Component Loan Rate.

**"Market Disruption Event"** means:

- (a) in respect of a Multi-Exchange Index either:
  - (i) (a) the occurrence or existence, in respect of any Component, of:
    - (1) a Trading Disruption in respect of such Component 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 is principally traded;
    - (2) an Exchange Disruption in respect of such Component 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 is principally traded; or
    - (3) an Early Closure in respect of such Component; and
  - (b) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of:
  - (1) a Trading Disruption; (2) 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; or (3) 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 at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of such Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market opening data; and

- (b) in the case of Single-Exchange Indices, 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 ends at the relevant Valuation Time, or (iii) an Early Closure;

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a component included in such Index at any time, then the relevant percentage contribution of that component to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that component and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

**"Maximum Component Loan Rate"** means, in respect of a component comprised in an Index, the Maximum Component Loan Rate specified in the Issue Terms.

**"Multi-Exchange Index"** means any Index in respect of which the components are principally traded on more than one Exchange, as specified in the Issue Terms or, if not specified, any Index the Calculation Agent determines as such.

**"Observation Date"** means each date specified as an Observation Date in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below

**"Observation Period"** means the period specified as the Observation Period in the Issue Terms.

**"Pricing Source"** means in relation to an Index other than a Single-Exchange Index or Multi-Exchange Index each pricing source specified as such for such Index in the Issue Terms, any successor to such pricing course or any substitute pricing source, in each case as determined by the Calculation Agent.

**"Redemption Valuation Date"** means the date specified as the Redemption Valuation Date in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below

**"Redemption Valuation Period"** means the period specified as the Redemption Valuation Period in the Issue Terms

**"Related Exchange"** means in relation to a Single-Exchange Index or Multi-Exchange Index, each exchange or quotation system on which option contracts or futures contracts relating to such Index are traded, or each exchange or quotation system specified as such for such Index in the Issue Terms, 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 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 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 Issue Terms in relation to a Single-Exchange Index or Multi-Exchange Index, **"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 Index.

**"Related Pricing Source"** means in relation to an Index other than a Single-Exchange Index or Multi-Exchange Index, each pricing source specified as such for such Index in the Issue Terms, any successor to such pricing source or any substitute pricing source, in each case as determined by the Calculation Agent; provided that where All Pricing Sources is specified as the Related Pricing Source in the Issue Terms, **"Related Pricing Source"** shall mean each pricing source determined to be a Related Pricing Source by the Calculation Agent, acting in good faith and in a commercially reasonable manner.

**"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 subject as provided in Valuation Time below.

**"Scheduled Trading Day"** means either (i) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (ii) in the case of a Basket of Indices, (a) Scheduled Trading Day (All Indices Basis) or (b) Scheduled Trading Day (Per Index Basis) or (c) Scheduled Trading Day (Cross Asset Basis), in each case as specified in the Issue Terms, provided that if no such specification is made in the Issue Terms, Scheduled Trading Day (All Indices Basis) shall apply.

**"Scheduled Trading Day (All Indices Basis)"** means (i) in respect of all Single-Exchange Indices, 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 (ii) in respect of all Multi-Exchange Indices, any day on which (a) the relevant



## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

Index Sponsor(s) is scheduled to publish the level of such Multi-Exchange Indices and (b) each Related Exchange is scheduled to be open for trading during its regular trading session and (iii) in respect of each Index that is not a Single-Exchange Index or a Multi-Exchange Index, any day on which (x) the Index Sponsor is scheduled to publish the level of the relevant Indices (y) each Pricing Source and related Pricing Source are scheduled to be available, as determined by the Calculation Agent and (z) that the Calculation Agent determines is scheduled to be an Index Trading Day in respect of the relevant Index.

**"Scheduled Trading Day (Cross Asset Basis)"** means, in respect of a basket of assets, any day on which (i) in respect of all Single-Exchange Indices, each Exchange and each Related Exchange are scheduled to be open for trading during their regular trading sessions (ii) in respect of all Multi-Exchange Indices, (a) the relevant Index Sponsor(s) is scheduled to publish the level of such Multi-Exchange Indices and (b) each Related Exchange is scheduled to be open for trading during its regular trading session and (iii) in respect of each Index that is not a Single-Exchange Index or a Multi-Exchange Index, any day on which (x) the Index Sponsor is scheduled to publish the level of the relevant Index (y) each Pricing Source and related Pricing Source are scheduled to be available, as determined by the Calculation Agent and (z) that the Calculation Agent determines is scheduled to be an Index Trading Day in respect of the relevant Index which, in each case, is also a Scheduled Trading Day under and as defined in the Equity Linked Conditions and/or the ETF Linked Conditions, as applicable

**"Scheduled Trading Day (Per Index Basis)"** means:

- (i) in respect of a Single-Exchange Index, any day on which the relevant Exchange and Related Exchange are scheduled to be open for trading for their respective regular trading session(s);
- (ii) in respect of any Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of such Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session; and
- (iii) in respect of each Index that is not a Single-Exchange Index or a Multi-Exchange Index, any day on which (x) the Index Sponsor is scheduled to publish the level of the relevant Index and (y) each Pricing Source and related Pricing Source are scheduled to be available, as determined by the Calculation Agent and (z) that the Calculation Agent determines is scheduled to be an Index Trading Day in respect of the relevant Index.

**"Scheduled Trading Day (Single Index Basis)"** means any day on which (i) in respect of a Single-Exchange Index the relevant Exchange and the relevant Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s) and (ii) in respect of a Multi-Exchange Index (a) the relevant Index Sponsor is scheduled to publish the level of such Multi-Exchange Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session and (iii) in respect of each Index that is not a Single-Exchange Index or a Multi-Exchange Index, any day on which (x) the Index Sponsor is scheduled to publish the level of the relevant Index (y) each Pricing Source and related Pricing Source are scheduled to be available, as determined by the Calculation Agent and (z) that the Calculation Agent determines is scheduled to be an Index Trading Day in respect of the relevant Index.

**"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.

**"Screen Page"** means the page specified in the Issue Terms, or any successor page or service thereto.

**"Settlement Cycle"** means, in respect of a Single-Exchange Index, the period of Clearance System Business Days following a trade in the component(s) comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

**"Settlement Level"** means, subject as referred to in relation to any Settlement Level Date:

- (i) in the case of a Single-Exchange Index or Multi-Exchange Index, the official closing level of the Index as calculated and published by the relevant Index Sponsor on the relevant Settlement Level Date, as determined by the Calculation Agent or,

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

- (ii) in relation to an Index that is neither a Single-Exchange Index nor a Multi-Exchange Index, the closing level of the Index as calculated and published by the relevant Index Sponsor on the relevant Settlement Level Date, as determined by the Calculation Agent or,
- (iii) if so specified in the Issue Terms, the level of the Index determined by the Calculation Agent as set out in the Issue Terms at the Valuation Time on the relevant Settlement Level Date.

**"Settlement Level Date"** means an Averaging Date or a Valuation Date, as the case may be.

**"Single-Exchange Index"** means any Index in respect of which the components are principally traded on one Exchange, as specified in the Issue Terms or, if not specified, any Index the Calculation Agent determines as such.

**"Specified Maximum Days of Disruption"** means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the Issue Terms.

**"Strike Date"** means the Strike Date specified in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below, provided that:

in the case of Index Linked Securities relating to a Basket of Indices, if the Strike Date for any Index forming part of the Basket of Indices 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 Issue Terms) then:

(i) if the Strike Date for any Index forming part of the Basket of Indices is not a Scheduled Trading Day, the Strike Date for such Index 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 Index, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of such Index forming part of the Basket of Indices 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 Index.

In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the relevant Index, notwithstanding the fact that such day is a Disrupted Day with respect to such Index, and (ii) the Calculation Agent shall determine the Settlement Level using the level of that 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 Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange or Pricing Source traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each component comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant component on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant component 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 applicable Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Strike Period"** means the period specified as the Strike Period in the Issue Terms.

**"Trading Disruption"** means:

- (i) in the case of a Single-Exchange Index, 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 (a) relating to component(s) that comprise 20 per cent. or more of the level of such Index on any relevant Exchange(s) or (b) in futures or options contracts relating to such Index on any relevant Related Exchange; and
- (ii) in the case of a Multi-Exchange Index, 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 any Component on the Exchange in respect of such Component; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

**"Valuation Date"** means the Automatic Early Redemption Valuation Date, Coupon Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date, Strike Date, Strike Day, and/or the Redemption Valuation Date, as the case may be, specified in the Issue Terms 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:

- (i) in the case of Index Linked Securities relating to a single 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 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 Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange or Pricing Source, as applicable, traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant component on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant component as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (ii) in the case of Index Linked Securities relating to a Basket of Indices:
  - (A) if Scheduled Trading Day (All Indices Basis) or Scheduled Trading Day (Cross Asset Basis) applies, the Valuation Date for each Index, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of any Index forming part of the Basket of Indices 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 Index forming part of the Basket of Indices. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for each Index forming part of the Basket of Indices, notwithstanding the fact that such day is a Disrupted Day with respect to one or more Indices (each an "**Affected Item**") and (ii) the Calculation Agent shall determine (a) the Settlement Level of each Affected Item of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Affected Item last in effect prior to the occurrence of the first Disrupted Day using the Exchange or Pricing Source, as applicable, traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each component comprised in that Affected Item (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant component on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant component as of the Valuation Time on the last such consecutive Scheduled Trading Day) and otherwise in accordance with the above provisions and (b) the Settlement Level of each Index that is not an Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day as specified in the Issue Terms and otherwise in accordance with the above provisions; or
  - (B) if Scheduled Trading Day (Per Index Basis) applies the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an "**Affected Item**") 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 with respect to the Affected Item, and (ii) the Calculation Agent shall determine the Settlement Level of the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the level of the Affected Item last in effect prior to the occurrence of the first Disrupted Day using the Exchange or Pricing Source, as applicable, traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each component comprised in the Affected Item (or, if an event giving rise to a Disrupted

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

Day has occurred in respect of the relevant component on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant component as of the Valuation Time on the last such consecutive Scheduled Trading Day) and otherwise in accordance with the above provisions.

"**Valuation Time**" means:

- (i) the Automatic Early Redemption Valuation Time, the Coupon Valuation Time, the Knock-in Valuation Time, the Knock-Out Valuation Time or the Valuation Time, as the case may be, specified in the Issue Terms; or
- (ii) if not specified in the Issue Terms:
  - (A) in the case of a Multi-Exchange Index, means in respect of such Index: (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (y) in respect of any options contracts or futures contracts on the Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; or
  - (B) in the case of a Single-Exchange Index, means the Scheduled Closing Time on the Exchange on the relevant date. If the Exchange closes prior to its Scheduled Closing Time and the specified Coupon Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Coupon Valuation Time or Valuation Time, as the case may be, shall be such actual closing time; or
  - (C) in the case of any Index other than a Single-Exchange Index or a Multi-Exchange Index the time at which the closing level of the Index is calculated and published by the Index Sponsor.

"**Weighting**" means the weighting (if any) to be applied to each item comprising the Basket of Indices if, and as specified in the Issue Terms or if no such weighting is so specified then no weighting shall apply to any such item.

### 8. Index Disclaimer

The Index Linked Securities are not sponsored, endorsed, sold or promoted by any Index or any Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Index Linked Securities. The Issuer shall have no liability to the Securityholders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date, neither the Issuer nor its Affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Indices from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its Affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

### ANNEX 3

#### ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

*If specified as applicable in the Issue Terms, the terms and conditions applicable to Equity Linked Securities shall comprise the General Conditions and the additional terms and conditions for Equity Linked Securities set out below (the "**Equity Linked Conditions**"), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and 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.*

#### 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 Guarantor, the Principal Paying Agent and the Securityholders in accordance with General Condition 13 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Settlement Price Date.

#### 2. **Depository Receipts**

##### (a) Application of Depository Receipt provisions

If "Depository Receipt provisions" are specified as applicable in the Issue Terms, for the purposes of these Equity Linked Conditions in relation to each relevant Depository Receipt:

- (i) references to "**Share**" or "**Shares**" shall be deemed to include an ordinary share or ordinary shares or other relevant equity securities, as the case may be, of the Share Company or Basket Company to which the relevant Depository Receipts specified in the Issue Terms relate;
- (ii) references to "**Exchange**" shall, in the context of the ordinary shares or other relevant equity securities of the Share Company or Basket Company, be deemed to be references to the Share Exchange specified in the Issue Terms;
- (iii) references to "**Share Company**" or "**Basket Company**" shall, in the context of a Depository Receipt, be deemed to include references to the issuer or obligor of the Depository Receipts;
- (iv) with respect to Depository Receipts only, the following additional event shall constitute a Potential Adjustment Event for the purposes of Equity Linked Condition 3:  
  
"a distribution in respect of the Shares of property other than cash, shares or rights relating to any Shares to the holder(s) of the Shares"; and
- (v) with respect to Depository Receipts only, the following events shall constitute Additional Disruption Events for the purposes of Equity Linked Condition 5:

- (A) a Termination; and
- (B) an Adjustment Event.

##### (b) Definitions specific to Depository Receipts

"**Adjustment Event**" means (a) the terms and conditions of the Depository Receipts have been altered or any adjustment or modification has been made pursuant to such terms and conditions (in each case whether by the Share Company or Basket Company or any party having influence over such terms and conditions) or the Depository Receipts are converted into other securities and/or (b) the aggregate amounts (or currency thereof) to which a holder is entitled under the Depository Receipts are altered.

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

**"Depositary Receipt"** means a depositary receipt relating to ordinary shares or other relevant equity securities issued by a Share Company or Basket Company, as specified in the Issue Terms, subject to adjustment pursuant to the provisions specified in Equity Linked Conditions 3 and 4.

**"Termination"** means, in relation to an issue of Depositary Receipts, such issue has been terminated, cancelled or otherwise ceased to be outstanding for any reason. This shall include, without limitation, the termination of the deposit agreement in respect of the Shares and/or written instructions being given by the Share Company or Basket Company to the depositary of the Shares to withdraw or surrender the Shares.

### 3. Potential Adjustment Events and Extraordinary Events

#### (a) Potential Adjustment Events

(i) **"Potential Adjustment Event"** means any of the following:

- (A) 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;
- (B) 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 Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, 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 (in cash or in 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 a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (E) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of a Basket Company or Share Company, as the case may be, 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 such Basket Company or Share Company, as the case may be, 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, certificates, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent;
- (G) any adjustment effected as a result of any shareholder rights plan or arrangement as described in paragraph (F) above; or
- (H) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative or other effect on the theoretical value of the relevant Shares.

(ii) **"Potential Adjustment Event Effective Date"** means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant Basket Company or Share Company, as the case may be, as determined by the Calculation Agent in its sole and absolute discretion.

(iii) Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one

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or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms 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 Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange ("**Exchange Based Adjustment**") to options on the Shares traded on that options exchange.

- (iv) Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall, other than where Exchange Based Adjustment applies notify the Issuer as soon as practicable and the Issuer shall give notice as soon as practicable to the Securityholders in accordance with General Condition 13, stating the occurrence of the Potential Adjustment 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 Adjustment Event or Potential Adjustment Event Effective Date or the adjustment in relation thereto.

(b) Extraordinary Events

The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Tender Offer (unless Tender Offer is specified as Not applicable in the Issue Terms), or, if specified as applicable in the Issue Terms, Illiquidity, Listing Change or Listing Suspension, as the case may be, shall be deemed to be an "**Extraordinary Event**", the consequences of which are set forth below:

"**De-Listing**" means, in respect of any relevant Shares, that the Exchange announces pursuant to the rules of such Exchange, that such 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 (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 (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).

"**Illiquidity**" means, in respect of Equity Linked Securities that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days falling after the Issue Date (the "**Relevant Period**"), (a) the difference between the bid prices and the ask prices in respect of any relevant Share during the Relevant Period is greater than 1 per cent. (on average), and/or (b) the average purchase price or the average selling price, (each of (a) and (b) determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period), in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00 (or its equivalent in any other currency as determined by the Calculation Agent at such time and by reference to such sources as it determines appropriate), is greater than MID plus 1 per cent. of MID (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. of MID (in relation to a sale of Shares). For these purposes, "**MID**" means an amount equal to (a) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (b) divided by two.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Basket Company or Share Company, as the case may be, (i) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

"**Listing Change**" means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date, for any reason (other than a Merger Event or Tender Offer or where this is a De-Listing).

"**Listing Suspension**" means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended (other than where this is a De-Listing).

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**"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 a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, 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 Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the relevant Extraordinary Event Effective Date is on or before (a) in the case of Cash Settled Securities, the latest of the last occurring Settlement Price Date or (b) in the case of Physical Delivery Securities, the relevant Maturity Date.

**"Nationalisation"** means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise transferred to any governmental agency, authority, entity or instrumentality thereof.

**"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 per cent. and less than 100 per cent. (the **"Percentage Range"**) of the outstanding voting shares of the Basket Company or Share Company, 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.

(c) Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share or a Basket of Shares, the Issuer in its sole and absolute discretion may take the action described in paragraph (i) to (iii) below in respect of a Security relating to a Share or a Basket of Shares, and the actions described in paragraph (iv) or (v) below in respect of a Security relating to a Basket of Shares only:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms to account for the relevant Extraordinary 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 Shares or to the Securities. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of paragraph (v) below;
- (ii) following such adjustment to the settlement terms of options on the 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 Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms, 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 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 Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms as the Calculation Agent in its sole



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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 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; or

(iii) where the Calculation Agent determines that no adjustment has been proposed by the Options Exchange and that no other action will produce a commercially reasonable result, the Issuer, in its sole and absolute discretion may, on giving notice to Securityholders in accordance with General Condition 13,

(A) redeem all but not some only of the Securities, each Security being redeemed by payment of an amount equal to the fair market value of a Security taking into account the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount**"), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Modified Calculated Extraordinary Event Amount**"), all as determined by the Calculation Agent in its sole and absolute discretion as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**"), or

(B) require the Calculation Agent to determine the Calculated Extraordinary Event Amount on the Calculated Extraordinary Event Amount Determination Date, and redeem each Security on the scheduled Maturity Date by payment of the Calculated Extraordinary Event Amount. For avoidance of any doubt, the Calculated Extraordinary Event Amount shall not accrue any interest from the date of its calculation to the Maturity Date.

In relation to paragraphs (A) and (B) above, notwithstanding General Condition 4(g), each Security shall cease to bear interest from and including the Calculated Index Adjustment Amount Determination Date and no interest amounts scheduled for payment thereafter (including, for the avoidance of doubt, including any Specified Interest Amounts) shall be payable.

(iv) in the case of Equity Linked Securities relating to a Basket of Shares, redeem the Securities in part by giving notice to Securityholders in accordance with General Condition 13. If the Securities are so redeemed in part, the portion (the "**Redeemed Amount**") of each Security representing the affected Share(s) shall be redeemed and the Issuer will:

(A) pay to each Securityholder in respect of each Security held by him an amount equal to the fair market value of the Redeemed Amount, taking into account the relevant Extraordinary 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; and

(B) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms to account for such redemption in part. For the avoidance of doubt the remaining part of each Security after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 13;

(v) in the case of Equity Linked Securities relating to a Basket of Shares, on or after the relevant Extraordinary Event Effective Date, require the Calculation Agent to adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a "**Substitute Share**") for each Share (each, an "**Affected Share**") of each Basket Company (each, an "**Affected Basket Company**") which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a "**Share**", and the issuer of such shares a "**Basket Company**", for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to an initial price (the "**Initial Price**") of the Affected Share, the relevant Initial Price of

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each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected Share; and

"C" is the fair market value of the relevant Affected 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 Basket of Shares 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 Event Effective Date.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must satisfy the following criteria, in the sole and absolute discretion of the Calculation Agent:

- (A) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share of the entity or person (other than the Affected Basket Company) involved in the Merger Event or the making of the Tender Offer, that is, or that as of the relevant Extraordinary Event Effective Date (i) is promptly scheduled to be, publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (ii) is not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (B) where paragraph (A) above does not apply, including in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:
  - (1) the issuer of the share shall, to the extent possible, belong to the same economic sector as the Affected Basket Company and shall not already be included in the Basket of Shares; and
  - (2) the issuer of the share shall, to the extent possible, have a comparable market capitalisation, international standing and exposure as the Affected Basket Company in respect of the Affected Share.

Upon the occurrence of an Extraordinary Event, if the Issuer determines that an adjustment in accordance with the above provisions is necessary it shall give notice as soon as practicable to the Securityholders in accordance with General Condition 13 stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto, including, in the case of a Share substitution, the identity of the Substitute Shares and the Substitution Date, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Extraordinary Event or the proposed action.

#### 4. Correction of Share Price

If the relevant price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published

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by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected, except that any corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities calculated by reference to the price of a Share will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

### 5. Additional Disruption Events

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in paragraph (i), (ii), (iii) or, in the case of Securities linked to a Basket of Shares only, (iv) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case with respect to Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) redeem the Securities by giving notice to Securityholders in accordance with General Condition 13. If the Securities are so redeemed the Issuer will pay an amount to each Securityholder in respect of each Security held by him which amount shall be the fair market value of a Security taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**"), 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 Securityholders in accordance with General Condition 13; or
  - (iii) require the Calculation Agent to calculate the Calculated Additional Disruption Amount as soon as practicable following the occurrence of the Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued on the Calculated Additional Disruption Amount on a daily basis from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Maturity Date, each such daily accrual being at a rate equal to Issuer's funding cost on or about the relevant day or (y) if greater its nominal amount; or
  - (iv) in the case of Securities linked to a Basket of Shares, require Calculation Agent to adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to an initial price (the "**Initial Price**") of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected Share; and

"C" is the fair market value of the relevant Affected 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).

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Such substitution and the relevant adjustment to the Basket of Shares 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 date of the Additional Disruption Event.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:

- (i) is not already included in the Basket of Shares;
  - (ii) the Issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
  - (iii) the Issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.
- (b) Upon the occurrence of an Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer as soon as practicable and the Issuer shall give notice as soon as practicable to the Securityholders in accordance with General Condition 13 stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event or the proposed action.

### 6. **Knock-in Event and Knock-out Event**

This Equity Linked Condition 6 is applicable only if:

- (a) Knock-in Event is specified as applicable in the Issue Terms, in which case any payment under the Securities which is expressed to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event; or
- (b) Knock-out Event is specified as applicable in the Issue Terms, in which case any payment under the relevant Securities which is expressed to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

### 7. **Automatic Early Redemption**

If "**Automatic Early Redemption**" is specified as applicable in the Issue Terms, then, unless previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event occurs, the Securities 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 Automatic Early Redemption Valuation Period, as applicable and the Issuer shall redeem the Securities at an amount equal to the relevant Automatic Early Redemption Amount.

### 8. **Definitions**

"**Additional Disruption Event**" means (i) (unless specified otherwise in the Issue Terms) Change in Law, (ii) Failure to Deliver (in the case of Securities to be redeemed by delivery), or (iii) any of Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Stop-Loss Event, and/or Loss of Stock Borrow, if specified in the Issue Terms.

"**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.

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**"Automatic Early Redemption Amount"** an amount, in respect of each nominal amount of Securities equal to the Calculation Amount, being the Automatic Early Redemption Amount set out in the Issue Terms.

**"Automatic Early Redemption Date"** means each date specified as such in the Issue Terms, or if such date is not a Business Day, the next following Business Day and no Securityholder shall be entitled to any interest or further payment in respect of any such delay.

**"Automatic Early Redemption Event"** means the AER Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Automatic Early Redemption Trigger,

paragraph (i), (ii), (iii) or (iv) applying or (B) within or outside the Automatic Early Redemption Range, as specified in the Issue Terms.

**"Automatic Early Redemption Range"** means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Equity Linked Conditions.

**"Automatic Early Redemption Trigger"** means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment as provided in these Equity Linked Conditions.

**"Automatic Early Redemption Valuation Date"** means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Automatic Early Redemption Valuation Period"** means each period specified as such in the Issue Terms.

**"Automatic Early Redemption Valuation Time"** means the time specified as such in the applicable Issue Terms.

**"AER Value"** has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1.

**"Averaging Date"** means each date specified as an Averaging Date in the Issue Terms 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:

- (i) If **"Omission"** is specified as applying in the Issue Terms, 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 Dates 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 that was a Disrupted Day; or
- (ii) if **"Postponement"** is specified as applying in the Issue Terms, 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 Disrupted Day 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 Issue Terms then:
  - (A) where the Securities are Equity Linked Securities relating to a single share, the Averaging Date shall be the first succeeding Valid Date (as defined in (iii) below). If the first succeeding Valid

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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, price or amount for that Averaging Date in accordance with sub-paragraph (i) of the definition of Valuation Date below;

- (B) where the Securities are Equity Linked Securities relating to a Basket of Shares:
- (1) if Scheduled Trading Day (All Shares Basis) or Scheduled Trading Day (Cross Asset Basis) applies the Averaging Date for each Share shall be the first succeeding Valid Date in relation to every Share forming part of the Basket of Shares. If the first succeeding Valid Date in relation to every Share forming part of the Basket of Shares 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) such 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 every Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (ii) of the definition of Valuation Date below;
  - (2) if Scheduled Trading Day (Per Share Basis) applies the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the originally scheduled Averaging Date, and the Averaging Date for each Share affected by the occurrence of a Disrupted Day (each an "**Affected Item**") shall be the first succeeding Valid Date relating to the Affected Item unless a Valid Date in respect of the 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 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 already an Averaging Date with respect to the Affected Item, and (ii) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with paragraph (ii) of the definition of Valuation Date below; and
- (C) 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 occur.

"**Basket Company**" means each company specified as such in the Issue Terms; and

"**Basket Companies**" means all such companies.

"**Basket of Shares**" means (i) a basket composed of Shares of each Basket Company specified in the Issue Terms in the Weightings or numbers of Shares of each Basket Company specified in the Issue Terms.

"**Change in Law**" means that, on or after the Trade Date (as specified in the Issue Terms) (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 Share and/or (B) it will incur a materially increased cost in performing its obligations in relation to the Equity Linked Securities (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).

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

**"Clearance System"** means the principal domestic clearance system customarily used for settling trades in the relevant Share.

**"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 which 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 Date"** means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Coupon Valuation Period"** means the period specified as a Coupon Valuation Period in the Issue Terms.

**"Coupon Valuation Time"** means the time specified as such in the applicable Issue Terms.

**"Disrupted Day"** means any Scheduled Trading Day on which:

- (i) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session;
- (ii) a Market Disruption Event has occurred; or
- (iii) where Exchange Business Day (Cross Asset Basis) and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Issue Terms for (i) Equity Linked Securities, (ii) Index Linked Securities and/or (iii) ETF Linked Securities, a Disrupted Day occurs under and as defined in these Equity Linked Condition and/or the Index Linked Conditions and/or ETF Linked Conditions.

**"Early Closure"** means the closure on any Exchange Business Day of 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 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.

**"Exchange"** means, in respect of a Share, each exchange or quotation system specified as such for such Share in the Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily 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 either (i) in the case of a single Share, Exchange Business Day (Single Share Basis) or (ii) in the case of a basket of Shares or other assets, (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 Issue Terms, provided that if no such specification is made in the Issue Terms, Exchange Business Day (All Shares Basis) shall apply.

**"Exchange Business Day (All Shares Basis)"** means, in respect of a Basket of Shares, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its 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 comprised in the basket of assets are open for trading during its regular trading session (notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time) which is also an Exchange Business Day under and as defined in the Index Linked Conditions 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 Related Exchange in respect of such Share is open for trading during its respective regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time.

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

**"Exchange Business Day (Single Share Basis)"** means any Scheduled Trading Day on which the Exchange and the Related Exchange are open for trading during their respective regular trading session, notwithstanding any such Exchange or Related Exchange closing prior to 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 Shares on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Share on any relevant Related Exchange.

**"Extraordinary Event Effective Date"** means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent in its sole and absolute discretion.

**"Failure to Deliver"** means failure of the Issuer and/or any of its Affiliates to deliver, when due, the Relevant Assets comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for such Shares.

**"Hedging Disruption"** means that the Issuer 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 equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, 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 Shares that the Issuer or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities.

**"Increased Cost of Hedging"** means that the Issuer 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 (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, equity price risk, foreign exchange risk and interest rate risk) of the Issuer, issuing and performing its obligations with respect to the Securities, 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 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 Share that is greater than the Initial Stock Loan Rate.

**"Initial Stock Loan Rate"** means, in respect of a Share, the initial stock loan rate specified in relation to such Share in the Issue Terms.

**"Insolvency Filing"** means that a Share Company or Basket Company 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 Share Company or Basket Company shall not be deemed an Insolvency Filing.

**"Knock-in Barrier"** means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Equity Linked Conditions.

**"Knock-in Determination Day"** means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"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;



## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Knock-in Barrier or (B) within or outside 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 Issue Terms,

**"Knock-in Period Beginning Date"** means the date specified as such in the Issue Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms 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 Issue Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Knock-in Range"** means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Equity Linked Conditions.

**"Knock-in Valuation Time"** means the time specified as such in the Issue Terms.

**"Knock-in Value"** has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1.

**"Knock-out Barrier"** means the price, amount, percentage or number specified as such in the Issue Terms subject to adjustment from time to time in accordance with the provisions of these Equity Linked Conditions.

**"Knock-out Determination Day"** means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"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 Barrier or (B) within or outside the Knock-out Range (x) on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period, as specified in the Issue Terms,

**"Knock-out Period Beginning Date"** means the date specified as such in the Issue Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms 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 Issue Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Knock-out Range"** means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Equity Linked Conditions.

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

**"Knock-out Value"** has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1.

**"Knock-out Valuation Time"** means the time specified as such in the Issue Terms.

**"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 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 relation to Equity Linked Securities relating to a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent in its sole and absolute discretion, determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

**"Maximum Stock Loan Rate"** means, in respect of a Share, the Maximum Stock Loan Rate specified in the Issue Terms.

**"Observation Date"** means each date specified as an Observation Date in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Observation Period"** means the period specified as the Observation Period in the Issue Terms.

**"Redemption Valuation Date"** means the date specified as the Redemption Valuation Date in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Redemption Valuation Period"** means the period specified as the Redemption Valuation Period in the Issue Terms

**"Related Exchange"** means, in relation to a Share, each exchange or quotation system on which option contracts or futures contracts relating to such Share are traded, or each exchange or quotation system specified as such for such Share in the Issue Terms, 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 Issue Terms, **"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.

**"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 subject as provided in Valuation Time below.

**"Scheduled Trading Day"** means either (i) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (ii) in the case of a Basket of Shares, (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 Issue Terms, provided that if no such specification is made in the Issue Terms, Scheduled Trading Day (All Shares Basis) shall apply.

**"Scheduled Trading Day (All Shares Basis)"** means, in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange are scheduled to be open for trading in respect of all Shares comprised in the Basket of Shares for their respective regular trading sessions.

**"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 Shares comprised in the basket of assets is scheduled to be open for trading for its regular trading session which is also a Scheduled Trading Day for the purpose of the Index Linked Conditions and/or the ETF Linked Conditions, as applicable.

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

**"Scheduled Trading Day (Per Share Basis)"** means in respect of a Basket of Shares, any day on which the relevant Exchange and Related Exchange in respect of such Share are scheduled to be open for trading for their respective regular trading sessions.

**"Scheduled Trading Day (Single 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, in respect of a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

**"Screen Page"** means the page specified in the Issue Terms, or any successor page or service thereto.

**"Settlement Cycle"** means, in respect of a Share, the period of Clearance System Business Days following a trade in the 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 Settlement Price Date, in the case of a Share,

- (i) an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date as may be specified in the Issue Terms) quoted on the relevant Exchange for such Share on the relevant Settlement Price Date, as determined by the Calculation Agent or,
- (ii) if so specified in the Issue Terms, the price of the Share determined by the Calculation Agent as set out in the Issue Terms at the Valuation Time on the relevant Settlement Price Date.

**"Settlement Price Date"** means an Averaging Date or Valuation Date, as the case may be.

**"Shares"** and **"Share"** mean in the case of an issue of Securities relating to a Basket of Shares, each share and, in the case of an issue of Securities relating to a single Share, the share specified in the Issue Terms and related expressions shall be construed accordingly.

**"Share Company"** means, in the case of an issue of Securities relating to a single Share, the company that has issued such Share.

**"Share Correction Period"** means (i) the period specified in the Issue Terms, or (ii) if none is so specified, one Settlement Cycle.

**"Specified Maximum Days of Disruption"** means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the Issue Terms.

**"Stop-Loss Event"** means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at any time or the Scheduled Closing Time, as specified in the Issue Terms, on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later the Strike Date, is less than 5 per cent., or such percentage specified in the Issue Terms, of its Strike Price or, if no Strike Price is stipulated in the Issue Terms, the price given as the benchmark price for such Share in the Issue Terms, all as determined by the Calculation Agent.

**"Strike Date"** means the Strike Date specified in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below, provided that:

in the case of Equity Linked Securities relating to a Basket of Shares, if the Strike Date for any share forming part of the Basket of Shares 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 Issue Terms) then:

- (i) if the Strike Date for any Share forming part of the Basket of Shares is not a Scheduled Trading Day, the Strike Date for such 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 Share, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of such Share forming part of the Basket of Shares unless each of the number of consecutive Scheduled Trading Days equal to

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

the Specified Maximum Days of Disruption immediately following the scheduled Strike Date is a Disrupted Day in respect of such Share.

In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the relevant Share, notwithstanding the fact that such day is a Disrupted Day with respect to such Share, and (ii) the Calculation Agent shall determine the price of that Share as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating such price 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 Share comprised in that Basket of Shares (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Share on the last such consecutive Scheduled Trading Day, its good faith estimate of the price for the relevant 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 applicable Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Strike Period"** means the period specified as the Strike Period in the Issue Terms.

**"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 (a) relating to the Share or (b) in futures or options contracts relating to such Share on any relevant Related Exchange.

**"Valuation Date"** means the Automatic Early Redemption Valuation Date, Coupon Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date, Strike Date, Strike Day and/or Redemption Valuation Date, as the case may be, specified in the Issue Terms 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:

- (i) in the case of Equity Linked Securities relating to a single 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 the manner set out in the Issue Terms or, if not set out or if not practicable, 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; or
- (ii) in the case of Equity Linked Securities relating to a Basket of Shares:
  - (A) if Scheduled Trading Day (All Shares Basis) or Scheduled Trading Day (Cross Asset Basis) applies, 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 Basket of Shares 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 forming part of the Basket of Shares. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for each Share forming part of the Basket of Shares, notwithstanding the fact that such day is a Disrupted Day with respect to any Share (each an "**Affected Item**") and (ii) the Calculation Agent shall determine the (a) Settlement Price of each Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day using, in relation to each Affected Item, its good faith estimate of the value for the Affected Item and otherwise in accordance with the above provisions and (b) Settlement Price of each Share that is not an Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day as specified in the Issue Terms.
  - (B) if Scheduled Trading Day (Per Share Basis) applies, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Share affected by the occurrence of a Disrupted Day (each an "**Affected Item**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

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 with respect to the Affected Item, and (ii) the Calculation Agent shall determine the Settlement Price of the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day using, in relation to the Affected Item its good faith estimate of the value for the Affected Item and otherwise in accordance with the above provisions.

**"Valuation Time"** means:

- (i) the Automatic Early Redemption Valuation Time, the Coupon Valuation Time, the Knock-in Valuation Time, the Knock-Out Valuation Time or the Valuation Time, as the case may be, specified in the Issue Terms; or
- (ii) if not specified in the Issue Terms: 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 provided that 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 Automatic Early Redemption Valuation Time, Coupon Valuation Time, Knock-in Valuation Time, Knock-Out Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time.

**"Weighting"** means the weighting to be applied to each item of the Basket of Shares as specified in the Issue Terms or if no weighting is so specified then no weighting shall apply to any such item.

## ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED SECURITIES

### ANNEX 4

#### ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED SECURITIES

*If specified as applicable in the Issue Terms, the terms and conditions applicable to ETF Linked Securities shall comprise the General Conditions and the additional terms and conditions for ETF Linked Securities linked to one or more ETFs set out below (the "**ETF Linked Conditions**"), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the ETF Linked Conditions, the ETF Linked Conditions shall prevail. In the event of any inconsistency between the ETF Linked Conditions and the Payout Conditions, the Payout Conditions 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 Guarantor, the Principal Paying Agent and the Securityholders in accordance with General Condition 13 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Settlement Price Date.

#### 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, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these ETF Linked Conditions and/or the Issue Terms 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

## ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED SECURITIES

adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to 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.

- (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 Securityholders in accordance with General Condition 13, 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.

### (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 paragraph (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 paragraphs (i) to (vi) above;
- (ii) the occurrence of any Merger Event or Tender Offer (unless Tender Offer is specified as Not applicable in the Issue Terms), 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 per cent. 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 per cent. of the outstanding ETF Shares immediately following such event, in each case if the date of the occurrence of the Extraordinary ETF

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Event is on or before (a) in the case of Cash Settled Securities, the latest of the last occurring Settlement Price Date or (b) in the case of Physical Delivery Securities, the relevant Maturity 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 per cent. and less than 100 per cent. (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.

- (iii) (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 Securities or could materially affect the value of the ETF Shares;
- (iv) 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;
- (v) (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);
- (vi) 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 or investors in the ETF (including, without limitation, the suspension of the net asset value per ETF Share (if any)), 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);
- (vii) 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;
- (viii) (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;
- (ix) 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;



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- (x) (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 Securities;
- (xi) (i) the non-execution or partial-execution by the ETF for any reason of a 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 Securities, (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 Securities, (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;
- (xii) 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;
- (xiii) the currency or denomination of the ETF Share is amended from that set out in the ETF Documents as at the Trade Date;
- (xiv) 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;
- (xv) 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 Securities;
- (xvi) 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 Securities (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;
- (xvii) in connection with any hedging activities in relation to the Securities, 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

## ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED SECURITIES

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;

- (xviii) in connection with the hedging activities in relation to the Securities, if the cost to the Issuer or the Hedge Provider in relation to the Securities 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 Securities and the related hedging activities;
- (xix) in connection with the hedging activities in relation to the Securities, 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 Securities, 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;
- (xx) 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 Securities;
- (xxi) the Issuer becomes legally prohibited from transferring or redeeming its holding of ETF Shares;
- (xxii) 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);
- (xxiii) (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 Securities (or any proposal for the foregoing occurs); or
- (xxiv) (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

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- (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.

### (c) Consequences of an Extraordinary ETF Event

If an Extraordinary ETF Event occurs, including any Additional Extraordinary ETF Event specified in the Issue Terms the Issuer in its sole and absolute discretion may take any of the actions (each an "**Extraordinary ETF Event Action**") described in paragraphs (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 Entitlement (in the case where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these ETF Linked Conditions and/or the applicable Issue Terms to account for the relevant the 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 Securities. 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 Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these ETF Linked Conditions and/or the Issue Terms, 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 Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these ETF Linked Conditions and/or the Issue Terms 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 Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Weighting and/or any of the other terms of the General Conditions, these ETF Linked Conditions and/or the Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities 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:

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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, in any member state of the European Union) 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 General Conditions, these ETF Linked Conditions and/or the Issue Terms as it determines to be appropriate to take account of such Substitution, including to ensure the weighted average price referred to in paragraph (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 Securities on the Termination Date by payment to each Securityholder of the Termination

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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 General Condition 4(g), each Security 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 Specified 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 Securityholders in accordance with General Condition 13 (*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

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 Securities 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, except that any corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities 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

This ETF Linked Condition 4 is applicable only if:

- (i) Knock-in Event is specified as applicable in the Issue Terms, in which case any payment under the Securities 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 Issue Terms, in which case any payment under the Securities which is expressed to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

### 5. Automatic Early Redemption

If "**Automatic Early Redemption**" is specified as applicable in the Issue Terms, then unless previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event occurs, the Securities 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 the Securities at an amount equal to the relevant Automatic Early Redemption Amount.

### 6. Definitions

"**Additional Extraordinary ETF Event**" means (i) (unless specified otherwise in the Issue Terms) Change in Law, (ii) Failure to Deliver (in the case of securities to be redeemed by delivery), or (iii) 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 Issue Terms.

"**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

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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 nominal amount of Securities equal to the Calculation Amount, being the Automatic Early Redemption Amount set out in the Issue Terms.

"**Automatic Early Redemption Date**" means each date specified as such in the Issue Terms, 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 Event**" means the AER Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Automatic Early Redemption Trigger,

paragraph (i), (ii), (iii) or (iv) applying or (B) within or outside the Automatic Early Redemption Range, as specified in the Issue Terms,

"**Automatic Early Redemption Trigger**" means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment as provided in ETF Linked Condition 2(c)(i) above.

"**Automatic Early Redemption Range**" means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these ETF Linked Conditions.

"**Automatic Early Redemption Valuation Date**" means each date as specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

"**Automatic Early Redemption Valuation Period**" means each period specified as such in the Issue Terms.

"**Automatic Early Redemption Valuation Time**" means the time specified as such in the applicable Issue Terms.

"**AER Value**" has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1 (*General Definitions*).

"**Averaging Date**" means each date specified as an Averaging Date in the Issue Terms 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) If "**Omission**" is specified as applying in the Issue Terms, 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
- (b) if "**Postponement**" is specified as applying in the Issue Terms, 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 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

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- (c) if "**Modified Postponement**" is specified as applying in the Issue Terms then:
- (A) where the Securities are ETF Linked Securities 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, price or amount for that Averaging Date in accordance with paragraph (a) of the definition of Valuation Date below;
- (B) where the Securities are ETF Linked Securities relating to an ETF Basket, :
- (1) if Scheduled Trading Day (All ETF Shares Basis) applies 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 paragraph (b) of the definition of Valuation Date below; and
- (2) if Scheduled Trading Day (Per ETF Share Basis) applies the Averaging Date for each ETF Share not affected by the occurrence of a Disrupted Day shall be the originally scheduled Averaging Date, and the Averaging Date for each ETF Share affected by the occurrence of a Disrupted Day (each an "**Affected Item**") shall be the first succeeding Valid Date relating to the Affected Item unless a Valid Date in respect of the 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 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 already an Averaging Date with respect to the Affected Item, and (ii) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with paragraph (b) of the definition of Valuation Date below; and
- (C) 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 Issue Terms) (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 Securities (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.

## ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED 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 Date"** means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Coupon Valuation Period"** means the period specified as a Coupon Valuation Period in the Issue Terms.

**"Coupon Valuation Time"** means the time specified as such in the applicable Issue Terms.

**"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;
- (b) a Market Disruption Event has occurred; or
- (c) where Exchange Business Day (Cross Asset Basis) and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Issue Terms for (i) ETF Linked Securities, (ii) Index Linked Securities and/or (iii) Equity Linked Securities, a Disrupted Day occurs under and as defined in these ETF Linked Conditions and/or the Index Linked Conditions and/or Equity Linked Conditions.

**"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 Issue Terms, 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 Issue Terms.

**"ETF Documents"** means, with respect to any ETF Share, the offering documents in effect on the Trade Date specifying among other things the terms and conditions relating to such ETF and for the avoidance of any doubt any other documents and agreements in respect of the ETF, as may be further described in any offering documents.

**"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 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 person 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 Issue Terms or if none is so specified, one Settlement Cycle.

**"Exchange"** means, in relation to a ETF Share, each exchange or quotation system specified as such for such ETF Share in the Issue Terms, 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 ETFs 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



## ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED SECURITIES

Basis), in each case as specified in the Issue Terms, provided that, if no such specification is made in the Issue Terms, 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 an ETF Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange in respect of all ETFs comprised in the ETF Basket are open for trading during its regular trading session(s) (notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time) which is also an Exchange Business Day under and as defined in the Index Linked Conditions and/or Equity Linked Conditions, as applicable.

**"Exchange Business Day (Per ETF Share Basis)"** means, in respect of an ETF Share, any Scheduled Trading Day on which the Exchange and the 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 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, 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.

**"Failure to Deliver"** means failure of the Issuer and/or any of its Affiliates to deliver, when due, the Relevant Assets comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for such Relevant Assets.

**"Hedge Provider"** means the party (being, *inter alia*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities 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 deliver, 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 Securities.

**"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 (if applicable), issuing and performing its obligations with respect to the Securities, 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 Securities.

**"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 (if

## ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED SECURITIES

applicable), issuing and performing its obligations with respect to the Securities, 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 Issue Terms.

**"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 Barrier"** means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these ETF Linked Conditions.

**"Knock-in Determination Day"** each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of **"Valuation Date"** below.

**"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 Barrier or (B) within or outside 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 Issue Terms,

**"Knock-in Period Beginning Date"** means the date specified as such in the Issue Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms 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 Issue Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Knock-in Range"** means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, 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 specified as such in the Issue Terms.

**"Knock-in Value"** has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1.

**"Knock-out Barrier"** means the price, amount, percentage or number specified as such in the applicable Issue Terms, subject to adjustment from time to time in accordance with ETF Linked Condition 2(c)(i).

## ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED SECURITIES

**"Knock-out Determination Day"** means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"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 Barrier or (B) within or outside 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 Issue Terms.

**"Knock-out Period Beginning Date"** means the date specified as such in the Issue Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms 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 Issue Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Knock-out Range"** means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these ETF Linked Conditions.

**"Knock-out Valuation Time"** means the time specified as such in the Issue Terms.

**"Knock-out Value"** has the meaning given to it in the Issue Terms, being a term defined in the Payout Condition 5.1.

**"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 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 Issue Terms.

**"Number of NAV Publication Days"** means (i) the number of calendar days specified in the Issue Terms, or (ii) if not specified in the Issue Terms, 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 Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Observation Period"** means the period specified as the Observation Period in the Issue Terms.

## ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED SECURITIES

**"Redemption Valuation Date"** means the date specified as the Redemption Valuation Date in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below

**"Redemption Valuation Period"** means the period specified as the Redemption Valuation Period in the Issue Terms

**"Related Exchange"** means, in relation to an ETF Share, each exchange or quotation system specified as such for such ETF Share in the Issue Terms, 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 Issue Terms, 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.

**"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, (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 Issue Terms, provided that, if no such specification is made in the Issue Terms, 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 are scheduled to be open for trading during their regular trading session(s) which is also a Scheduled Trading Day for the purpose of the Index Linked Conditions and/or the Equity Linked Conditions, as applicable.

**"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 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 Issue Terms, 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 Settlement Price Date, in the case of an ETF Share,

- (i) an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date as may be specified in the Issue Terms) quoted on the relevant Exchange for such ETF Share on the relevant Settlement Price Date, as determined by the Calculation Agent or,
- (ii) if so specified in the Issue Terms, the price of the ETF Share determined by the Calculation Agent as set out in the Issue Terms at the Valuation Time on the relevant Settlement Price Date.

**"Settlement Price Date"** means an Averaging Date or Valuation Date, as the case may be.

## ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED SECURITIES

**"Specified Maximum Days of Disruption"** means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the Issue Terms.

**"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 Issue Terms, 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 per cent., or such percentage specified in the Issue Terms, of its Settlement Price or, if no Settlement Price is stipulated in the Issue Terms, the price given as the benchmark price for such ETF Share in the Issue Terms, all as determined by the Calculation Agent.

**"Strike Date"** means the Strike Date specified in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below, provided that:

- (i) in the case of ETF Linked Securities relating to a ETF Basket, if the Strike Date for any ETF Share forming part of the ETF Basket 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 Issue Terms) then:
- (ii) (i) if the Strike Date for any ETF Share forming part of the ETF Basket 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 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, 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 applicable Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Strike Period"** means the period specified as the Strike Period in the Issue Terms.

**"Termination Amount"** means amount equal to the fair market value of a Security taking into account the relevant Extraordinary ETF 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 as soon as practicable following the occurrence of the relevant Extraordinary ETF Event (the "**Calculated Extraordinary ETF Event Amount Determination Date**").

**"Termination Date"** means (i) 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 Securityholders 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 Automatic Early Redemption Valuation Date, Coupon Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date, Strike Date, Strike Day and/or Redemption Valuation Date, as the case may be, specified in the Issue Terms or, if such day is not a Scheduled Trading Day,

## ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED SECURITIES

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 Securities 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; or
- (b) In the case of ETF Linked Securities relating to a Basket of ETF Shares:
  - (A) If Scheduled Trading Day (All ETF Share Basis) or Scheduled Trading Day (Cross Asset Basis) applies, the Valuation Date for each ETF Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of any ETF Shares forming part of the Basket of ETF Shares 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 ETF Share forming part of Basket of ETF Shares. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for each ETF Share forming part of the Basket of ETF Shares, notwithstanding the fact that such day is a Disrupted Day with respect to any ETF Share (each an "**Affected Item**"), and (ii) the Calculation Agent shall determine the (a) Settlement Price of each Affected Item using its good faith estimate of the value of each Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day and otherwise in accordance with the above provisions and (b) the Settlement Price of each ETF Share that is not an Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the Issue Terms; or
  - (B) if Scheduled Trading Day (Per ETF Share Basis) applies, 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 by the occurrence of a Disrupted Day (each an "**Affected Item**") 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 of the Affected Item 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"** means:

- (i) the Automatic Early Redemption Valuation Time, the Coupon Valuation Time, the Knock-in Valuation Time, the Knock-Out Valuation Time or the Valuation Time, as the case may be, specified in the Issue Terms; or,
- (ii) if not specified in the Issue Terms: 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 ETF Share to be valued provided that 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 Automatic Early Redemption Valuation Time, Coupon Valuation Time, Knock-in Valuation Time, Knock-Out Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time.

**"Weighting"**, in relation to an ETF Share, the weighting to be applied to it as specified in the Issue Terms or if no weighting is so specified then no such weighting shall apply.

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

### ANNEX 5

#### ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

*If specified as applicable in the Issue Terms, the terms and conditions applicable to Fund Linked Securities shall comprise the General Conditions and the additional terms and conditions for Fund Linked Securities set out below (the "**Fund Linked Conditions**"), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the Fund Linked Conditions, the Fund Linked Conditions shall prevail. In the event of any inconsistency between the Fund Linked Conditions and the Payout Conditions, the Payout Conditions shall prevail.*

#### 1. Extraordinary Fund Events

**"Extraordinary Fund 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 Fund Event:

- (a) all the Fund Shares or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (b) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (i) all the Fund Shares of that Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Shares of that Fund become legally prohibited from transferring or redeeming them;
- (c) the Fund or any Fund Service Provider (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (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 paragraph (iii)(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; (iv) 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; (v) 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 (vi) 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 paragraphs (i) to (v) above;
- (d) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, any Fund Service Provider or any key personnel of such entities, if such 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 Securities;
- (e) any Fund Service Provider or other agent or entity fulfilling such role, howsoever described in the Fund Documents as at the Issue Date, 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;
- (f) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund are modified from that set out in the Fund 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 Fund

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);

- (g) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the net asset value per Fund Share, or any change in the period or timing of the calculation or the publication of the net asset value per Fund Share or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund or investors in the Fund (including, without limitation, the suspension of the net asset value per Fund Share), in each case 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 relate (either alone or in common with other Fund Shares issued by the Fund);
- (h) 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 of the Fund;
- (i) (i) the occurrence of any event affecting a Fund 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 Fund Share; (ii) any failure of the Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Fund 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 Fund'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 Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the relevant Fund Share;
- (j) any of the Fund, the Fund Service Providers, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Share 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 control of the entity responsible for such publication;
- (k) (i) any relevant activities of or in relation to the Fund or the Fund 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 Fund Service Providers, (iii) the Fund is required by a competent authority to redeem any Fund Shares and/or (iv) the Issuer, the Guarantor and/or any Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Securities;
- (l) (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), 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 Securities, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Shares as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdiction's legislation, (iv) the Fund otherwise suspends or refuses redemptions 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) as described in the Fund Documents, (v) 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 Issuer or any 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 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 Securities, (vi) 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 (vii) the Issuer, any



## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

Hedge Provider, or any Affiliate thereof, is required by the Fund or Fund Service Provider to redeem any Fund Shares for any reason;

- (m) the aggregate net asset value of the Fund falls below the level of the NAV Barrier;
- (n) a NAV Trigger Event occurs;
- (o) any proposal to wind up the Fund or the Fund ceases to exist or there exists any litigation against the Fund or a Fund Service Provider which in the determination of the Calculation Agent could materially affect the value of the Fund Shares;
- (p) the currency or denomination of the Fund Share is amended from that set out in the Fund Documents so that the net asset value per Fund Share is no longer calculated in the same currency as at the Trade Date;
- (q) one or more of the key individuals involved with, or having supervision over, the Fund ceases to act in such capacity, and the Fund or relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;
- (r) following the issue by a Fund of a new class or series (howsoever described in the Fund 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 Securities;
- (s) where the Securities are linked to a Fund Basket, a Basket Trigger Event;
- (t) 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 Securities (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;
- (u) in connection with any hedging activities in relation to the Securities, 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 Fund Shares or that would subject a holder of the Fund Shares or the Issuer to any loss), purchase or sell any Fund Shares of the Fund 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 means of mitigating the Relevant Event as provided above; or
- (v) in connection with the hedging activities in relation to the Securities, if the cost to the Issuer or the Hedge Provider in relation to the Securities would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss.

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

### 2. Consequences of an Extraordinary Fund Event

If the Calculation Agent determines that an Extraordinary Fund Event has occurred, including any Additional Extraordinary Fund Event specified in the Issue Terms, the Calculation shall notify the Issuer and the Issuer shall give notice (an "**Extraordinary Event Notice**") to the Securityholders in accordance with General Condition 13 (*Notices*) of the occurrence of such Extraordinary Fund Event (the date on which an Extraordinary Fund Event is given, an "**Extraordinary Fund Event Notification Date**"), giving details of the Extraordinary Fund Event and the action to be taken in respect thereof, including details of any Termination Date and Termination Amount (where applicable).

If an Extraordinary Fund Event occurs, including any Additional Extraordinary Fund Event specified in the Issue Terms the Issuer in its sole and absolute discretion may take any of the actions (each an "**Extraordinary Fund Event Action**") described in paragraphs (a) to (c) inclusive below.

#### (a) Adjustment

If the Issuer, 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 may determine, in its sole and absolute discretion, the appropriate adjustment(s), if any, to be made to any one or more Fund, Fund Share and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Issue Terms to take account of the Extraordinary Fund Event and determine the effective date of such adjustment.

#### (b) Substitution

A "**Substitution Event**" may be deemed to have occurred if the Calculation Agent determines that any of the Extraordinary Fund Events set out Fund Linked Condition 1 or any Additional Extraordinary Fund Event specified in the Issue Terms occurs. Following the occurrence of a Substitution Event in respect of any Fund Share, the Calculation Agent shall:

- (i) determine the weighted average price at which an investor can redeem the affected 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 after its determination of the Substitution Event;
- (ii) for a period of no longer than 14 calendar days after the date of its determination of the Substitution Event, use reasonable efforts to substitute the relevant Fund Shares with shares, units or other similar interests in an alternative fund which, in the determination of the Calculation Agent, has similar characteristics to the relevant Fund, including but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
- (iii) if no alternative fund can be determined pursuant to the preceding paragraph (ii) above, use reasonable efforts to substitute the relevant Fund with an index (or a fund tracking an index) selected by the Calculation Agent in its sole and absolute discretion; and
- (iv) following any substitution in accordance with paragraph (ii) or (iii) above (a "**Substitution**"), in its sole and absolute discretion amend such of the General Conditions, these Fund Linked Conditions and/or the Issue Terms as it determines to be appropriate to take account of such Substitution, including to ensure the weighted average price referred to in paragraph (i) above (and any consequent rise or fall in value of the affected Fund Shares since the Issue Date) is reflected in the terms of the Substitution.

#### (c) Termination

A "**Termination Event**" may be deemed to have occurred in respect to any Fund or Fund Share, if the Calculation Agent determines that any of the Extraordinary Fund Events set out in Fund Linked Condition 1 or any Additional Extraordinary Fund Event specified in the Issue Terms occurs. Upon the occurrence of a Termination Event the Issuer (i) shall redeem all but not some only of the Securities on the Termination Date by payment to each Securityholder of the Termination Amount, or (ii) require the Calculation Agent to determine the Calculated Extraordinary Fund Event Amount on the Calculated Extraordinary Fund Event Amount Determination Date, and redeem each Security on the scheduled Maturity Date by payment of the Calculated Extraordinary Fund Event

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

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 General Condition 4(g), each Security shall cease to bear interest from and including the Calculated Extraordinary Fund Event Amount Determination Date and no interest amounts scheduled for payment thereafter (including, for the avoidance of doubt, including any Specified Interest Amounts) shall be payable.

### 3. **Redemption / Termination Date Extension**

In the case of Cash Settled Securities, if on the Scheduled Maturity Date, Automatic Early Redemption Date or Termination Date, as the case may be, the Hedge Provider has not, (or is deemed to have 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 all Fund Shares (the "**Redemption Proceeds**"), the Calculation Agent may notify the Issuer and the Issuer shall notify the Holders as soon as practicable in accordance with General Condition 13 that the Scheduled Maturity Date, the Automatic Early Redemption Date or the Termination Date, as the case may be, has been postponed. As soon as practicable following receipt (or deemed receipt) by the Hedge Provider of the Redemption Proceeds the Calculation Agent shall give notice to the Issuer and the Issuer shall give notice to the Holders in accordance with General Condition 13 (such notice the "**Delayed Payment Notice**") and redeem the Securities on the date falling not more than five Business Days following the receipt of the Delayed Payment Notice (such date, the "**Postponed Redemption Date**") by payment to each Holder of the Final Redemption Amount, the Automatic Early Redemption Amount or the Termination Amount, as the case may be, provided that, if the Hedge Provider does not receive the Redemption Proceeds within the period ending on the date (the "**Delayed Payment Cut-off Date**") specified in the Issue Terms or, if not so specified, the second anniversary of the Scheduled Maturity Date, the Automatic Early Redemption Date or the Termination Date, as the case may be, the Postponed Redemption Date shall be the Delayed Payment Cut-off Date and the Final Redemption Amount, the Automatic Early Redemption Amount or the Termination Amount will be calculated by reference to the redemption proceeds actually received by the Hedge Provider which may be zero.

In the case of interest bearing Securities, subject to Fund Linked Condition 2(c) above, the Issuer shall be obliged to pay interest calculated as provided in General Condition 4 accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Maturity Date, the Automatic Early Redemption Date or the Termination Date, as the case may be, (or, if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date, the Automatic Early Redemption Date or the Termination Date, as the case may be, but shall only be obliged to make such payment of interest on the Postponed Redemption 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.

### 4. **Knock-in Event and Knock-out Event**

- (a) This Fund Linked Condition 4 is applicable only if:
- (i) Knock-in Event is specified as applicable in the Issue Terms, in which case any payment under the Securities 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 Issue Terms, in which case any payment under the Securities which is expressed to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

### 5. **Automatic Early Redemption**

If "**Automatic Early Redemption**" is specified as applicable in the Issue Terms, then unless previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event occurs, the Securities will, subject as provided in Fund Linked Condition 3, 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 the Securities at an amount equal to the relevant Automatic Early Redemption Amount.

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

### 6. Definitions

"**Additional Extraordinary Fund Event**" means (i) Change in Law and Hedging Disruption (unless specified otherwise in the Issue Terms), (ii) Failure to Deliver (in the case of securities to be redeemed by delivery), and (iii) Increased Cost of Hedging, if specified in the Issue Terms.

"**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 nominal amount of Securities equal to the Calculation Amount, being the Automatic Early Redemption Amount set out in the Issue Terms.

"**Automatic Early Redemption Date**" means each date specified as such in the Issue Terms, 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 Event**" means the AER Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Automatic Early Redemption Trigger,

paragraph (i), (ii), (iii) or (iv) applying or (B) within or outside the Automatic Early Redemption Range, as specified in the Issue Terms,

"**Automatic Early Redemption Trigger**" means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment as provided in Fund Linked Condition 2(a) above.

"**Automatic Early Redemption Range**" means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Fund Linked Conditions.

"**Automatic Early Redemption Valuation Date**" means each date specified as such in the Issue Terms and if such a date is not a Fund Business Day, the immediately following Fund Business Day.

"**Automatic Early Redemption Valuation Period**" means each period specified as such in the Issue Terms.

"**AER Value**" has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1 (*General Definitions*).

"**Averaging Date**" means each date specified as an Averaging Date in the Issue Terms or if any such date is not a Fund Valuation Date, the immediately following Fund Valuation Date, unless such immediately following day is, due to the occurrence of an Extraordinary Fund Event not a Fund Valuation Date.

If any such day is not a Fund Valuation Date (a "**Fund Non-Valuation Date**"), then:

- (a) if "**Omission**" is specified as applying in the Issue Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant NAV per Fund Share provided that if through the operation of this provision no Averaging Date would occur, then the Calculation Agent may, in its sole and absolute direction, take any of the Extraordinary Fund Event Actions; or

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

- (b) if "**Postponement**" is specified as applying in the Issue Terms then:
- (i) In the case of Fund Linked Securities relating to a single Fund, the Averaging Date shall be the first succeeding Valid Date that is not a Fund Non-Valuation Date (irrespective of whether such date is an Averaging Date), unless each of the number of consecutive Valid Dates equal to the Number of NAV Publication Days immediately following the original date that, but for the occurrence of such day being a Fund Non-Valuation Date, would have been the relevant Averaging Date. In that case, (i) the last such consecutive Valid Date shall be deemed to be the Averaging Date notwithstanding the fact that such day is also an Averaging Date and (ii) the Calculation Agent in its sole and absolute discretion may take any Extraordinary Fund Event Actions.
  - (ii) in the case of Fund Linked Securities relating to a Fund Basket, the Averaging Date for each Fund Share not affected by the occurrence of a Fund Non-Valuation Date shall be the original Averaging Date (the "**Scheduled Averaging Date**"), and the Averaging Date for each Fund Share affected (each an "**Affected Item**") by the occurrence of a Fund Non-Valuation Date shall be the first succeeding Valid Date that is not a Fund Non-Valuation Date relating to the Affected Item (regardless of whether such Valid Date is an Averaging Date) unless each of the number of consecutive Valid Dates equal to the Number of NAV Publication Days immediately following the Scheduled Averaging Date is a Fund Non-Publication Date relating to the Affected Item. In that case, (i) the last such consecutive date shall be deemed to be the Averaging Date for the Affected Item, notwithstanding the fact that such day is an Averaging Date, and (ii) the Calculation Agent shall in its sole and absolute discretion may take any Extraordinary Fund Event Actions.
- (c) if "**Modified Postponement**" is specified as applying in the Issue Terms then:
- (A) where the Securities are Fund Linked Securities 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 Fund Business Days equal to the Number of NAV Publication Days immediately following the original date that, but for the occurrence of such date being a Fund Non-Valuation Date or another Averaging Date, would have been the relevant Averaging Date, then, (A) that last such consecutive Fund Business Day shall be deemed to be the Averaging Date (irrespective of whether such Fund Business Day is already an Averaging Date), and (B) the Calculation Agent in its sole and absolute direction, take any of the Extraordinary Fund Event Actions;
  - (B) where the Securities are Fund Linked Securities relating to a Fund Basket, the Averaging Date for each Fund Share not affected by the occurrence of a Fund Non-Valuation Date 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 Fund Non-Valuation Date shall be the first succeeding Valid Date (as defined below) in relation to such Fund Share. If the first succeeding Valid Date has not occurred for a number of consecutive Fund Business Days equal to the Number of NAV Publication Days immediately following the Scheduled Averaging Date that, but for the occurrence of such date being a Fund Non-Valuation Date or another Averaging Date, would have been the relevant Averaging Date, then (A) that last such consecutive Fund Business Day shall be deemed to be the Averaging Date (irrespective of whether such Fund Business Day is already an Averaging Date), and (B) the Calculation Agent in its sole and absolute direction, take any of the Extraordinary Fund Event Actions; and
  - (C) for the purposes of these Fund Linked Conditions, "**Valid Date**" means a Fund Valuation Date which is not a Fund Non-Valuation Date and on which another Averaging Date does not or is not deemed to occur.

"**Basket Trigger Event**" means that a Substitution Event occurs in respect of one or more Funds comprising the Fund Basket which has or, in the event that a Substitution Event has occurred in respect of more than one Fund, together have, a Weighting in the Fund Basket equal to or greater than the Basket Trigger Level.

"**Basket Trigger Level**" has the meaning given to it in the Issue Terms or if not so specified, 50 per cent.

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**"Calculation Date"** means each day(s) specified in the Issue Terms, or if not so specified, each day which is a Fund Business Day.

**"Change in Law"** means that, on or after the Trade Date (as specified in the Issue Terms) (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 Fund Share and/or (B) it will incur a materially increased cost in performing its obligations in relation to the Fund Linked Securities (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).

**"Failure to Deliver"** means failure of the Issuer and/or any of its Affiliates to deliver, when due, the Relevant Assets comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for such Fund Shares. **"Final Calculation Date"** means the date specified as such in the Issue Terms or, if such day is not a Fund Business Day, the immediately succeeding Fund Business Day.

**"Fund"** means Fund(s), or sub-Fund(s) specified in the Issue Terms.

**"Fund Basket"** means a Basket comprising the Fund Shares specified in the Issue Terms.

**"Fund Business Day"** has the meaning specified in the Issue Terms, or, if not so specified, (i) in respect of a single Fund (Single Fund Share Basis), a date (a) that is a Fund Valuation Date and (b) on which the Hedging Provider has, or could have a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally published or reports that value) in respect of such Fund Valuation Date; and (ii) in respect of a Fund Basket, either Fund Business Day (All Fund Shares Basis) or Fund Business Day (Per Fund Share Basis) as specified in the Issue Terms, provided that, if no such specification is made in the Issue Terms, Fund Business Day (Per Fund Share Basis) shall apply.

**"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 comprising the Fund Basket and (ii) on which the Hedging Provider has, or could have a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally published or reports that value) in respect of such Fund Valuation Date.

**"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 and (ii) on which the Hedging Provider has, or could have a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally published or reports that value) in respect of such Fund Valuation Date.

**"Fund Business Day (Single Fund Shares Basis)"** means a date (i) that is a Fund Valuation Date and (ii) on which the Hedging Provider has, or could have a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally published or reports that value) in respect of such Fund Valuation Date.

**"Fund Documents"** means, with respect to any Fund Share, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund Shares or as at the Issue Date, as amended from time to time.

**"Fund Service Provider"** means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for such Fund, whether or not specified in the Fund Documents, including any investment advisor or 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 person specified as such in the Fund Documents.

**"Fund Share(s)"** means an ownership interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest specified as such in the Issue Terms.

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

**"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 but for the occurrence of an Extraordinary Fund Event would have been scheduled to determine the NAV per Fund Share.

**"Hedge Provider"** means the party (being, *inter alia*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities 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 deliver, 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 Securities.

**"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 (if applicable), issuing and performing its obligations with respect to the Securities, or (ii) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

**"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 (if applicable), issuing and performing its obligations with respect to the Securities, 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.

**"Initial Calculation Date"** means the date specified as such in the Issue Terms, or if such day is not a Fund Business Day, the immediately succeeding Fund Business Day.

**"Initial Calculation Day"** means such day specified as such in the Issue Terms, or if such day is not a Fund Business Day, the immediately succeeding Fund Business Day.

**"Initial Calculation Period"** means such period specified as such in the Issue Terms.

**"Knock-in Barrier"** means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment from time to time in accordance with these Fund Linked Conditions.

**"Knock-in Determination Day"** means the date(s) specified as such in the Issue Terms, or otherwise each Fund Business 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 Barrier or (B) within or outside 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 Issue Terms,

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

**"Knock-in Period Beginning Date"** means the date specified as such in the Issue Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Fund Business Day, the next following Fund Business Day.

**"Knock-in Period Ending Date"** means the date specified as such in the Issue Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Fund Business Day, the next following Fund Business Day.

**"Knock-in Range"** means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Fund Linked Conditions.

**"Knock-in Value"** has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1.

**"Knock-out Barrier"** means the price, amount, percentage or number specified as such in the applicable Issue Terms, subject to adjustment from time to time in accordance with these Fund Linked Conditions.

**"Knock-out Determination Day"** means the date(s) specified as such in the Issue Terms, or otherwise each Fund Business 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 Barrier or (B) within or outside 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 Issue Terms.

**"Knock-out Period Beginning Date"** means the date specified as such in the Issue Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Fund Business Day, the next following Fund Business Day.

**"Knock-out Period Ending Date"** means the date specified as such in the Issue Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Fund Business Day, the next following Fund Business Day.

**"Knock-out Range"** means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Fund Linked Conditions.

**"Knock-out Value"** has the meaning given to it in the Issue Terms, being a term defined in the Payout Condition 5.1.

**"NAV Barrier"** has the meaning given to it in the Issue Terms.

**"NAV Trigger Event"** means, in respect of any 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; or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets.



## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

"NAV Trigger Percentage" means the percentage specified in the Issue Terms or, if not so specified, 50 per cent.

"NAV Trigger Period" means the period specified in the Issue Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

"NAV per Fund Share" means with respect to the relevant Fund Share and a Fund Valuation Date:

- (a) in respect of a single Fund, (A) the net asset value per Fund Share of such Fund Shares as of the relevant Fund Valuation Date, or (B), if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Shares, the net asset value per Fund Share relating to such number of Fund Shares as of the relevant Calculation Date as calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Shares divided by the relevant number of Fund Shares issued and outstanding on the related Fund Valuation Date, each of (A) or (B) as reported by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service;; and
- (b) in respect of a Fund Basket (A) the net asset value per Fund Share for each Fund Share in the Fund Basket as of the relevant Fund Valuation Date, or (B), if the Fund Service Provider of the Fund in relation to a Fund in the Fund Basket publishes or reports only the aggregate net asset value of the Fund Shares, the net asset value per Fund Share relating to such number of Fund Shares as of the relevant Calculation Date for such Fund as calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Shares for such Fund divided by the relevant number of Fund Shares issued by such Fund and outstanding on the related Fund Valuation Date,.

"Number of NAV Publication Days" means (i) the number of calendar days specified in the Issue Terms, or (ii) if not specified in the Issue Terms, the maximum number of days after the due date for publication or reporting of the NAV per Fund Share after which the Fund Service Provider or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund, may remedy any failure to publish or report the NAV per Fund Share in accordance with the relevant Fund Documents and before the Calculation Agent may determine that an Extraordinary Fund Event has occurred.

"Observation Date" means each date specified as an Observation Date in the Issue Terms, or if any such date is not a Fund Business Day, the immediately following Fund Business Day.

"Observation Period" means the period specified as the Observation Period in the Issue Terms.

"Termination Amount" means amount equal to the fair market value of a Security taking into account the relevant Extraordinary Fund Event (the "**Calculated Extraordinary Fund Event Amount**"), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Modified Calculated Extraordinary Fund Event Amount**"), all as determined by the Calculation Agent in its sole and absolute discretion as soon as practicable following the occurrence of the relevant Extraordinary Fund Event (the "**Calculated Extraordinary Fund 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 Securityholders in accordance with these Fund Linked Conditions.

"Weighting", in relation to a Fund Share, the weighting to be applied to it as specified in the Issue Terms or if no weighting is so specified then no such weighting shall apply.

## ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES

### ANNEX 6

#### ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES

*If specified as applicable in the Issue Terms, the terms and conditions applicable to Inflation Linked Securities shall comprise the General Conditions and the additional terms and conditions for Inflation Linked Securities set out below (the "Inflation Linked Conditions"), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and 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.*

#### 1. Delay in Publication

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Index has occurred, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation of any payment under the Securities and/or any other determination to be made in respect of the Securities (the "**Substitute Inflation Index Level**") shall be determined by the Calculation Agent (subject to Inflation Linked Condition 1(b) below), as follows:

- (a) if Related Bond is specified as applicable in the Issue Terms, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the relevant Related Bond; or
- (b) if (i) Related Bond is not specified as applicable in the applicable Issue Terms, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under paragraph (a) above for any reason, then the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

$$\text{Substitute Inflation Index Level} = \text{Base Level} \times (\text{Latest Level}/\text{Reference Level}),$$

where:

"**Base Level**" means the level of the Index (excluding any "flash" estimates) published or announced by the 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 latest level of the Index (excluding any "flash" estimates) published or announced by the 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 Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above.

The Issuer shall promptly give notice to Securityholders in accordance with General Condition 13 of any Substitute Inflation Index Level calculated pursuant to this Inflation Linked Condition 1.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the Issue Terms, then, subject as provided in Inflation Linked Condition 3 such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Inflation Linked Condition 1 will be the definitive level for that Reference Month.

#### 2. Successor Index

If the Calculation Agent determines that the level of an Index has not been published by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and/or the Index Sponsor cancels the Index then the Calculation Agent shall determine a successor index (a "**Successor Index**") (in lieu of any previously applicable Index) for the purposes of the Securities as follows:

## ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES

- (a) if Related Bond is specified as applicable in the Issue Terms, the Calculation Agent shall determine a Successor Index by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
- (b) if (x) Related Bond is not specified as applicable in the Issue Terms or (y) a Related Bond Redemption Event is specified as applying in the Issue Terms and has occurred and Fallback Bond is not specified as applicable in the Issue Terms, the Index Sponsor announces that it will no longer publish or announce the Index but that it will be superseded by a replacement index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be deemed the Successor Index for the purposes of the Securities from the date that such replacement Index comes into effect;
- (c) if no Successor Index has been determined under paragraph (a) or (b) above the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If at least four responses are received, and of those responses, three or more leading independent dealers state the same index, such index will be deemed the Successor Index. If three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the Successor Index. If fewer than three responses are received by the Cut-Off Date or no Successor Index is determined pursuant to this provision, the Calculation Agent will apply the provisions of paragraph (d) below;
- (d) if no Successor Index has been determined pursuant to paragraph (a), (b) or (c) above, by the next occurring Cut-Off Date, subject as provided below, the Calculation Agent will determine an appropriate alternative index as of such Cut-Off Date for such affected Determination Date, and such index will be deemed a Successor Index for the purposes of the Securities; or
- (e) if the Calculation Agent cannot determine an appropriate alternative index pursuant to paragraphs (a) to (d) above, there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Securities. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to Securityholders by the Issuer in accordance with General Condition 13.

### 3. Adjustments

#### (a) Successor Index

If a Successor Index is determined in accordance with Inflation Linked Condition 2, the Calculation Agent may make any adjustment or adjustments (without limitation) to any amount payable under the Securities and/or any other relevant term of the Securities as the Calculation Agent deems necessary to account for this. The Issuer shall give notice to the Securityholders of any such adjustment in accordance with General Condition 13.

#### (b) Substitute Inflation Index Level

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Linked Condition 1, the Issuer may make any adjustment or adjustments (without limitation) to (x) the Substitute Inflation Index Level determined in accordance with Index Linked Condition 2 and/or (y) any amount payable under the Securities and/or any other relevant term of the Securities, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Securityholders of any such adjustment in accordance with General Condition 13.

#### (c) Index Level Adjustment Correction

- (i) The first publication or announcement of the Relevant Level (excluding any "flash" or other estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Linked Conditions 3(c)(ii) and (iii) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National- Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer

## ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES

Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Securityholders of any valid revision in accordance with General Condition 13.

- (ii) If, within 30 days of publication or at any time prior to a Determination Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any amount payable under the Securities and/or any other relevant term of the Securities as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Securityholders of any such adjustment and/or amount in accordance with General Condition 13.
- (iii) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Securities and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (B) request the Issuer to make any adjustment to any amount payable under the Securities and/or any other relevant term of the Securities as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Securityholders of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with General Condition 13.

### (d) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility; into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any amount payable under the Securities, and/or any other relevant term of the Securities (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to such amount and/or any other relevant term of the Securities as the Calculation Agent deems necessary. The Calculation Agent shall give notice to the Securityholders of any such adjustment in accordance with General Condition 13.

### (e) Rebasing

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make if Related Bond is specified as applicable in the Issue Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or if Related Bond is not specified as applicable in the Issue Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased and in each case the Issuer may make any adjustment(s) to any amount payable under the Securities and/or any other term of the Securities as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (i) nor (ii) above would produce a commercially reasonable result, the Calculation Agent may redeem each Security on a date notified by the Issuer to Securityholders in accordance with General Condition 13 at its fair market value, as determined by the Calculation Agent as at the date of redemption taking into account the rebasing less the cost to the Issuer and/or its Affiliates of unwinding or amending any related underlying hedging arrangements. Notice of any adjustment, redemption of the Securities or determination pursuant to this paragraph (e) shall be given to Securityholders in accordance with General Condition 13.

### (f) Index Modification

- (i) If on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred the Calculation Agent may (A) if Related Bond is specified as applicable in the Issue Terms, make any adjustments to any Relevant Level and/or any other relevant

## ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES

term of the Securities (including, without limitation, any amount payable under the Securities), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (B) if Related Bond is not specified as applicable in the Issue Terms or a Related Bond Redemption Event has occurred make only those adjustments to the Index, any Relevant Level and/or any other term of the Securities (including, without limitation, any amount payable under the Securities), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.

- (ii) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of paragraph (i) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with paragraph (i) above.

### (g) Consequences of an Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may make any adjustments to any Relevant Level and/or any other relevant term of the Securities (including, without limitation, any amount payable under the Securities to account therefor or may redeem each Security on the date notified by the Issuer to Securityholders in accordance with General Condition 13 at its fair market value (as determined by the Calculation Agent) as at the date of redemption, taking into account the relevant Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding or amending any related underlying hedging arrangements. Notice of any redemption of the Securities shall be given to Securityholders in accordance with General Condition 13.

### (h) Index Cancellation

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may make any adjustments to any Relevant Level and/or any other relevant term of the Securities (including, without limitation, any amount payable under the Securities to account therefore) or may redeem each Security on the date notified by the Issuer to Securityholders in accordance with General Condition 13 at its fair market value (as determined by the Calculation Agent) as at the date of redemption, taking into account the Index Cancellation, less the cost to the Issuer and/or any Affiliates of unwinding or amending any related underlying hedging arrangements. Notice of any redemption of the Securities pursuant to this paragraph (h) shall be given to Securityholders in accordance with General Condition 13.

## 4. Definitions

**"Additional Disruption Event"** means (i) (unless specified otherwise in the Issue Terms) Change in Law, or (ii) Hedging Disruption or Increased Cost of Hedging if specified in the Issue Terms.

**"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.

**"Change in Law"** means that, on or after the Trade Date (as specified in the Issue Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that it has become illegal for the Issuer and/or any of its Affiliates to hold, acquire or dispose of any relevant hedge positions in respect of the Index for purposes of the Securities.

**"Cut-Off Date"** means, in respect of a Determination Date, five Business Days prior to such Determination Date, unless otherwise stated in the Issue Terms.

## ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES

**"Delayed Index Level Event"** means, in respect of any Determination Date, that the Index Sponsor fails to publish or announce the level of the Index (the **"Relevant Level"**) in respect of any Reference Month which is relevant to the calculation of any payment under the Securities and/or any other determination in respect of the Securities, in each case by the related Cut-Off Date.

**"Determination Date"** means in respect of an Index and/or Index Level(s) or value(s) as the case may be, each date specified as such in the applicable Issue Terms.

**"Fallback Bond"** means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds in its discretion. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

**"Hedging Disruption"** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

**"Increased Cost of Hedging"** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Securities, 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.

**"Index"** means the index or indices specified in the Issue Terms or any Successor Index as determined by the Calculation Agent pursuant to Inflation Linked Condition 2 and related expressions shall be construed accordingly.

**"Index Cancellation"** means a level for the Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and no Successor Index exists.

**"Index Modification"** means the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index.

**"Index Sponsor"** means the entity that publishes or announces (directly or through an agent) the level of the relevant Index which as of the Issue Date of the Securities is the Index Sponsor specified in the Issue Terms in relation to the relevant Index.

**"Rebased Index"** has the meaning given to it under Inflation Linked Condition 3 above.

**"Reference Month"** means the calendar month for which the level of the Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level was reported.

## ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES

**"Related Bond"** means the bond (if any) specified as such in the Issue Terms. If the Related Bond specified in the Issue Terms is Fallback Bond, then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the Issue Terms as the Related Bond and "Fallback Bond Not applicable" is specified in the Issue Terms there will be no Related Bond. If a bond is selected as the Related Bond in the Issue Terms and that bond redeems or matures before the relevant Determination Date, unless "Fallback Bond Not applicable" is specified in the Issue Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination.

**"Related Bond Redemption Event"** means, if specified as applicable in the Issue Terms, at any time prior to the Maturity Date, (a) the Related Bond is redeemed, repurchased or cancelled, (b) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (c) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity.

**"Relevant Level"** has the meaning given to it in the definition of Delayed Index Level Event.

**"Strike Date"** means each date specified as a Strike Date in the Issue Terms, subject to adjustment in accordance with these Inflation Linked Conditions.

**"Strike Day"** means each date specified as such in the applicable Issue Terms.

**"Strike Period"** means the period specified as the Strike Period in the Issue Terms.

**"Successor Index"** has the meaning given to it in under Inflation Linked Condition 2.

**"Substitute Inflation Index Level"** has the meaning given in Inflation Linked Condition 1.

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

### ANNEX 7

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

*If specified as applicable in the Issue Terms, the terms and conditions applicable to Foreign Exchange (FX) Rate Linked Securities shall comprise the General Conditions and the additional terms and conditions for Foreign Exchange (FX) Rate Linked Securities set out below (the "**Foreign Exchange (FX) Rate Linked Security Conditions**"), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the Foreign Exchange (FX) Rate Linked Security Conditions, the Foreign Exchange (FX) Rate Linked Security 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.*

### 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 Issue Terms.

#### (a) Disruption Events

If so specified in the Issue Terms, 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

any other event that, in the opinion of the Calculation Agent, is analogous to any of paragraphs (i) to (vii) above (inclusive).

#### (b) Consequences of a Disruption Event

Upon a Disruption Event occurring or continuing on any Settlement Price Date (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 Settlement Price Date (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 paragraph (i), (ii) or (iii) below.

- (i) if a Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Settlement Price 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 originally scheduled Settlement Price Date 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 Settlement Price Date (irrespective of whether that last consecutive Scheduled Trading Day is already a Settlement Price Date ) and may determine the Settlement Price by



## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

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 a Settlement Price Date 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 Issue Terms, on giving notice to Securityholders in accordance with General Condition 13, the Issuer shall redeem all but not some only of the Securities, each Security being redeemed by payment of an amount equal to the fair market value of such Security, 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 Securityholders in accordance with General Condition 13; or
- (iii) if a Settlement Price Date 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 Issue Terms, the Calculation Agent shall calculate the fair market value of each Security 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 Security 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 nominal amount.

### 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 Issue Terms.

#### (a) EM Disruption Events

If so specified in the Issue Terms, 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; and/or

any other event that, in the opinion of the Calculation Agent, is analogous to any of paragraphs (i) to (viii) above (inclusive).

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 Guarantor, the Principal Paying Agent and the Securityholders in accordance with General Condition 13 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Settlement Price Date.

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

### (b) Consequences of an EM Disruption Event

Upon an EM Disruption Event occurring or continuing on any Settlement Price Date (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, 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 has not occurred on or before the EM Maximum Days of Postponement 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 Issue Terms in respect of a Settlement Currency then, in no event shall the total number of consecutive calendar days during which a Settlement Price Date 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 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 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 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 Issue Terms and (b) the day falling the EM Number of Postponement Settlement Days specified in the Issue Terms (or, if none are so specified, two Business Days) after the last occurring Settlement Price Date.

## 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 Issue Terms, in which case any payment under the Securities 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 Issue Terms, in which case any payment under the Securities 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.

## 4. Automatic Early Redemption

If "**Automatic Early Redemption**" is specified as applicable in the Issue Terms, then, unless previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event occurs, the Securities 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 Automatic Early Redemption Period, as applicable, and the Issuer shall redeem the Securities at an amount equal to the relevant Automatic Early Redemption Amount.

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

### 5. Consequences of an Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem the Securities by giving notice to Securityholders in accordance with General Condition 13. If the Securities are so redeemed the Issuer will pay an amount to each Securityholder in respect of each Security held by him which amount shall be the fair market value of a Security, 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 Securityholders in accordance with General Condition 13.

### 6. Definitions

**"Additional Disruption Event"** means (i) (unless specified otherwise in the Issue Terms) Change in Law, or (ii) Hedging Disruption or Increased Cost of Hedging, if specified in the Issue Terms.

**"Automatic Early Redemption Amount"** means, in respect of each nominal amount of Securities equal to the Calculation Amount, an amount equal to the Automatic Early Redemption Amount set out in the applicable Issue Terms.

**"Automatic Early Redemption Date"** means each date specified as such in the Issue Terms, or if such date is not a Business Day, the next following Business Day and no Securityholder shall be entitled to any interest or further payment in respect of any such delay.

**"Automatic Early Redemption Event"** means the AER Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Automatic Early Redemption Trigger, paragraph (i), (ii), (iii) or (iv) applying or (B) within or outside the Automatic Early Redemption Range, as specified in the Issue Terms.

**"Automatic Early Redemption Trigger"** means the price, level, amount, percentage or value specified as such or otherwise determined in the Issue Terms, 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 Range"** means the range of levels, prices, amounts, percentages or values specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in Foreign Exchange (FX) Linked Condition 1.

**"Automatic Early Redemption Valuation Date"** means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Automatic Early Redemption Valuation Period"** means the period specified as such in the Issue Terms.

**"Automatic Early Redemption Valuation Time"** has the meaning given to it in the Issue Terms.

**"AER Value"** has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1.

**"Averaging Date"** means each date specified as an Averaging Date in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Base Currency"** means the currency specified as such in the Issue Terms.

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

**"Change in Law"** means that, on or after the Trade Date (as specified in the Issue Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it is unable to perform its obligations in respect of the Securities or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Securities.

**"Coupon Valuation Date"** means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Coupon Valuation Period"** means the period specified as a Coupon Valuation Period in the Issue Terms.

**"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"** means emerging markets.

**"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 a Settlement Price Date (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 Issue Terms 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 Issue Terms until the Settlement Price can be determined for such exchange rate relating to that Settlement Currency for such Settlement Price Date.

### 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 Issue Terms).
- (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 Issue Terms).
- (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 Issue Terms (or any successor to such price source(s) as determined by the Calculation Agent).

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

**"EM Maximum Cumulative Days of Postponement"** means the number of days specified as such in the Issue Terms 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 Issue Terms 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 Issue Terms (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 Issue Terms or, if no such percentage is specified, 3 per cent.

**"EM Primary Rate"** means, in respect of a Subject Currency, the rate specified as such for such Subject Currency in the Issue Terms.

**"EM Secondary Rate"** means, in respect of a Subject Currency, the rate specified as such for such Subject Currency in the Issue Terms.

**"EM Valuation Time"** means, unless otherwise specified in the Issue Terms, the time at which the EM FX Price Source publishes the relevant rate or rates from which the Settlement Price is calculated.

**"EMTA Template Terms"** means the EMTA Template Terms for Non-Deliverable Currency Option Transactions for the relevant FX rate, as published by the Trade Association for the Emerging Markets (EMTA) and as amended and updated as at the Issue Date.

**"Exchange Rate Divergence"** means:

- (i) if the FX rate specified in the Issue Terms is USD/ARS, that, in the reasonable opinion of not less than 5 unaffiliated EMTA Members notified to EMTA (or its successor) by no later than 4 p.m., Buenos Aires time on the Valuation Date, the Price Source has failed, for a period of not less than three consecutive Scheduled Trading Days (for any reason, including due to a split in the currency exchange rate or other event) to reflect the current prevailing Argentine Peso bid and offer rates for a standard size Argentine Peso/U.S. Dollar financial transaction for same-day settlement in the Buenos Aires marketplace on the Valuation Date; and
- (ii) if the FX rate specified in the Issue Terms is USD/BRL, that, in the reasonable and independent judgement, as notified to EMTA in accordance with the EMTA BRL Exchange Rate Divergence Procedures, of not less than 7 unaffiliated EMTA members that are recognised market makers active in the BRL/U.S. Dollar foreign exchange market (no less than 4 of which shall be active participants in the onshore BRL/USD spot market), the Price Source (following a split of the exchange rates in Brazil or otherwise) no longer reflects the then-prevailing Brazilian Reais / U.S. Dollar spot rate for standard-size wholesale financial transactions involving the exchange of Brazilian Reais for U.S. Dollars delivered outside of Brazil, and
- (iii) if the FX rate specified in the Issue Terms is a rate other than USD/ARS or USD/BRL but, it is specified in the relevant EMTA Template Terms as determined by the Calculation Agent as of the Issue Date and in respect of such FX rate, that Price Source Disruption shall include Exchange Rate Divergence, then Exchange Rate Divergence shall have the meaning given in the relevant EMTA Template Terms with respect to such FX rate.

**"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.

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

**"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 Securities, 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 Securities (in one or more transaction(s)) on the relevant Settlement Price Date (or, if different, the day on which rates 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 Securities, 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 each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"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 Barrier (x) or (B) within or outside the Knock-in Range on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period, as specified in the Issue Terms.

**"Knock-in Barrier"** means the FX Knock-in Barrier or the price, level, amount, percentage or value specified as such or otherwise determined in the applicable Issue Terms, 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.

**"Knock-in Period Beginning Date"** means the date specified as such in the Issue Terms or, if the Knock-In Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms 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 Issue Terms or, if the Knock-In Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

**"Knock-in Range"** means the range of levels, prices, amounts, percentages or values specified as such or otherwise determined in the applicable Issue Terms, 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 specified as such in the Issue Terms.

**"Knock-in Value"** has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1.

**"Knock-out Determination Day"** means each date specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"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 Barrier or (B) within or outside 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 Issue Terms.

**"Knock-out Barrier"** means the price, level, amount, percentage or value specified as such or otherwise determined in the Issue Terms, subject to adjustment in accordance with Foreign Exchange (FX) Linked Rate Condition 1 and Foreign Exchange (FX) Rate Linked Condition 2.

**"Knock-out Period Beginning Date"** means the date specified as such in the Issue Terms or, if the Knock-Out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms 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 Issue Terms or, if the Knock-Out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms 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 applicable Issue Terms, 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 specified as such in the Issue Terms.

**"Knock-out Value"** has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1.

**"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 Securities 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.

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

**"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 Securities of all or substantially all of its assets in the Subject Currency Jurisdiction.

**"Observation Date"** means the dates specified as such in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"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 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 Issue Terms.

**"Price Source Disruption"** means that it becomes impossible to obtain the rate or rates from which FX rate is calculated and, where the FX rate is specified in the Issue Terms as:

- (i) USD/ARS;
- (ii) USD/BRL; or
- (iii) any other FX rate in respect of which the Calculation Agent determines that, as of the Issue Date, the relevant EMTA Template Terms for such rate (if any) specifies that Price Source Disruption includes Exchange Rate Divergence,

then Price Source Disruption shall include Exchange Rate Divergence.

**"Redemption Valuation Date"** means the date specified as the Redemption Valuation Date in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Redemption Valuation Period"** means the period specified as the Redemption Valuation Period in the Issue Terms.

**"Relevant Screen Page"** means the relevant page specified as such in the Issue Terms 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 principal financial centre of the Base Currency and each EM Scheduled Trading Day Jurisdiction specified in the Issue Terms Provided That where the Subject Currency is BRL, then notwithstanding the foregoing, if the Settlement Price 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 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 Securities Condition 1 or 2 or Foreign Exchange (FX) Rate Linked Securities Condition 1(b) or 2(b) above, as the case may be:



## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

- (a) in the case of Foreign Exchange (FX) Rate Linked Securities relating to a basket of Subject Currencies and in respect of each Subject Currency:
- (A) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Issue Terms, the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on the relevant Settlement Price 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 on the relevant Settlement Price Date, as 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 (if applicable); or
  - (B) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Issue Terms, the rate of exchange appearing on the EM FX Price Source at the EM Valuation Time on the relevant Settlement Price 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 (if applicable); and
- (b) in the case of Foreign Exchange (FX) Rate Linked Securities relating to a single Subject Currency:
- (A) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Issue Terms, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on the relevant Settlement Price 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 on the relevant Settlement Price Date, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent); or
  - (B) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Issue Terms, the rate of exchange appearing on the EM FX Price Source at the EM Valuation Time on the relevant Settlement Price 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 a Valuation Date.

**"Specified Maximum Days of Disruption"** means the number of days specified in the Issue Terms, or if not so specified, five Scheduled Trading Days.

**"Strike Date"** means the Strike Date specified in the Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Strike Day"** means each date specified as such in the applicable Issue Terms, as may be adjusted in accordance with the definition of "Valuation Date" below.

**"Strike Period"** means the period specified as the Strike Period in the Issue Terms.

**"Subject Currency"** means the currency(ies) specified as such in the Issue Terms (together, **"Subject Currencies"**).

**"Subject Currency Jurisdiction"** means each country for which the relevant Subject Currency is the lawful currency.

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED SECURITIES

**"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.

**"Valuation Date"** means any Automatic Early Redemption Valuation Date, Averaging Date, Coupon Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date, Strike Date, Strike Day and/or Redemption Valuation Date, as the case may be, specified in the Issue Terms or, if such day is not a Scheduled Trading Day for a Subject Currency, (a) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Issue Terms, the immediately succeeding Scheduled Trading Day for such Subject Currency 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 Security 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 Issue Terms, 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 Security Condition 2(c) above, unless, in the opinion of the Calculation Agent, the resultant day determined in accordance with this paragraph (b) day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Security Condition 2(b) shall apply.

**"Valuation Time"** means:

- (i) the Automatic Early Redemption Valuation Time, the Coupon Valuation Time, the Knock-in Valuation Time, the Knock-Out Valuation Time, the EM Valuation Time or the Valuation Time, as the case may be, specified in the Issue Terms; or
- (ii) If not specified in the Issue Terms: 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 weighting to be applied to it as specified in the Issue Terms or if no such weighting is so specified then no such weighting shall apply.

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

### ANNEX 8

#### ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

*If specified as applicable in the Issue Terms, the terms and conditions applicable to Credit Linked Securities shall comprise the General Conditions and the additional terms and conditions for Credit Linked Securities 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 Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the Credit Linked Conditions, the Credit Linked Conditions shall prevail.*

Unless otherwise stated in these Credit Linked Conditions or in the Issue Terms, in the event that any day specified in the section "Credit Linked Interest/Redemption" in the Issue Terms 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 Securities for which more than one Reference Entity or Index is specified in the Issue Terms, 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 Securities 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 Securities may take the form of Single Reference Entity Credit Linked Securities, First-to-Default Credit Linked Securities, Nth-to-Default Credit Linked Securities, Linear Basket Credit Linked Securities, Index Credit Linked Securities or Long/Short Credit Linked Securities. In the case of Linear Basket Credit Linked Securities and Index Credit Linked Securities, the Securities may be either Non-Tranched ("**Non-Tranched Linear Basket Credit Linked Securities**" or "**Non-Tranched Index Credit Linked Securities**", 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 Securities**" or "**Tranched Index Credit Linked Securities**") (as the case may be). In addition, Index Credit Linked Securities may be Basket Tranched Index Credit Linked Securities ("**Basket Tranched Index Credit Linked Securities**"). Notwithstanding the use of the term "Index", Index Credit Linked Securities are not Index Linked Securities. A Credit Linked Security may also be a Zero Coupon Security.

Credit Linked Securities 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 Securities. If "Credit Linked Interest" is not applicable, Credit Linked Condition 5 shall not apply in respect of the Securities.

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 Securities. 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 Securities.

The Issue Terms shall specify, *inter alia*:

- (a) the type of Credit Linked [Notes]/[Certificates];

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

- (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 Securities, 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 Securities, 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 Securities;
- (i) "H" and "L" in the case of Tranched Linear Basket Credit Linked Securities;
- (j) the Attachment Point(s) and the Exhaustion Point(s) in the case of Tranched Index Credit Linked Securities or Basket Tranched Index Credit Linked Securities;
- (k) the Credit Multiplier, the Credit Event Reduction Factor and the LLM and/or SLM (in each case to the extent applicable); and
- (l) the Transaction Type applicable to each Reference Entity if Physical Settlement Matrix is specified as being applicable in the Issue Terms.

Certain elections in respect of Credit Linked Securities and one or more Reference Entities may be made by specifying that the Physical Settlement Matrix is applicable in the Issue Terms. In this case the provisions of Credit Linked Condition 20 apply.

In the case of Index Linked Securities, certain information relating to the Credit Index will be as specified in the Index Annex named in the Issue Terms.

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 Securities

- (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 Security 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 Issue Terms, the Issuer shall redeem each Credit Linked Security as described below. References in these Credit Linked Conditions to a Credit Linked Security or a Security are, unless the context otherwise requires, to a nominal amount of Credit Linked Securities equal to the Calculation Amount. Any payment of a "pro rata" amount in respect of a Security will be determined by reference to its nominal amount relative to the then Aggregate Nominal Amount of the Securities.
- (b) Where the Securities are Single Reference Entity Credit Linked Securities and "Credit Linked Redemption" is applicable in the Issue Terms, if a Credit Event Determination Date has occurred in relation to the Reference Entity, then the Securities will be settled in accordance with Credit Linked Condition 2, Credit Linked Condition

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

3 or Credit Linked Condition 4, as applicable or, if the Securities are Zero/Set Recovery Securities, the provisions of paragraph (h) below will apply.

- (c) Where the Securities are First-to-Default Credit Linked Securities, 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 Issue Terms, then the Securities will be settled in accordance with Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, in relation only to the First Reference Entity (as defined in the definition of Credit Event Determination Date) or, if the Securities are Zero/Set Recovery Securities, the provisions of paragraph (h) below will apply.
- (d) Where the Securities are Nth-to-Default Credit Linked Securities, 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 Issue Terms, notwithstanding any provision to the contrary in these Credit Linked Conditions, no settlement in accordance with Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, 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 Issue Terms. 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 Reference Entities then (i) Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply in relation only to the Triggering Reference Entity or (ii) if the Securities are Zero/Set Recovery Securities, the provisions of paragraph (h) below will apply.
- (e) Where the Securities are Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities to which Credit Payment on Maturity applies, Tranched Linear Basket Credit Linked Securities, Tranched Index Credit Linked Securities, Basket Tranched Index Credit Linked Securities or Long/Short Credit Linked Securities, if a Credit Event Determination Date has occurred in respect of any specified Reference Entity and "Credit Linked Redemption" is applicable in the Issue Terms, then, in respect of each Credit Linked Security, each Security 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 Securities 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 Securities 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 Securities 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 Securities, the Issuer shall procure that Securityholders are notified in accordance with General Condition 13 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 Securities are Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities to which Credit Payment As You Go applies and "Credit Linked Redemption" is applicable in the Issue Terms, 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 Securityholders in accordance with General Condition 13 and (ii) in respect of each Credit Linked Security:

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

- (i) the Issuer shall pay as an Instalment Amount for the purposes of General Condition 6(i) an amount equal to the relevant Credit Event Amount, if any, on the relevant Credit Event Payment Date which will be the relevant Instalment Date; and
- (ii) each Security 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 Security 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 Securities 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 Securities only and notwithstanding any other provision of the Conditions, the Maturity Date of the Securities shall be the later of the Maturity Date determined in accordance with these Credit Linked Conditions, and the final Instalment Date specified in the Issue Terms.
- (h) Where the Securities are Zero/Set Recovery Securities then if a Credit Event Determination Date has occurred in respect of any Reference Entity (in the case of Single Reference Entity Credit Linked Securities, Linear Basket Credit Linked Securities, Index Credit Linked Securities, First-to-Default Credit Linked Securities or Long/Short Credit Linked Securities) or in respect of the Triggering Reference Entity (in the case of Nth-to-Default Credit Linked Securities) 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 Security, First-to-Default Credit Linked Security and Nth-to-Default Credit Linked Security 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 Security, Index Credit Linked Security or Long/Short Credit Linked Security 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 Securities are Zero/Set Recovery Securities 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 Securities 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 Securities.
- (j) For the avoidance of doubt, the aggregate outstanding nominal amount in respect of Zero Coupon Securities is equal to 100 per cent. 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 Securities and Nth-to-Default Credit Linked Securities meaning that subject to paragraph (g) above, the Maturity Date may be delayed beyond the Scheduled Maturity Date in certain circumstances.
- (l) If any purchase and cancellation of Securities occurs under General Condition 6(g) or any further issue under General Condition 12, the Calculation Agent will make such adjustments to the applicable Issue Terms and/or these Credit Linked Conditions as it determines appropriate (including Reference Entity Notional Amounts) to ensure the Securities continue to reflect economic intentions.

### 2. Auction Settlement

- (a) Where Auction Settlement is specified as the applicable Settlement Method in the Issue Terms 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 Securityholders in accordance with General Condition 13,

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

and, subject to these Credit Linked Conditions where "Credit Linked Redemption" is specified as applicable in the Issue Terms only, in particular Credit Linked Condition 1, redeem all but not some only of the Credit Linked Securities, each Credit Linked Security 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 paragraph (a) 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 paragraph (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,
- then:
- (x) if Fallback Settlement Method – Cash Settlement is specified as applicable in the Issue Terms, the Issuer shall redeem the Credit Linked Securities in accordance with Credit Linked Condition 3 below; or
  - (y) if Fallback Settlement Method – Physical Delivery is specified as applicable in the Issue Terms, the Issuer shall redeem the Credit Linked Securities in accordance with Credit Linked Condition 4 below.

*If a Credit Event Determination Date has occurred and the Securities become redeemable in accordance with this Credit Linked Condition 2, upon payment of the Credit Event Redemption Amounts in respect of the Securities, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the nominal amount of a Credit Linked Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer or the Guarantor. For the avoidance of doubt, following redemption of a portion of the Securities in accordance with the foregoing, the Issuer may still have payment obligations in respect of any outstanding portion of the Securities.*

### 3. Cash Settlement

If a Credit Event Determination Date has occurred, then where Cash Settlement is specified as the applicable Settlement Method in the Issue Terms or if Credit Linked Condition 2(b)(iv)(x) above applies, the Issuer shall give notice (such notice a "**Cash Settlement Notice**") to the Securityholders in accordance with General Condition 13, and, where "Credit Linked Redemption" is specified as applicable, subject to these Credit Linked Conditions, in particular Credit Linked Condition 1, redeem all but not some only of the Credit Linked Securities, each Credit Linked Security 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 Issue Terms 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 Issue Terms 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

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

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 Securities become redeemable in accordance with this Credit Linked Condition 3, upon payment of the Credit Event Redemption Amounts in respect of the Securities, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the nominal amount of a Credit Linked Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer or the Guarantor. For the avoidance of doubt, following redemption of a portion of the Securities in accordance with the foregoing, the Issuer may still have payment obligations in respect of any outstanding portion of the Securities.*

### 4. Physical Settlement

If a Credit Event Determination Date has occurred, then where Physical Delivery is specified as the applicable Settlement Method in the Issue Terms 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 Securityholders in accordance with General Condition 13, and where "Credit Linked Redemption" is specified as applicable subject to these Credit Linked Conditions, in particular Credit Linked Condition 1, redeem all but not some only of the Credit Linked Securities, each Credit Linked Security 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 General Conditions 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 Securityholders in accordance with General Condition 13, (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 Securityholders in accordance with General Condition



## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

13, 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 Securityholders (in accordance with General Condition 13) 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 Issue Terms 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 Issue Terms 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 Securities 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 Securities 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 nominal amount of a Credit Linked Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer or the Guarantor. For the avoidance of doubt, following redemption of a portion of the Securities in accordance with the foregoing, the Issuer may still have payment obligations in respect of any outstanding portion of the Securities.***

### 5. Accrual of Interest

- (a) Where "Credit Linked Interest" is specified in the Issue Terms to not apply or the Credit Linked Conditions are specified in the Issue Terms not to apply to any interest provisions of the Securities then, notwithstanding the occurrence of a Credit Event Determination Date, for such purposes, each Security will continue to bear interest in accordance with General Condition 4(g) 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 Securityholders if "Credit Linked Redemption" were applicable, shall nevertheless be provided to Securityholders unless the Calculation Agent determines that such notice is not relevant given "Credit Linked Redemption" is not applicable.
- (c) Where the Securities are Single Reference Entity Securities, First-to-Default Credit Linked Securities, or Nth-to-Default Credit Linked Securities, and "Credit Linked Interest" is applicable in the Issue Terms, then, subject as provided in paragraph (d) in respect of Nth-to-Default Credit Linked Securities, if and to the extent that:
  - (i) "Accrual of Interest up to Credit Event" is specified in the Issue Terms as not applicable to any interest provisions of the Securities then, notwithstanding General Condition 4(g), each Security to which the Credit Linked Conditions apply shall, to the extent to which "Credit Linked Interest" is expressed to apply to such Securities, 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

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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 Securities; or

- (ii) "Accrual of Interest up to Credit Event" is specified in the Issue Terms as applicable to any interest provisions of the Securities then, notwithstanding General Condition 4(g), each Security to which the Credit Linked Conditions apply shall, to the extent to which "Credit Linked Interest" is expressed to apply to such Securities, cease to bear interest from the Credit Event Determination Date; and

provided that, in the case of paragraph (i) or (ii) if:

- (x) Credit Linked Condition 6, Credit Linked Condition 7 or Credit Linked Condition 8 applies in respect of the Securities 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 Determination Cut-off Date, as the case may be; and/or
- (y) Credit Linked Condition 9 applies in respect of the Securities 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 Securities, 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 Securities are Nth-to-Default Credit Linked Securities 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 Securities are Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities to which Credit Payment on Maturity applies, Tranched Linear Basket Credit Linked Securities, Tranched Index Credit Linked Securities, Basket Tranched Index Credit Linked Securities or Long/Short Credit Linked Securities, 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 Security unless the Credit Linked Security is a Zero Coupon Security, 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 Securities are Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities 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 Securityholders in accordance with General Condition 13 and (ii) in respect of each Credit Linked Security unless the Credit Linked Security is a Zero Coupon Security, 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 Securities or Index Credit Linked Securities or Long/Short Credit Linked Securities, each Security will bear interest pursuant to, and in accordance with, General Condition 4, and for such purposes the aggregate outstanding nominal amount of the Securities shall be deemed to be the Adjusted Credit Outstanding Nominal Amount or, in the case of each of General Condition 4(a)(y) or 4(b)(v)(B), the Calculation Amount shall be deemed to be each Security's pro rata share of the Adjusted Credit Outstanding

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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 Securities or Index Credit Linked Securities or Long/Short Credit Linked Securities which are Zero Coupon Securities, subject to the provisions of paragraph (h) below.

(h) For these purposes "**Adjusted Credit Outstanding Nominal Amount**" means, on 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 Securities or Non-Tranched Index Credit Linked Securities (i) the aggregate outstanding nominal amount multiplied by the Credit Multiplier minus (ii) the product of (a) the aggregate outstanding nominal amount multiplied by the Credit Multiplier and (b) a fraction with (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, as numerator and (y) the original aggregate Reference Entity Notional Amounts of the original number of Reference Entities to which the Securities related, in each case as of the Issue Date of the first Tranche of the Securities, as denominator;

(ii) in the case of Tranched Linear Basket Credit Linked Securities, an amount determined by the Calculation Agent by reference to the following formula:

$$\left[ \text{aggregate outstanding nominal amount} * CM * \left( 1 - \left( \frac{1}{H - L} \right) * \text{Min}[H - L; \text{Max}[N - L; 0]] \right) \right]$$

Where,

"**CM**" means the Credit Multiplier;

"**H**" means the higher tranche level, expressed as a number of Reference Entities as specified in the Issue Terms;

"**L**" means the lower tranche level, expressed as a number of Reference Entities as specified in the Issue Terms; 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 Securities, an amount determined by the Calculation Agent by reference to the following formula:

$$\left[ \text{aggregate outstanding nominal amount} * CM * \left( 1 - \left( \frac{1}{EP - AP} \right) * \text{Min}[EP - AP; \text{Max}[ALP - AP; 0]] \right) \right]$$

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 Securities, amount determined by the Calculation Agent by reference to the following formula:

$$\left[ \text{aggregate outstanding nominal amount} * CM * \sum_{l...z} CWZ * \left( 1 - \left( \frac{1}{EPz - APz} \right) * \text{Min}[EPz - APz; \text{Max}[ALPz - APz; 0]] \right) \right]$$

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"ALP<sub>z</sub>" means the Aggregate Loss Percentage<sub>z</sub> in respect of Basket Trunched Index Component<sub>z</sub> being the Aggregate Loss Percentage determined in respect of Basket Trunched Index Component<sub>z</sub>;

"AP<sub>z</sub>" means the Attachment Point<sub>z</sub> in respect of Basket Trunched Index Component<sub>z</sub> as indicated in the Issue Terms;

"CW<sub>z</sub>" is the "Component Weighting<sub>z</sub>" of Basket Trunched Index Component<sub>z</sub> as indicated in the Issue Terms;

"EP<sub>z</sub>" means the Exhaustion Point<sub>z</sub> in respect of Basket Trunched Index Component<sub>z</sub> as indicated in the Issue Terms; and

"z" means the number of Basket Trunched Index Components comprising the Basket Trunched Index Credit Linked Securities;

- (v) In the case of Long/Short Credit Linked Securities, 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 (c) above if, as applicable, a Single Reference Entity Exposure were Single Reference Entity Credit Linked Securities, a First-to-Default Exposure were First-to-Default Credit Linked Securities and a Nth-to-Default Exposure were Nth-to-Default Credit Linked Securities, the aggregate outstanding nominal amount of the Securities; and
    - (B) on or after the date on which such Long Exposure would cease to accrue interest under paragraph (c) above if, as applicable, a Single Reference Entity Exposure were Single Reference Entity Credit Linked Securities, a First-to-Default Exposure were First-to-Default Credit Linked Securities and a Nth-to-Default Exposure were Nth-to-Default Credit Linked Securities, zero; or
  - (ii) where the Long Exposure comprises Non-Trunched Linear Basket Exposure, Non-Trunched Index Exposure, Trunched Linear Basket Exposure, Trunched Index Exposure or Basket Trunched Index Exposure, the Adjusted Credit Outstanding Nominal Amount of the Securities determined by the Calculation Agent as if
    - (A) the aggregate outstanding nominal amount was equal to the Long Nominal Amount; and
    - (B) as applicable, a Non-Trunched Linear Basket Exposure were Non-Trunched Linear Basket Credit Linked Securities, a Non-Trunched Index Exposure were Non-Trunched Index Credit Linked Securities, a Trunched Linear Basket Exposure were Trunched Linear Basket Credit Linked Securities, a Trunched Index Exposure were Trunched Index Credit Linked Securities or a Basket Trunched Index Exposure were Basket Trunched Index Credit Linked Securities;

and paragraphs (h)(i) to (iv) were construed accordingly.

### 6. Repudiation/Moratorium Extension

If "Repudiation/Moratorium" is specified as a Credit Event in the Issue Terms, 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

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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 Securityholders in accordance with General Condition 13 that a Potential Repudiation/Moratorium has occurred and the maturity of the Securities 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 nominal amount of Credit Linked Securities 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 Securities and to the extent that the "Credit Linked Interest" is stated to be applicable to such Securities, 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 Securities which are Zero Coupon Securities, 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 Securities; 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 Issue Terms (or applies pursuant to application of the Physical Settlement Matrix), 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 Securityholders in accordance with General Condition 13 that a Potential Failure to Pay has occurred and the maturity of the Securities 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:

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- (i) each nominal amount of Credit Linked Securities 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 Securities 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 Securities which are Zero Coupon Securities, 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 Securities 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 Securities; 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 Securityholders in accordance with General Condition 13 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 nominal amount of Credit Linked Securities 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 Securities and to the extent that the "Credit Linked Interest" is applicable to such Securities, 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

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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 Securities which are Zero Coupon Securities, 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 Securities, 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 Securities; 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 Securities

- (a) The following provisions of this Credit Linked Condition 9 apply to Credit Linked Securities and, for the avoidance of doubt, may be applied on more than one occasion. The provisions of this Credit Linked 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 Issue Terms, 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,

the Calculation Agent may at its option notify the Securityholders in accordance with General Condition 13 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 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, 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:

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- (ii) subject as provided below, in the case of a Postponed Maturity Date each Security will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Postponed Maturity Date; and
  - (iii) in the case of a Postponed Maturity Date and interest bearing Credit Linked Securities, to the extent that "Credit Linked Interest" is applicable to such Securities, 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
  - (iv) 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
  - (v) in the case of Credit Linked Securities which are Zero Coupon Securities, 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 Securities; 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 Securities.

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 Securityholders in accordance with General Condition 13 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 Issue Terms, 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.



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**"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 Issue Terms 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* share 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 Issue Terms, 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 Issue Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.

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- (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 Issue Terms, 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 Issue Terms, 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 Issue Terms (or no election is specified in the Issue Terms), (ii) there is no Standard Reference Obligation and either (iii) "Initially none" is specified in the Issue Terms in respect of the Reference Obligation, or (iv) a Non-Standard Reference Obligation is specified in the Issue Terms, 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 Issue Terms (or no election is specified in the Issue Terms), 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 Issue Terms 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 Issue Terms (or no election is specified in the Issue Terms) 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

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

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 Securities (or Long/Short Credit Linked Securities 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 Securities (or Long/Short Credit Linked Securities 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 paragraphs (a) and (b) above, where there is no Reference Obligation specified for the relevant Reference Entity in the Index Annex, the provisions of paragraph (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 Issue Terms, 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 Securityholder are obliged to, nor are they entitled to, take any action in connection with the settlement of the Securities. 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

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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 General Conditions 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 Securities to the extent that "Credit Linked Interest" is applicable as specified in the Issue Terms:

- (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 General Condition 5 and Credit Linked Conditions 6, 7 and 8.

### 12. Redemption following a Merger Event

If "Merger Event" is specified as applying in the Issue Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Securityholders in accordance with General Condition 13 and redeem all but not some only of the Credit Linked Securities and pay in respect of each Credit Linked Security, the Merger Event Redemption Amount on the Merger Event Redemption Date in each case as specified in the Issue Terms.

### 13. Definitions applicable to Credit Linked Securities

"**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 Securities for which "Physical Settlement" is specified to be the Settlement Method in the Issue Terms (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 Issue Terms, 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 Securities for which "Cash Settlement" is specified to be the applicable Settlement Method in the Issue Terms (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 Issue Terms, the Outstanding Principal Balance of the Valuation Obligation shall include accrued but unpaid interest;
  - (ii) "Exclude Accrued Interest" is specified in the Issue Terms, 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 Issue Terms, the Calculation Agent shall determine, based on the then current market practice in the

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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 Issue Terms, 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 Issue Terms, a percentage calculated by the Calculation Agent equal to:

$$\left[ \left( \sum_{i=1}^n REW_{A,i} \times (100\% - FP_{A,i}) \right) \right]$$

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 per cent. 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<sub>Ai</sub>**" 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 Issue Terms:

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- (i) a Governmental Intervention; or
  - (ii) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in the Issue Terms 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 Issue Terms, 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 Issue Terms (by operation of the Physical Settlement Matrix or otherwise).

"**Attachment Point**" means the percentage specified as such in the Issue Terms

"**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 Securities), whichever is earlier;

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- (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 Securities), whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (a) to (g).

**"Basket Tranched Index Component"** means, in respect of any Basket Tranched Index Credit Linked Securities, each "Basket Tranched Index Component" indicated as such in the Issue Terms and having the Component Weighting, Attachment Point, Exhaustion Point and Index as indicated in the Issue Terms.

**"Basket Tranched Index Credit Linked Securities"** means Credit Linked Securities indicated as such in the Issue Terms, where the Issuer purchases credit protection from Securityholders 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 Issue Terms.

**"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 Securities"** means Securities which are either CDX Non-Tranched Index Credit Linked Securities or CDX Tranched Index Credit Linked Securities.

**"CDX Non-Tranched Index Credit Linked Securities"** means Non-Tranched Index Credit Linked Securities indicated as such in the Issue Terms, where the Issuer purchases credit protection from Securityholders in respect of the Index.

**"CDX Tranched Index Credit Linked Securities"** means Tranched Index Credit Linked Securities or Basket Tranched Index Credit Linked Securities indicated as such in the Issue Terms, where the Issuer purchases credit protection from Securityholders 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 Issue Terms.

**"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,

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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) 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 <https://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 Issue Terms 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 Securities or Index Credit Linked Securities 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 Issue Terms or (ii) a Security's *pro rata* share of the amount (which may be zero) calculated by the Calculation Agent in accordance with the following formula:

$$(\text{RENA} \times \text{FP}) - \text{UC}$$

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:



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- (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 Issue Terms, 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 paragraph (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 Security, a Tranched Index Credit Linked Security, a Zero/Set Recovery Security, a Basket Tranched Index Credit Linked Security or a Long/Short Credit Linked Security:
  - (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.

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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 Securities are First-to-Default Credit Linked Securities or Long/Short Credit-Linked Securities including a First-to-Default Exposure, a Credit Event Determination Date shall be deemed to occur with respect to the Securities on the first occasion a Credit Event Determination Date occurs with respect to any Reference Entity (the "**First Reference Entity**"). Where the Securities are First-to-Default Credit Linked Securities or Nth-to-Default Credit Linked Securities or Long/Short Credit-Linked Securities 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 General Condition 13.

"**Credit Event Payment Date**" means in relation to any Credit Event Amount the day falling the number of Business Days specified in the applicable Issue Terms (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 Securities, the Credit Event Determination Date.

"**Credit Event Redemption Amount**" means, unless otherwise specified in the Issue Terms:

- (a) in the case of Single Reference Entity Credit Linked Securities, First-to-Default Credit Linked Securities and Nth-to-Default Credit Linked Securities, an amount calculated by the Calculation Agent equal to each Security's *pro rata* share of:

$$[(RENA \times FP) - UC] + Protected Amount$$

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 Issue Terms, the Protected Amount.

- (b) in the case of Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities to which Credit Payment on Maturity applies, an amount calculated by the Calculation Agent equal to each Security's *pro rata* share of:

$$\left[ \left( \sum_{l=1}^n RENA_{u,i} \right) + \left( \sum_{l=1}^n RENA_{A,i} \times FP_{A,i} \right) - UC \right] + Protected Amount;$$

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

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 Issue Terms, the Protected Amount.

- (c) in the case of Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities to which Credit Payment As You Go applies, an amount calculated by the Calculation Agent equal to a Security's *pro rata* share of:

$$\left[ \sum_{L \dots n}^n RENA_{u,i} \right] + Protected Amount$$

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 Issue Terms, the Protected Amount.

- (d) in the case of Tranched Linear Basket Credit Linked Securities, an amount calculated by the Calculation Agent equal to each Security'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 nominal amount of Securities 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 Issue Terms minus the number of Reference Entities specified as L (being the lower tranche level) in the Issue Terms ("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 Issue Terms and (b) if specified as applicable in the Issue Terms, the Protected Amount; or

- (e) in the case of Tranched Index Credit Linked Securities, an amount calculated by the Calculation Agent equal to each Security'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 nominal amount of Securities 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 Issue Terms, 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 Issue Terms if specified as applicable;

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

"RENA" is the Reference Entity Notional Amount,  $RENA_{i,i}$  being the Reference Entity Notional Amount in respect of any Reference Entity<sub>i</sub>, with  $RENA_{u,i}$  being the Reference Entity Notional Amount in respect of any Reference Entity<sub>i</sub> 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 Entity<sub>i</sub> 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 Trunched Index Credit Linked Securities, an amount calculated by the Calculation Agent equal to each Security's *pro rata* share of:

$$[\text{aggregate outstanding nominal amount} * CM] * \sum_{z=1}^z CW_z \left[ \left( 1 - \left( \frac{1}{EP_z - AP_z} \right) * \text{Min}[EP_z - AP_z; \text{Max}[ALP_z - AP_z; 0]] \right) \right] + \text{Protected Amount}$$

expressed in words, this is the sum of (a) the product of (i) the aggregate outstanding nominal amount of Securities multiplied by the Credit Multiplier and (ii) the sum in respect of each Basket Trunched Index Component<sub>z</sub> of (A) the product of (I) the Component Weighting<sub>z</sub> of that Basket Trunched Index Component<sub>z</sub> and (II) one minus the product of (x) the quotient of 1 as numerator and the Exhaustion Point<sub>z</sub> minus the Attachment Point<sub>z</sub> as denominator and (y) the lesser of (X) the Exhaustion Point<sub>z</sub> minus the Attachment Point<sub>z</sub> and (Y) the number, floored at zero, equal to the Aggregate Loss Percentage<sub>z</sub> minus the Attachment Point<sub>z</sub> and (b) if specified as applicable in the Issue Terms, the Protected Amount

where:

"ALP<sub>z</sub>" means the Aggregate Loss Percentage<sub>z</sub> in respect of Basket Trunched Index Component<sub>z</sub> being the Aggregate Loss Percentage determined in respect of Basket Trunched Index Component<sub>z</sub>;

"AP<sub>z</sub>" means the Attachment Point<sub>z</sub> in respect of Basket Trunched Index Component<sub>z</sub> as indicated in the Issue Terms;

"CW<sub>z</sub>" is the "Component Weighting<sub>z</sub>" of such Basket Trunched Index Component<sub>z</sub> as indicated in the Issue Terms;

"EP<sub>z</sub>" means the Exhaustion Point<sub>z</sub> in respect of Basket Trunched Index Component<sub>z</sub> as indicated in the Issue Terms; and

"z" means the number of Basket Trunched Index Component comprising the Basket Trunched Index Credit Linked Securities;

provided that, in each of paragraphs (a) to (f) above, in no event shall the Credit Event Redemption Amount be more than the nominal amount of the Securities multiplied by the Credit Multiplier or less than zero;

- (g) in the case of Long/Short Credit Linked Securities, an amount calculated by the Calculation Agent equal to each Security'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 Trunched Index Exposure" means if specified in the Issue Terms to be applicable, the credit linked terms applicable to the Long Nominal Amount and/or the Short Nominal Amount, as applicable;

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

"**Calculation Percentage**" means, unless otherwise specified in the Issue Terms:

- (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 per cent. or (b) otherwise:

$$[(RENA \times FP) - UC] \div RENA$$

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:

$$\left[ \left( \sum_{l \dots n}^n RENA_{u,i} \right) + \left( \sum_{l \dots n}^n RENA_{A,i} \times FP_{A,i} \right) - UC \right] \div \left( \sum_{l \dots n}^n RENA_i \right)$$

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:

$$\left[ \left( 1 - \left( \frac{1}{H-L} \right) * \text{Min}[H-L; \text{Max}[N-L; 0]] \right) \right]$$

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 Issue Terms minus the number of Reference Entities specified as L (being the lower tranche level) in the Issue Terms ("**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 Issue Terms, expressed as a percentage.

- (d) in the case of Tranched Index Exposure, a percentage calculated by the Calculation Agent equal to:

$$\left[ \left( 1 - \left( \frac{1}{EP-AP} \right) * \text{Min}[EP-AP; \text{Max}[ALP-AP; 0]] \right) \right]$$

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;

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

"AP" means the Attachment Point; and

"EP" means the Exhaustion Point.

- (e) in the case of Basket Trunched Index Exposure, a percentage calculated by the Calculation Agent equal to:

$$\sum_{l...z} CW_z \left[ \left( 1 - \left( \frac{1}{EP_z - AP_z} \right) * \text{Min}[EP_z - AP_z; \text{Max}[ALP_z - AP_z; 0]] \right) \right]$$

expressed in words, this is the sum in respect of each Basket Trunched Index Component<sub>z</sub> of (A) the product of (I) the Component Weighting<sub>z</sub> of that Basket Trunched Index Component<sub>z</sub> and (II) one minus the product of (x) the quotient of 1 as numerator and the Exhaustion Point<sub>z</sub> minus the Attachment Point<sub>z</sub> as denominator and (y) the lesser of (X) the Exhaustion Point<sub>z</sub> minus the Attachment Point<sub>z</sub> and (Y) the number, floored at zero, equal to the Aggregate Loss Percentage<sub>z</sub> minus the Attachment Point<sub>z</sub>

where:

"ALP<sub>z</sub>" means the Aggregate Loss Percentage<sub>z</sub> in respect of Basket Trunched Index Component<sub>z</sub> being the Aggregate Loss Percentage determined in respect of Basket Trunched Index Component<sub>z</sub>;

"AP<sub>z</sub>" means the Attachment Point<sub>z</sub> in respect of Basket Trunched Index Component<sub>z</sub> as indicated in the Issue Terms;

"CW<sub>z</sub>" is the "Component Weighting<sub>z</sub>" of such Basket Trunched Index Component<sub>z</sub> as indicated in the Issue Terms;

"EP<sub>z</sub>" means the Exhaustion Point in respect of Basket Trunched Index Component<sub>z</sub> as indicated in the Issue Terms; and

"z" means the number of Basket Trunched Index Component comprising the Basket Trunched Index Credit Linked Securities;

"**First-to-Default Exposure**" means if specified in the Issue Terms 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<sub>A,i</sub> 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 Issue Terms, 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 nominal amount of Securities 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 Issue Terms, any one of Single Reference Entity Exposure, First-to-Default Exposure, Nth-to-Default Exposure, Non-Trunched Linear Basket Exposure, Non-Trunched Index Exposure, Trunched Linear Basket Exposure, Trunched Index Exposure or Basket Trunched Index Exposure;

"**Long Nominal Exposure Percentage**" means the percentage indicated as such in the Issue Terms;

"n" is the number of Reference Entities,

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

**"Non-Tranched Linear Basket Exposure"** if specified in the Issue Terms 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 Issue Terms 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 Issue Terms 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 Entity<sub>i</sub> 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 Entity<sub>i</sub> 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 per cent. minus the Calculation Percentage arising from the Short Exposure;

**"Short Exposure"** means, in respect of the Short Nominal Amount and as specified in the Issue Terms, 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 nominal amount of Securities outstanding;

**"Short Nominal Exposure Percentage"** means the percentage indicated as such in the Issue Terms;

**"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 Issue Terms 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 Issue Terms, if any, being the leverage multiplier in respect of the Short Exposure;

**"Tranched Linear Basket Exposure"** if specified in the Issue Terms 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 Issue Terms 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 Security, a First-to-Default Exposure is a First-to-Default Credit Linked Security, a Nth-to-Default Exposure is a Nth-to-Default Credit Linked Security, a Non-Tranched Linear Basket Exposure is a Non-Tranched Linear Basket Credit Linked Security, a Non-Tranched Index Exposure is a Non-Tranched Index Credit Linked Security, a Tranched Linear Basket Exposure is a Tranched Linear Basket Credit Linked Security, a Tranched Index Exposure is a Tranched Index Credit Linked Security or a Basket Tranched Index Exposure is a Basket Tranched Index Credit Linked Security.

**"UC"** is Unwind Costs;

**"Credit Event Redemption Date"** means, subject to Credit Linked Condition 11:

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

- (a) in the case of any Securities other than Linear Basket Credit Linked Securities or Index Credit Linked Securities or Long/Short Credit Linked Securities,
  - (i) the day falling three Business Days, or such other number of Business Days specified in the Issue Terms, after (i) the calculation of the Final Price (ii) the Auction Settlement Date or (iii) if the Securities are Zero/Set Recovery Securities the Credit Event Determination Date, as applicable, in each case in respect of the Reference Entity the occurrence of which results in the Securities becoming redeemable; or
  - (ii) where Maturity Credit Redemption is specified to be applicable in the Issue Terms 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 Securities or Index Credit Linked Securities or Long/Short Credit Linked Securities, the "**Maturity Date**" determined for these purposes as
  - (i) subject to paragraphs (ii) and (iii) below, the later of
    - (a) the day falling three Business Days or such other number of Business Days specified in the Issue Terms, 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 Securities are Zero/Set Recovery Securities, the later of
    - (a) the day falling three Business Days or such other number of Business Days specified in the Issue Terms, 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 Securities are Tranche Linear Basket Credit Linked Securities or Tranche Index Credit Linked Securities or Basket Tranche Index Credit Linked Securities or Long/Short Credit Linked Securities, 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 Securities other than Tranche Linear Basket Credit Linked Securities, Tranche Index Credit Linked Securities, Basket Tranche Index Credit Linked Securities Long/Short Credit Linked Securities, a fraction, (i) the numerator of which is 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 and (ii) the denominator of which is the aggregate of the Reference Entity Notional Amounts of all Reference Entities; or
- (b) in the case of Tranche Linear Basket Credit Linked Securities, Tranche Index Credit Linked Securities, Basket Tranche Index Credit Linked Securities or Long/Short Credit Linked Securities only, a fraction, (i) the numerator of which is the Adjusted Credit Outstanding Nominal Amount, and (ii) the denominator of which is the aggregate outstanding nominal amount multiplied by the Credit Multiplier 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



## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

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 Issue Terms.

"**Credit Multiplier**" means 1 unless specified otherwise in the Issue Terms.

"**Credit Observation End Date**" means the Scheduled Maturity Date or such other date specified in the Issue Terms. 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 Issue Terms 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 Securities 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.

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

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

**"DC Determination Cut-off Date"** has the meaning given to that term in 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 <https://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 Issue Terms or its equivalent in the relevant Obligation Currency or, if no such amount is specified in the Issue Terms, US\$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 Securityholder 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 paragraphs (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 Securityholder 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.

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

**"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 Issue Terms, 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 Issue Terms, and, subject to paragraph (ii) (*Interpretation of Provisions*) below, having each of, the Deliverable Obligation Characteristics, if any, specified in the Issue Terms, 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 Securityholder that provides each Securityholder 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 Securityholder and either (A) the Issuer or the Guarantor, as the case may be,

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(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 Issue Terms (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 Issue Terms, the Issue Terms 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 Issue Terms, the Issue Terms 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 Issue Terms, the Issue Terms 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 Issue Terms, the Issue Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.

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- (iii) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Deliverable Obligation Characteristics in the Issue Terms, 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 Issue Terms 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 Issue Terms 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 Issue Terms, 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.

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

- (H) If "Subordinated European Insurance Terms" is specified as applicable in the Issue Terms, 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.

For the avoidance of doubt the provisions of this paragraph (iv) 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 Issue Terms and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign).

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

**"Downstream Affiliate"** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity. 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 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 US\$500 million;

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

- (b) an Affiliate of an entity specified in 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 US\$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 US\$100 million; or
  - (ii) that has total assets of at least US\$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 paragraph (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 US\$ include equivalent amounts in other currencies in each case as determined by the Calculation Agent.

**"Entitlement"** means, in respect of each nominal amount of Credit Linked Securities 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 Issue Terms, 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 Issue Terms;
- (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 Issue Terms;
- (b) if "Financial Reference Entity Terms" is specified as applicable in the Issue Terms 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

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

- (c) if "Financial Reference Entity Terms" is specified as applicable in the Issue Terms 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 Security 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 Issue Terms;

"**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 Issue Terms, 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 Issue Terms, 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 Securities for which Auction Settlement is specified as the applicable Settlement Method in the Issue Terms, the fallback settlement method specified in the Issue Terms.

"**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 Issue Terms 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 Securityholders 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.



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**"First-to-Default Credit Linked Securities"** means Credit Linked Securities indicated as such in the Issue Terms where the Issuer purchases credit protection from the Securityholders in respect of two or more Reference Entities, as specified in the Issue Terms.

**"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) above.

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

- (a) any event which would affect creditors' rights so as to cause:
  - (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;

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- (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 Issue Terms, 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 Issue Terms or, if no period is specified in the Issue Terms, 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 Issue Terms, 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 the T2 System is open, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

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

- (a) "Grace Period Extension" is specified as applying in the Issue Terms; 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 Issue Terms, 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 Securities.

**"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.

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

**"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 Securities"** means Credit Linked Securities indicated as such in the Issue Terms and comprising either Non-Tranched Index Credit Linked Securities or Tranched Index Credit Linked Securities or Basket Tranched Index Credit Linked Securities, as specified in the Issue Terms.

**"Index Annex"** means:

- (a) in the case of iTraxx Index Credit Linked Securities, the list for the relevant Index with the relevant Annex Date, as published by the Index Publisher (which can be accessed at <https://ihsmarkit.com/index.html> 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 Securities, the list for the relevant Index with the Annex Date, as published by the Index Publisher (which can be accessed at <https://ihsmarkit.com/index.html> 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 Securities, 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 Securities, 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 Securities, Markit Indices Limited or any successor sponsor of the Index; or
- (b) in the case of CDX Index Credit Linked Securities, Markit North America, Inc. or any successor sponsor of the Index.

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

**"iTraxx Index Credit Linked Securities"** means Securities which are either iTraxx Non-Tranched Index Credit Linked Securities or iTraxx Tranched Index Credit Linked Securities.

**"iTraxx Non-Tranched Index Credit Linked Securities"** means Index Credit Linked Securities indicated as such in the Issue Terms, where the Issuer purchases credit protection from Securityholders in respect of the Index.

**"iTraxx Tranched Index Credit Linked Securities"** means Tranched Index Credit Linked Securities or Basket Tranched Index Credit Linked Securities indicated as such in the Issue Terms, where the Issuer purchases credit protection from Securityholders 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

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

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 March 20, June 20, September 20 or December 20 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 Securities"** means Non-Tranched Linear Basket Credit Linked Securities or Tranched Linear Basket Credit Linked Securities, as specified in the Issue Terms.

**"Long/Short Credit Linked Securities"** means Credit Linked Securities indicated as such in the Issue Terms where the Issuer both purchases and sells credit protection as specified in the Issue Terms.

**"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 Issue Terms.

**"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 Issue Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) US\$1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

**"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 Securities, 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 Securities 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 Securityholders in accordance with General Condition 13.

**"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).

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

**"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

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

- (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 Securities"** means either iTraxx Non-Tranched Index Credit Linked Securities or CDX Non-Tranched Index Credit Linked Securities, as specified in the Issue Terms.

**"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 Issue Terms, 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 Issue Terms 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 Securities 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 Securities"** means Credit Linked Securities indicated as such in the Issue Terms where the Issuer purchases credit protection from the Securityholders in respect of two or more Reference Entities, as specified in the Issue Terms.

**"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,

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

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 Issue Terms, and having each of the Obligation Characteristics (if any) specified in the Issue Terms, 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 Issue Terms, where:
  - (i) "**Payment**" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
- (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 securities 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 Issue Terms, 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



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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 Securities, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the Issue Terms 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 Issue Terms (or, if Credit Linked Specified Currency is specified in the Issue Terms 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 Issue Terms (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 Securities (other than for the purposes of determining the Seniority Level and for the "Not Subordinated"

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Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless the relevant Securities are Reference Obligation Only Securities.

**"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 <https://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 paragraph (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 Issue Terms or its equivalent in the relevant Obligation Currency or, if no such amount is specified in the Issue Terms, US\$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.

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**"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 Issue Terms, any Solvency Capital Provisions; or
  - (v) if "Financial Reference Entity Terms" are specified as applicable in the Issue Terms, 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 Matrix"** means the physical settlement matrix (if any) which applies to the Credit Linked Securities in accordance with Credit Linked Condition 20.

**"Physical Settlement Period"** means, subject to Credit Linked Condition 11, the number of Business Days specified as such in the Issue Terms 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

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

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 paragraph (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 (c)(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:

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- (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 (c)(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 Issue Terms (or if no such source is specified in the Issue Terms, 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 paragraph (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 paragraph (b) or (c) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement, understanding or

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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 Issue Terms; or
    - (ii) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the Issue Terms.

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

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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 Issue Terms. 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 Issue Terms (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 Issue Terms:

- (a) save for Tranche Index Credit Linked Securities or Basket Tranche Credit Linked Index Securities, the Reference Entity Notional Amount; or
- (b) in the case of Tranche Index Credit Linked Securities, the product of (i) the Aggregate Nominal Amount of the Securities as of the Issue Date and the Credit Multiplier multiplied by (ii) the Reference Entity Weighting for the relevant 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", or
- (c) in the case of Basket Tranche Credit Linked Index Securities, the product of (i) the Aggregate Nominal Amount of the Securities as of the Issue Date and the Credit Multiplier multiplied by (ii) the Component Weighting of the relevant Basket Tranche Index Component multiplied by (iii) the Reference Entity Weighting for the relevant Reference Entity multiplied by (iv) one divided by the aggregate of the Reference Entity Weightings for all Reference Entities, subject to the provisions of the definition of "Successor",

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(or, in each 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 Issue Terms. If no Quotation Dealers are specified in the Issue Terms, 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 Issue Terms 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 Issue Terms, Bid shall apply.

**"Reference Entity"** means:

- (a) the entity specified as such in the Issue Terms 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 Securities, 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 Securities, 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 Securities and Non-Tranched Linear Basket Credit Linked Securities, the product of (i) the amount specified as the Reference Entity Notional Amount in the Issue Terms (or, if no such amount is so specified, the Aggregate Nominal Amount of the Securities as of the Issue Date), subject to adjustment as provided in "Successor" and these Credit Linked Conditions and (ii) the Credit Multiplier; or
- (b) in the case of Non-Tranched Linear Basket Credit Linked Securities, the amount specified as the Reference Entity Notional Amount in the Issue Terms or, if no such amount is so specified, the product of (i) the Aggregate Nominal Amount of the Securities 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; or



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- (c) in the case of Non-Tranched Index Credit Linked Securities, an amount equal to the amount specified as the Reference Entity Notional Amount in the Issue Terms or, if no such amount is so specified, the product of (i) the Aggregate Nominal Amount of the Securities as of the Issue Date and the Credit Multiplier 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 Securities or Tranched Index Credit Linked Securities or Basket Tranched Index Credit Linked Securities.

**"Reference Entity Weighting" or "REW"** means, unless otherwise specified in the Issue Terms, 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 Issue Terms, 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 Issue Terms (or no election is specified in the Issue Terms), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the Issue Terms, 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 Issue Terms (or no election is specified in the Issue Terms), 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 Issue Terms (or no election is specified in the Issue Terms) 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 Securities, 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

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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 Securities, 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 Securities"** means any Securities in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category and the Deliverable Obligation Category in the Issue Terms and (b) "Standard Reference Obligation" is specified as Not applicable in the Issue Terms.

**"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 Securities (if such Deliverable Obligation Terms and Reference Obligation are specified in the Issue Terms) 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 Securities; 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 Securities.

**"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 Issue Terms, 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 Issue Terms 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 Issue Terms, and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, Relevant

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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 Issue Terms, 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

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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 Securities 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;

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- (iii) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (iv) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of paragraph (e) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For purposes of this definition of Restructuring and 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 Issue Terms.

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

- (a) "Senior Level" or "Subordinated Level" as specified in the Issue Terms, or
- (b) if no such seniority level is specified in the Issue Terms, "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.

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

**"Settlement Currency"** means the currency specified as such in the Issue Terms, or if no currency is specified in the Issue Terms, the Credit Linked Specified Currency of the Credit Linked Securities.

**"Set/Zero Recovery Price"** means the percentage specified as such in the Issue Terms.

**"Settlement Method"** means, if (a) Auction Settlement is specified as the applicable Settlement Method in the Issue Terms, Auction Settlement or (b) Cash Settlement is specified as the applicable Settlement Method in the Issue Terms, Cash Settlement, or (c) Physical Delivery is specified as the applicable Settlement Method in the Issue Terms, Physical Delivery.

**"Single Reference Entity Credit Linked Securities"** means Credit Linked Securities indicated as such in the Issue Terms, where the Issuer purchases credit protection from the Securityholders 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 Issue Terms, or if no such number is specified in the Issue Terms, two.

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

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

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

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

**"Subordinated Obligation"** means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the 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

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

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 paragraph (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 paragraph (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 Securities 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

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

- (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 Securities as determined by the Calculation Agent. The Calculation Agent will notify the Holders in accordance with General Condition 13 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 Securities that are Reference Obligation Only Securities.

**"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 Securities to which the Non-Standard Reference Obligation relates are not Reference Obligation Only Securities:
  - (i) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below US\$ 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).



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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 paragraph (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 paragraph (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 seventy-five per cent. 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 twenty-five per cent. (but less than seventy-five per cent.) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. 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 twenty-five per cent. of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the Issue Terms 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 twenty-five per cent. of the Relevant Obligations of the Reference Entity, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Terms and Conditions and/or the Issue Terms 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 twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;
  - (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 twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor and these Terms and Conditions and/or the Issue Terms 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

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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 January 1, 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 Securityholders 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), (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 Issue Terms 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 Securities, 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 Securities 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 Issue Terms 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 Securities 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 General Condition 13 stating the adjustment to these Terms and Conditions and/or the Issue Terms and giving brief details of the relevant Successor event.

**In respect of Credit Linked Securities which are Index Credit Linked Securities, 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 Securities 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 General Condition 13.**

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

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

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 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 Securities. Where pursuant to the provisions above or 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 Securities 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 Issue Terms 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 Securities 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 Issue Terms 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;

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

"**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 Issue Terms 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 nominal amount of the Securities (which may not be less than zero) equal to such Securities' *pro rata* share multiplied by the Credit Multiplier (if any), 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 Securities and/or any hedge positions (including without limitation, any derivative transaction) relating to the Securities, and any related costs due to costs or losses being incurred prior to the maturity or settlement of the Securities, 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 Issue Terms.

"**Tranched Index Credit Linked Securities**" means either iTraxx Tranched Index Credit Linked Securities or CDX Tranched Index Credit Linked Securities, as specified in the Issue Terms.

"**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 <https://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 Securities 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

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Conditions principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the Credit Linked Securities.

"**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 Issue Terms or if "Standard Unwind Costs" are specified in the Issue Terms, 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 Securities and the related termination, settlement or re-establishment of any Hedging Arrangements.

"**Valuation Date**" means if "Single Valuation Date" is specified in the Issue Terms and subject to Credit Linked Condition 10, the date that is the number of Business Days specified in the Issue Terms (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 (b)(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 paragraph (b)(i) or (b)(ii) of Credit Linked Condition 2 (*Auction Settlement*) above, the date that is the number of Business Days (that is not less than 5 Business Days and not more than 122 Business Days) specified in the Issue Terms 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 Issue Terms, each of the following dates:

- (a) subject to Credit Linked Condition 11, the date that is the number of Business Days specified in the Issue Terms (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 (b)(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 paragraph (b)(i) or (b)(ii) of Credit Linked Condition 2 (*Auction Settlement*) above, the date that is the number of Business Days (that is not less than 5 Business Days and not more than 122 Business Days) specified in the Issue Terms (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 Issue Terms 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 Issue Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the Issue Terms (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 Issue Terms, Single Valuation Date shall apply.

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### "Valuation Method":

- (a) The following Valuation Methods may be specified in the Issue Terms 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 Issue Terms, the Valuation Method shall be Highest.
- (c) The following Valuation Methods may be specified in the Issue Terms 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 Issue Terms, 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 Issue Terms may specify an alternative Valuation Method which shall be applicable in respect of the relevant Credit Linked Securities.

"**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 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.

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"**Valuation Time**" means the time specified as such in the Issue Terms 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 Securities**" means Securities in respect of which the applicable Settlement Method in the Issue Terms is specified as "Not applicable": Zero/Set Recovery Securities".

### 14. Credit Event Notice after Restructuring Credit Event

Unless otherwise specified in the Issue Terms, this Credit Linked Condition 14 will apply where "Mod R" or "Mod Mod R" is specified as applicable in the Issue Terms (whether by application of the Physical Settlement Matrix 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 Nominal Amount of those Credit Linked Securities 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 Securities 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 Securities are Tranched Linear Basket Credit Linked Securities or Tranched Index Credit Linked Securities or Basket Tranched Credit Linked Securities or Long/Short Credit Linked Securities; or (iii) the Securities are Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities where Credit Payment on Maturity applies, each such Credit Linked Security shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).

- (a) For the avoidance of doubt (A) the nominal amount of each Credit Linked Security not so redeemed in part shall remain outstanding and interest shall accrue on the nominal amount outstanding of such Credit Linked Security 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 nominal amount outstanding of such Credit Linked Security 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 Securityholders 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 14(c) apply in respect of the Credit Linked Securities, on redemption of part of each such Credit Linked Security the relevant Credit Linked Security or, if the Credit Linked Securities are represented by a Global Security, such Global Security, shall be endorsed to reflect such part redemption.
- (c) In addition, in the case of First-to-Default Credit Linked Securities:

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 Securities:

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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 Securities, Index Credit Linked Securities or Long/Short Credit Linked Securities 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 Issue Terms (whether by application of the Physical Settlement Matrix 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 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 Issue Terms (whether by application of the Physical Settlement Matrix 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 Issue Terms;
  - (iv) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the Issue Terms and if the benefit of the



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"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".

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- (iii) The definition of "Restructuring" in Credit Linked Condition 13 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 Issue Terms, 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 Issue Terms 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

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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 September 15, 2014)

- (a) If this Credit Linked Condition 18 is specified as applicable in the Issue Terms, 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 Issue Terms 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

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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 Issue Terms 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 Securityholders in accordance with General Condition 13.

### 20. Physical Settlement Matrix

If Physical Settlement Matrix is specified as applicable in the Issue Terms, the provisions specified as applicable and, if applicable, as amended in each case as set out below, in respect of the applicable Transaction Type(s) set out in the Credit Derivatives Physical Settlement Matrix as published by the International Swaps and Derivatives Association, Inc. on the Date of the Physical Settlement Matrix specified in the Issue Terms or, if no such date is specified, on the most recent date on or prior to the Issue Date of the first Tranche (the "**ISDA Physical Settlement Matrix**") shall apply and the relevant provisions of the Issue Terms shall be deemed to be completed on this basis and the corresponding line items in the Issue Terms may be deleted or reference to 'As per the Physical Settlement Matrix' may be inserted. The ISDA Physical Settlement Matrix will be available at <https://www.isda.org/2011/01/20/credit-derivatives-physical-settlement-matrix-3/> (or any successor website thereto) (which website or any such successor website shall not form part of the Issue Terms).

Provision	Applicable/Not applicable	Amendments to ISDA Physical Settlement Matrix
All Guarantees	Applicable	None
Credit Events	Applicable	References to "Floating Rate Payer Calculation Amount" shall be deemed to be references to "the relevant Reference Entity Notional Amount".
Obligation Category	Applicable	None
Obligation Characteristics	Applicable	None

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<b>Provision</b>	<b>Applicable/Not applicable</b>	<b>Amendments to ISDA Physical Settlement Matrix</b>
Physical Settlement Period	Applicable	References to "Section 8.6 of the Definitions" shall be deemed to be references to "the definition of Physical Settlement Period in Credit Linked Condition 13".
Deliverable Obligation Category	Applicable	None
Deliverable Obligation Characteristics	Applicable	None
Additional Provisions for Monoline Insurer Reference Entities (15 September 2014)	Applicable	<ul style="list-style-type: none"> <li>• The reference to "Additional Provisions for Monoline Insurer Reference Entities (15 September 2014 )" shall be deemed to be a reference to "Credit Linked Condition 16 – Provisions taken from the ISDA supplement titled "Additional Provisions for Monoline Insurer Reference Entities (September 2014)"; and</li> <li>• the reference to "the relevant Confirmation" shall be deemed to be a reference to "the applicable Issue Terms".</li> </ul>
Additional Provisions for LPN Reference Entities (September 15, 2014)	Applicable	References to "Additional Provisions for LPN Reference Entities (September 15, 2014)" shall be deemed to be references to Credit Linked Condition 18 ( <i>Provisions taken from the ISDA supplement titled "Additional Provisions for LPN Reference Entities" (published on September 15, 2014)</i> ).

The Transaction Types applicable to Index Credit Linked Securities as specified in the relevant Index Annex will also lead to provisions in the relevant Physical Settlement Matrix applying and additional supplements and/or additional provisions depending on such Transaction Type (as applicable). The Calculation Agent may make such changes as it deems necessary (including but not limited to those set out above) to ensure that the terms of the Index Credit Linked Securities match any hedging transactions it has in place for them. If any additional provisions relating to the Physical Settlement Matrix are specified in the Issue Terms, this Credit Linked Condition 20 shall apply to the Credit Linked Securities.

**21. Early redemption of Reference Obligation Only Securities following a Substitution Event**

If the Securities are Reference Obligation Only Securities 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:

- (i) interest (if any) shall cease to accrue on the Credit Linked Securities 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 Securities; and
- (ii) each Credit Linked Security will be redeemed by the Issuer at its relevant Reference Obligation Only Termination Amount specified in, or determined in the manner specified in, the Issue Terms in the Credit Linked Specified Currency on the Maturity Date, which for the purposes of this Credit Linked Condition 21 shall be the day falling five Business Days following the relevant Substitution Event Date.

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### 22. 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 General 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 Issuer's Hedging Arrangements.

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED SECURITIES

### CREDIT INDEX DISCLAIMERS

Index Credit Linked Securities are linked to a Credit Index.

The indices which are specified in the Issue Terms in relation to Index Credit Linked Securities (each, for the purposes of this disclaimer only, a "**Credit Index**"), are the property of Markit Indices Limited (the "**Index Sponsor**") and has been licensed for use in connection with the Credit Linked Securities. Each of the Securityholders acknowledges and agrees that the Securities are not sponsored, endorsed, or promoted by the Index Sponsor. The Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of the merchantability or fitness for a particular purpose or use), with respect to the Credit Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to the quality, accuracy and/or completeness of the Credit Index or any data included therein, the results obtained from the use of the Credit Index and/or the composition of the Credit Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Credit Index at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Credit Index, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein.

The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling the Credit Linked Securities, the ability of the Credit Index to track relevant markets' performances, or otherwise relating to the Credit Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Credit Index. No party purchasing or selling the Credit Linked Securities, nor the Index Sponsor shall have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Credit Index.

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## ADDITIONAL TERMS AND CONDITIONS FOR EUA CONTRACT LINKED SECURITIES

### ANNEX 9

#### ADDITIONAL TERMS AND CONDITIONS FOR EUA CONTRACT LINKED SECURITIES

*If specified as applicable in the Issue Terms, the terms and conditions applicable to EUA Contract Linked Securities shall comprise the General Conditions and the additional terms and conditions for EUA Contract Linked Securities as set out below (the "EUA Contract Linked Conditions"), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the EUA Contract Linked Conditions, the EUA Contract Linked Conditions shall prevail. In the event of any inconsistency between the EUA Contract Linked Conditions and the Payout Conditions, the Payout Conditions 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 Securities are not Rolling Futures Contract Securities:
  - (i) if a date is, or a month and year are, specified in the applicable Issue Terms, that date or that month and year;
  - (ii) if a Nearby Month is specified in the applicable Issue Terms, the month of expiration of the relevant Futures Contract; and
  - (iii) if a method is specified in the applicable Issue Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;



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- (b) if the Securities are Rolling Futures Contract Securities, 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 October 13, 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 applicable Issue Terms, 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 paragraphs (a)(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

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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 Securities 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 applicable Issue Terms;

**"EU Allowance"** or **"EUA"** means an allowance to emit one tonne of carbon dioxide (CO<sub>2</sub>) 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 applicable Issue Terms or in the EUA Contract Reference Price;

**"Final Pricing Date"** means the date specified as such in the applicable Issue Terms;

**"Fourth Compliance Period"** means the period starting on January 1, 2021 and ending on December 31, 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 applicable Issue Terms; 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 applicable Issue Terms.

**"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 Securities 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 deliver, 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 Securities;

**"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 applicable Issue Terms;

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**"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 applicable Issue Terms as being the Initial Pricing Date, a Coupon Valuation Date, a Redemption 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. If such day is a EUA Contract Disrupted Day, then:

- (a) in the case of EUA Contract Linked Securities relating to a single EUA Contract, the Pricing Date shall be 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 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 Issuer shall take action in accordance with the provisions of EUA Contract Linked Condition 4.2; or
- (b) in the case of EUA Contract Linked Securities relating to a Basket of EUA Contracts, the Pricing Date for each EUA Contracts not affected by the occurrence of a EUA Contract Disrupted Day shall be the Pricing Date, and the Pricing Date for each EUA Contract affected (each an **"Affected EUA Contract"**)

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by the occurrence of a EUA Contract Disrupted Day shall be the first succeeding EUA Contract Business Day that is not a EUA Contract Disrupted Day relating to the Affected EUA Contract 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 relating to the Affected EUA Contract. In that case, (a) the last such consecutive EUA Contract Business Day shall be deemed to be the Pricing Date for the Affected EUA Contract, notwithstanding the fact that such day is a EUA Contract Disrupted Day, and (b) the Issuer shall take action in accordance with the provisions of EUA Contract Linked Condition 4.2

**"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 March 12, 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 applicable Issue Terms;

**"Relevant Registry"** means the Registry (or Registries) specified as such in the applicable Issue Terms or, if not so specified, each of the Registry in Spain and the Registry in the Netherlands;

**"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 applicable Issue Terms, 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 applicable Issue Terms;

**"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 applicable Issue Terms (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

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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 January 1, 2013 and ending on December 31, 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 applicable Issue Terms. 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

**"Valuation Time"** means the Valuation Time specified in the applicable Issue Terms or, if no Valuation Time is specified, the close of trading on the Exchange on the relevant Pricing Date.

**"Weighting"** means the weighting (if any) to be applied to each item comprising the Basket of EUA Contracts if, and as specified in the Issue Terms or if no such weighting is so specified then no weighting shall apply to any such item.

**"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;

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- (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 Market Disruption Event, the Issuer may determine which 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 discretion 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 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 Securityholders in accordance with in accordance with General Condition 13 (*Notices*) as soon as practicable thereafter (which notice shall be irrevocable) of the occurrence of such Market Disruption Event (the date on which a 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 Security Condition 4.2 below. Where the action that the Issuer or has determined to take is not, for whatever reason, set out in the Market Disruption Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Securityholders in accordance with General Condition 13 (*Notices*) as soon as reasonably practicable after the Market Disruption Event Notification Date.

For such purposes, a Market Disruption Event shall be considered to be "continuing" if it has not been remedied to the reasonable satisfaction of the Issuer.

The Issuer shall provide Securityholders with a Market Disruption Event Notice as soon as reasonably practicable following the determination of a 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 Securityholder or any other person in connection with the Securities as a result of any delay, howsoever arising. If the Issuer gives a Market Disruption Event Notice, it shall have no obligation to make any payment or delivery in respect of the EUA Contract Linked Securities until it has determined the action that it has determined to take pursuant to EUA Contract Linked Condition 4.2 below.

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4.2 Following the occurrence of a Market Disruption Event, the Issuer in its sole and absolute discretion may take the action described below in paragraph (a), (b), or (c).

(a) ***No Action***

If the Issuer 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 Securities shall continue and there shall be no amendment to the Terms and Conditions and/or the applicable Issue Terms.

(b) ***Adjustment***

If the Issuer 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 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 applicable Issue Terms (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 determines that the action to be taken in respect of the Market Disruption Event is to be "**Termination**", on giving notice to Securityholders in accordance with General Condition 13 (*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 Securities 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 Securityholders in accordance with General Condition 13 (*Notices*).

(d) ***General***

In determining to take a particular action as a result of a Market Disruption Event, the Issuer is under no duty to consider the interests of Securityholders or any other person. In making any determination as to which action to take following the occurrence of a 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 Securityholders or any other person in connection with the EUA Contract Linked Securities as a result of any such determination, howsoever such loss may arise including as a result of any delay in making any payment or delivery in respect of the EUA Contract Linked Securities. 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 Securities, 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 Securities 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 Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

### 6. **Rolling Futures Contract Securities**

If the applicable Issue Terms specify that the Securities are "**Rolling Futures Contract Securities**", the EUA Contract Reference Price in respect of the Securities will be valued by reference to rolling futures contracts each of which have delivery months that do not correspond with the term of the Securities. 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

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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 Securities then the provisions of EUA Contract Linked Condition 4.2 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) shall apply to the Securities.

### 7. EUA Contract Early Redemption Amount

7.1 If the applicable Issue Terms specify that "EUA Contract Early Redemption Amount" is applicable, notwithstanding anything to the contrary in the General Conditions and in respect only of the early redemption of the Securities where EUA Contract Linked Condition 4.2(c) applies and the action to be taken following a Market Disruption Event is Termination, the "Early Redemption Amount" with respect to each Calculation Amount shall be (i) as specified in or, in the case of Exempt Securities, as determined in the manner set out in the applicable Issue Terms or (ii) otherwise an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

$$D * [100\% - C + [(F_0 - F_t) - (S_0 - S_t)]/S_0]$$

provided that such amount shall not be less than zero.

Where:

"C" means, in respect of each Calculation Amount of the Securities, such Calculation Amount's *pro rata* share of (x) all costs in the Specified Currency incurred by the Issuer, the Guarantor or any of its Affiliates in connection with the early redemption of the Securities, including, without limitation, any costs associated with unwinding any related hedging arrangements, and all other expenses related thereto, as determined by the Calculation Agent in good faith and in a commercially reasonable manner by reference to such source(s) as it determines appropriate, where such amount is (y) expressed as a percentage of the Calculation Amount.

"D" means the Calculation Amount.

"EUA Contract 1" is as specified in the Applicable Issue Terms.

"EUA Contract 2" is as specified in the Applicable Issue Terms.

"F<sub>0</sub>" means the Strike Price, if any, specified for EUA Contract 1 in the applicable Issue Terms or, if no such Strike Price is specified, the EUA Contract Reference Price for EUA Contract 1 in respect of the Initial Pricing Date.

"F<sub>t</sub>" means the EUA Contract Reference Price of EUA Contract 1 in respect of the relevant Final Pricing Date or, if a Market Disruption Event occurs or exists which affects such determination, the fair market value in the Specified Currency of EUA Contract 1 in respect of the Final Pricing Date as determined by the Calculation Agent in good faith and in a commercially reasonable manner by reference to such source(s) as it determines appropriate.

"Final Pricing Date" means such day as the Calculation Agent may select falling in the period from and including the [tenth] EUA Contract Business Day prior to the due date for early redemption, to and including the [third] EUA Contract Business Day prior to the due date for early redemption.

"S<sub>0</sub>" means the Strike Price, if any, specified for EUA Contract 2 in the applicable Issue Terms or, if no such Strike Price is specified, the EUA Contract Reference Price for EUA Contract 2 in respect of the Initial Pricing Date.

"S<sub>t</sub>" means the EUA Contract Reference Price of EUA Contract 2 in respect of the relevant Final Pricing Date or, if a Market Disruption Events occurs or exists which affects such determination, the fair market value in the Specified Currency of EUA Contract 2 in respect of the Final Pricing Date as determined by the Calculation Agent in good faith and in a commercially reasonable manner by reference to such source(s) as it determines appropriate.



## FORM OF SECURITIES

### FORM OF SECURITIES

The Securities of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Securities will be issued outside the United States in reliance on Regulation S. 3(a)(2) Notes will be issued only as Registered Securities. Registered Securities (other than 3(a)(2) Notes) will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A, and such Registered Securities in definitive form may be sold, in the case of Securities issued by BBVA Global Markets B.V., to Institutional Accredited Investors who are also QPs and, in the case of Securities issued by BBVA Global Securities B.V., to Institutional Accredited Investors and, in either case, to non-US persons. Registered Securities issued by BBVA Global Securities B.V. may be issued as 3(a)(2) Notes. In this Base Prospectus, Bearer Securities and Registered Securities are collectively referred to as "**Certificated Securities**".

#### **Bearer Securities**

Each Tranche of Bearer Securities will be initially issued in the form of a temporary bearer global security (a "**Temporary Bearer Global Security**") or a permanent global security (a "**Permanent Bearer Global Security**") as indicated in the Issue Terms, which, in either case, will (i) if the Global Securities are intended to be issued in new global security ("NGS") form, as stated in the Issue Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear and Clearstream, Luxembourg; or (ii) if the Global Securities are not intended to be issued in NGS form, as stated in the Issue Terms, be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg.

Where the Global Securities issued in respect of any Tranche are in NGS form, the applicable Issue Terms will also indicate whether or not such Global Securities are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Securities are to be so held means that the Securities of a particular Tranche are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Securities 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 time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for NGSs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Issue Terms.

Whilst any Bearer Security is represented by a Temporary Bearer Global Security, payments of principal, interest (if any) and any other amount payable in respect of the Securities due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Security if the Temporary Bearer Global Security is not intended to be issued in NGS form) only to the extent that certification of non-U.S. beneficial ownership, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

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

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Security will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Security if the Permanent Bearer Global Security is not intended to be issued in NGS form) without any requirement for certification.

## FORM OF SECURITIES

The Issue Terms will specify that a Permanent Bearer Global Security will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Securities with, where applicable, coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Security) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (1) an Event of Default (as defined in General Condition 9) has occurred and is continuing, (2) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (3) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Securities represented by the Permanent Bearer Global Security in definitive form. The Issuer will promptly give notice to Securityholders in accordance with General Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Security) or the Issuer, as the case may be, may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in paragraph (ii) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Principal Paying Agent. If the Global Security is a NGS, the relevant Issuer shall procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system.

In the event that the Permanent Bearer Global Security is exchanged for definitive Bearer Securities, such definitive Bearer Securities shall be issued in the minimum Specified Denomination only. Securityholders who hold Securities in the relevant clearing system in amounts that are not integral multiples of the Specified Denomination may need to purchase or sell, on or before the Exchange Date, a nominal amount of Securities such that their holding is an integral multiple of the Specified Denomination.

The following legend will appear on Bearer Securities:

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

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

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

Bearer Securities with a term of more than one year (taking into account any unilateral right to extend the term) will be issued either in accordance with the provisions of United States Treasury Regulations 1.163-5(c)(1)(ii) and 1.163-5(c)(2)(i)(D) ("**TEFRA D**"), which definition shall include any successor rules for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986) or in accordance with the provisions of United States Treasury Regulations 1.163-5(c)(1)(ii) and 1.163-5(c)(2)(i)(C) ("**TEFRA C**"), which definition shall include any successor rules for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986). Bearer Securities issued in accordance with TEFRA D will be represented upon issue by a Temporary Bearer Global Security. Bearer Securities issued in accordance with TEFRA C will be represented upon issue by a Permanent Bearer Global Security. Each Temporary Global Security and Permanent Global Security will be delivered on or prior to the issue date for the relevant tranche to a common depository (in the case of Securities not in NGS form) or common safekeeper (in the case of Securities in NGS form) acting as agent for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Permanent Bearer Global Security issued in accordance with TEFRA C will be exchangeable at any time and without any requirement for certification for Definitive Bearer Securities, in accordance with the terms of such Permanent Bearer Global Security and as specified in the applicable Issue Terms. Interests in a Temporary Bearer Global Security issued in accordance with TEFRA D will be exchangeable either for Definitive Bearer Securities or for interests in a Permanent Bearer Global Security, on or after the date which is forty (40) days after the date on which such Temporary Bearer Global Security is issued and upon certification as to non-U.S. beneficial ownership thereof or otherwise as required by U.S. Treasury Regulations, in accordance with the terms of such Temporary Bearer Global Security and as specified in the applicable Issue Terms.

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For the purposes of complying with TEFRA D, Bearer Securities may not be offered or sold to a United States person. "**United States person**" means any person who is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organised under the laws of the United States or any political subdivision thereof or therein, or (iii) an estate or trust the income of which is subject to United States taxation regardless of its source.

### Registered Securities

The Registered Securities of each Tranche offered and sold in reliance on Regulation S, which will be sold in offshore transactions to non-U.S. persons outside the United States, will initially be represented by a global security in registered form, without Receipts or Coupons, (a "**Regulation S Global Security**") which will be registered in the name of a nominee for a common safekeeper (if the Regulation S Global Security is issued under the new safekeeping structure ("**NSS**")) or a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of the Securities, beneficial interests in a Regulation S Global Security may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in General Condition 2 and such Regulation S Global Security will bear a legend regarding such restrictions on transfer.

The Registered Securities of each Tranche issued by BBVA Global Markets B.V. may only be offered and sold in the United States or to U.S. persons in private transactions (a) to "qualified institutional buyers" within the meaning of Rule 144A ("**QIBs**") who are also "qualified purchasers" within the meaning of Section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended (the "**1940 Act**") and the rules and regulations thereunder ("**QPs**"), or (b) to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions ("**Institutional Accredited Investors**") who are also "qualified purchasers" within the meaning of Section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended (the "**1940 Act**") and the rules and regulations thereunder ("**QPs**"), who agree to purchase the Securities for their own account and not with a view to the distribution thereof. The Registered Securities of each Tranche sold to QIBs who are also QPs will be represented by a global security in registered form (a "**Rule 144A Global Security**").

The Registered Securities of each Tranche issued by BBVA Global Securities B.V. (other than 3(a)(2) Notes) may only be offered and sold in the United States or to U.S. persons in private transactions (a) to QIBs or (b) to Institutional Accredited Investors who agree to purchase the Securities for their own account and not with a view to the distribution thereof. The Registered Securities of each Tranche sold to QIBs will be represented by a Rule 144A Global Security.

The Registered Securities of each Tranche that are 3(a)(2) Notes issued by BBVA Global Securities B.V. will be represented by a global security in registered form (a "**3(a)(2) Global Security**" and, together with a Regulation S Global Security and a Rule 144A Global Security, the "**Registered Global Securities**"). Unless otherwise set forth in the Issue Terms, 3(a)(2) Notes will be issued only in minimum denominations of US\$1,000 (or the approximate equivalent in the applicable Specified Currency).

Registered Global Securities will either (a) be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg or (b) be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the Issue Terms. Persons holding beneficial interests in Registered Global Securities will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Securities in fully registered form.

Registered Global Securities issued in respect of any Tranche and 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, that is, held under the New Safekeeping Structure for registered global securities, are intended to be held in a manner which would allow Eurosystem eligibility. This does not necessarily mean that the Securities of such 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 time during their life, as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Registered Securities of each Tranche issued on a partly paid basis ("**Partly Paid Securities**") will be in definitive form, registered in the name of the holder thereof. The Registered Securities of each Tranche issued by BBVA

## FORM OF SECURITIES

Global Markets B.V. sold to Institutional Accredited Investors who are also QPs and the Registered Securities of each Tranche issued by BBVA Global Securities B.V. sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof ("**Definitive IAI Registered Securities**"). Unless otherwise set forth in the Issue Terms, Definitive IAI Registered Securities will be issued only in minimum denominations of US\$250,000 and integral multiples of US\$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive IAI Registered Securities will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under "*Subscription and Sale and Transfer and Selling Restrictions*". Institutional Accredited Investors who are also QPs that hold Definitive IAI Registered Securities issued by BBVA Global Markets B.V. and Institutional Accredited Investors that hold Definitive IAI Registered Securities issued by BBVA Global Securities B.V. may elect to hold such Securities through DTC, but transferees acquiring the Securities in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144 under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under "*Subscription and Sale and Transfer and Selling Restrictions*". The Rule 144A Global Security and the Definitive IAI Registered Securities will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions. Payments of principal, interest and any other amount in respect of the Registered Global Securities will, in the absence of provision to the contrary, be made to the persons shown on the Register (as defined in General Condition 1) as the registered holder of the Registered Global Securities. None of the Issuer, the Guarantor (if applicable), any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Securities in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in General Condition 5) immediately preceding the due date for payment in the manner provided in that General Condition.

Interests in a Registered Global Security will be exchangeable (free of charge), in whole but not in part, for definitive Registered Securities without Receipts, Coupons or Talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (a) an Event of Default has occurred and is continuing, (b) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Securities represented by the Registered Global Security in definitive form, (c) in the case of Securities registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, no successor clearing system is available, (d) in the case of Securities registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Securities and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act or (e) the Securities are required to be removed from (in the case of Securities registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg) both Euroclear and Clearstream, Luxembourg or (in the case of Securities registered in the name of a nominee for DTC) DTC and, in either case, no alternative clearing system is available. The Issuer will promptly give notice to Securityholders in accordance with General Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Security) or the Issuer, as the case may be, may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Registrar.

### Transfer of Interests

Interests in a Registered Global Security may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Security or in the form of a Definitive IAI Registered Security and Definitive IAI Registered Securities may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Securities in the form of an interest in a Registered Global Security. No beneficial owner of an interest in a Registered Global Security will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable, in each case. Registered Securities are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".

## FORM OF SECURITIES

### General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Securities*"), the Principal Paying Agent shall arrange that, where a further Tranche of Securities is issued which is intended to form a single Series with an existing Tranche of Securities at a point after the Issue Date of the further Tranche, the Securities of such further Tranche shall be assigned a common code, and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code and ISIN, CUSIP and CINS assigned to Securities of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S) applicable to the Securities of such Tranche.

For so long as any of the Securities is represented by a Global Security held on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC or its nominee each person (other than Euroclear or Clearstream, Luxembourg or DTC) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of DTC as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or DTC as to the nominal amount of such Securities 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 their agents as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Securities and, in the case of DTC or its nominee, voting, giving consents or making requests, for which purpose the bearer of the relevant Bearer Global Security or the registered holder of the relevant Registered Global Security shall be treated by the Issuer, the Guarantor and their agents as the holder of such nominal amount of such Securities in accordance with and subject to the terms of the relevant Global Security and the expressions "**Securityholder**" and "**holder of Securities**" and related expressions shall be construed accordingly.

Except in relation to Securities issued in NGS form, any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the Issue Terms or as may otherwise be approved by the Issuer and the Principal Paying Agent. A Security may be accelerated by the holder thereof in certain circumstances described in General Condition 9. In such circumstances, where any Security is still represented by a Global Security and the Global Security (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Securities and payment in full of the amount due has not been made in accordance with the provisions of the Global Security within a period of 15 days from the giving of a notice by a holder with Euroclear or Clearstream, Luxembourg of such Securities so represented and credited to its securities account that it wishes to accelerate such Securities, then holders of interests in such Global Security credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant dated June 23, 2023 and executed by the Issuer (the deed of covenant applicable to a Tranche of Securities, the "**Deed of Covenant**"). In addition, holders of interests in such Global Security credited to their accounts with DTC may require DTC to deliver Definitive Securities in registered form in exchange for their interest in such Global Security in accordance with DTC's standard operating procedures.

The following will appear on Securities that are Non-Exempt Securities:

#### [Final Terms

*Set out below is the form of Final Terms.*

The Final Terms will contain the information required under Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and under Article 29 of the Commission Delegated Regulation EU 2019/980.]

The following will appear on Securities that are Exempt Securities

#### [Pricing Supplement

*Set out below is the form of Pricing Supplement.]*

## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

### FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

Set out below is the form of Final Terms for Non-Exempt Securities which will be completed for each Tranche of Securities issued under the Programme.

[Date]

#### [BBVA GLOBAL MARKETS 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 residency in Spain)*

(as "Issuer")

Legal Entity Identifier ("LEI"): 213800L2COK1WB5Q3Z55<sup>1</sup>

Issue of [[Aggregate Nominal Amount]/[Number] of Tranche] [Title of [Notes]/[Certificates]] (the "[Notes]/[Certificates]")

under the €10,000,000,000

Structured Medium Term Securities Programme

guaranteed by

#### BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

*(incorporated with limited liability in Spain)*

(as "Guarantor")

[The [Notes]/[Certificates] are not intended to be offered, distributed or otherwise made available to any investor classified as retail investor in the jurisdiction where the [Notes]/[Certificates] are to be offered or otherwise made available.]

#### EUROPEAN ECONOMIC AREA AND UNITED KINGDOM

[The [Notes]/[Certificates] are not intended to be offered, distributed or sold to any investor in [the European Economic Area ("EEA")] [or] [the United Kingdom ("UK")], and no person may offer, sell or otherwise make available any [Notes]/[Certificates] which are the subject of the offering contemplated by the Base Prospectus as completed by these Final Terms to any investor in [the European Economic Area] [or] [the United Kingdom].]<sup>2</sup>

[These Final Terms have been prepared on the basis that any offer of [Notes]/[Certificates] in [[(a) any Member State of the European Economic Area ("EEA") will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation") from the requirement to publish a prospectus for offers of [Notes]/[Certificates]] [and] [[(b) the United Kingdom ("UK") will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA") (the "UK Prospectus Regulation" and the Financial Services and Markets Act 2000, as amended, the "FSMA") from the requirement to publish a prospectus for offers of [Notes]/[Certificates]]. Accordingly any person making or intending to make an offer of [Notes]/[Certificates] in [[(a) any Member State of the European Economic Area which are the subject of the offering contemplated in these Final Terms may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer] [and] [[(b) the United Kingdom which are the subject of the offering contemplated in these Final Terms may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or section 85

<sup>1</sup> Insert for Securities issued by BBVA Global Markets B.V.

<sup>2</sup> Insert where the Securities are going to be sold only outside the EEA and the UK.

## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

of the [Financial Services and Markets Act 2000, as amended, the "FSMA"]<sup>3</sup>[FSMA] or to supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer].

[Any person making or intending to make an offer of the [Notes]/[Certificates] may only do so:

- (a) in those Non-exempt Offer Jurisdictions mentioned in paragraph 9 of Part B below, provided such person is a Dealer or an Authorised Offeror (as such term is defined in the Base Prospectus) and that the offer is made during the Offer Period specified in that paragraph and that any conditions relevant to the use of the Base Prospectus are complied with; or
- (b) otherwise, in circumstances in which no obligation arises for the Issuer or the Dealer to:

[[i)] publish a prospectus pursuant to Article 3 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer]; [[ii)] publish a prospectus pursuant to Article 3 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK Prospectus Regulation**") or section 85 of the [Financial Services and Markets Act 2000, as amended, the "FSMA"]<sup>3</sup>[FSMA] or to supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer].

Neither the Issuer nor the Dealer has authorised, nor do they authorise, the making of any offer of [Notes]/[Certificates] in any other circumstances.

**[PROHIBITION OF SALES TO [EEA RETAIL INVESTORS] [AND] [UK RETAIL INVESTORS] –** [Consistent with the foregoing paragraph,]<sup>3</sup> the [Notes]/[Certificates] are not intended to be offered, sold or otherwise made available to any [EEA retail investor in [the European Economic Area (the "**EEA**")][the EEA]] [or any] [UK retail investor in] [the United Kingdom ("**UK**")][the UK]]. [Consequently,] [no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the [Notes]/[Certificates] or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the [Notes]/[Certificates] or otherwise making them available to any EEA retail investor may be unlawful under the PRIIPs Regulation.] [In addition,] [no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018 (the "**EUWA**")][EUWA] (as amended, the "**UK PRIIPs Regulation**") for offering or selling the [Notes]/[Certificates] or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the [Notes]/[Certificates] or otherwise making them available to any UK retail investor may be unlawful under the UK PRIIPs Regulation]. [For the purposes of this provision,] [an EEA retail investor means a person who is one (or more) of: (i) a "retail client" as defined in point (11) of Article 4(1) of [MiFID II][Directive 2014/65/EU (as amended, "**MiFID II**")]<sup>4</sup>; (ii) a customer within the meaning of [Directive 2016/97/EU (as amended or superseded, the "**Insurance Distribution Directive**")]; or (iii) not a qualified investor as defined in [Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**")][the Prospectus Regulation].] [In addition,] [a UK 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; (ii) a customer within the meaning of the provisions of the [FSMA][Financial Services and Markets Act 2000 (as amended, 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.]

[The [Notes]/[Certificates] are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any EEA retail investor other than in accordance with Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") and in each case in accordance with the additional requirements (if any) of the national competent authority in the Member State of EEA (the "**Relevant State**").] [Pursuant to the PRIIPs Regulation, any Relevant State may require the ex-ante notification of the key information document (the "**KID**") to the competent authority for PRIIPs marketed in that Relevant State (a "**Notification State**").] [In the EEA, the [Notes]/[Certificates] should not be offered, sold or otherwise made available to any EEA retail investor in any Notification State unless all relevant requirements in such Notification State have been first complied with.]

<sup>3</sup> Insert where the Securities are going to be sold only outside the EEA and the UK.

<sup>4</sup> To be included if TM legends switched off, as MiFID not then defined anywhere.

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[In the EEA, where the Notification State requires a KID to be provided in a particular language, to the extent that BBVA has not already prepared a KID in such language, the [Notes]/[Certificates] should not be offered, sold or otherwise made available to any EEA retail investor in any such Notification State until a KID has been prepared by Banco Bilbao Vizcaya Argentaria, S.A. in the relevant language.] [In the EEA, responsibility for compliance with any ex-ante notification and any ongoing regulatory obligation in respect of such KID in such Notification State shall lie solely with the person offering, selling or otherwise making the [Notes]/[Certificates] available in the Notification State.] [For these purposes,] [an "EEA retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU, 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.]]<sup>5</sup>

**MIFID II PRODUCT GOVERNANCE] [AND] [UK MIFIR PRODUCT GOVERNANCE] TARGET MARKET** – Solely for the purposes of [the]/[each] manufacturer's product approval process, the target market assessment in respect of the [Notes]/[Certificates] has led to the conclusion that: (i) [(A)] the MiFID II target market for the [Notes]/[Certificates] is [eligible counterparties][,][ and] [professional clients][ and retail clients,] [each] as defined in [Directive 2014/65/EU (as amended, "MiFID II")][MIFID II]; and [(B)] the UK MiFIR target market for the [Notes]/[Certificates] is [eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS")][,][ and] [professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018 (the "EUWA")][EUWA][ and retail clients, 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]; [and] [(ii)] in the EEA, all channels for distribution of the [Notes]/[Certificates] are appropriate]/ [(ii)] in the EEA, the following channels for distribution of the [Notes]/[Certificates] are appropriate: [investment advice][,]/ and] [portfolio management][,]/ and][ non-advised sales ][and pure execution services] [(ii) in the EEA, (A) all channels for distribution to eligible counterparties and professional clients are appropriate; and (B) the following channels for distribution of the [Notes]/[Certificates] to retail clients are appropriate – [investment advice][,]/ and] [portfolio management][,]/ and][ non-advised sales ][and pure execution services] [, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]; and [(iii)] in the UK, all channels for distribution of the [Notes]/[Certificates] are appropriate]/ [(iii)] in the UK, the following channels for distribution of the [Notes]/[Certificates] are appropriate: [investment advice][,]/ and] [portfolio management][,]/ and][ non-advised sales ][and pure execution services] [(iii) in the UK, (A) all channels for distribution to eligible counterparties and professional clients are appropriate; and (B) the following channels for distribution of the [Notes]/[Certificates] to retail clients are appropriate – [investment advice][,]/ and] [portfolio management][,]/ and][ non-advised sales ][and pure execution services] [, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Notes]/[Certificates] (for the purposes of this paragraph, a "**distributor**") should take into consideration the manufacturer[s/s'] target market assessment; however, [(a)] a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes]/[Certificates] (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable;] [and] [(b)] 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]/[Certificates] (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable.]]<sup>6</sup>.

### PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions of the [Notes]/[Certificates] (and, together with the applicable Annex(es), the "**Conditions**") set forth in the Base Prospectus dated June 23, 2023 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus [for the purposes of the Prospectus Regulation] (the "**Base Prospectus**"). This document constitutes the Final Terms of the [Notes]/[Certificates] described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the [Notes]/[Certificates] is only available on the basis of the combination of these Final Terms and the Base Prospectus. [A summary of the [Notes]/[Certificates] is annexed to these Final Terms]<sup>7</sup>. The Base Prospectus [has] [together with these Final Terms have] been published on the website of Euronext Dublin

<sup>5</sup> Insert as necessary, where the product is a PRIIP for sale in the EEA and/or UK for which a KID will be prepared.

<sup>6</sup> Include as necessary where the product is a PRIIP for sale in the EEA, for which a KID will be prepared.

<sup>7</sup> Delete in the case of an issue of Securities with minimum denomination equal to or greater than EUR 100,000 (or its equivalent in any other currency)



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(<https://www.euronext.com/en/markets/dublin>). All references in the Base Prospectus and the General Conditions to the Securities shall mean the [Notes]/[Certificates].<sup>8</sup>

[Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions of the Securities (and, together with the applicable Annex(es), the "**Conditions**") set forth in the Base Prospectus dated [original date] which are incorporated by reference in the Base Prospectus dated [current date].<sup>9</sup> This document constitutes the Final Terms of the [Notes]/[Certificates] described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus in order to obtain all the relevant information. The Base Prospectus [has] [together with these Final Terms have] been published on the website of Euronext Dublin (<https://www.euronext.com/en/markets/dublin>).] All references in the Base Prospectus and the General Conditions to the Securities shall mean the [Notes]/[Certificates].

[Investors should note that if a supplement to or an updated version of the Base Prospectus is published at any time during the Offer Period (as defined below), such supplement or updated Base Prospectus as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of approval of such supplement or updated version of the Base Prospectus, as the case may be (the "**Approval Date**"), have the right within three working days of the Approval Date to withdraw their acceptances.]<sup>10</sup>

[The [Notes]/[Certificates] have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under any state securities laws, and the [Notes]/[Certificates] may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person. Furthermore, the [Notes]/[Certificates] do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act, as amended (the "**CEA**"), and trading in the [Notes]/[Certificates] has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") pursuant to the CEA, and no U.S. person may at any time trade or maintain a position in the [Notes]/[Certificates]. For a description of the restrictions on offers and sales of the [Notes]/[Certificates], see "*Subscription and Sale and Transfer and Selling Restrictions*" in the Base Prospectus.

As used herein, "**U.S. person**" includes any "**U.S. person**" defined in Regulation S[ and any person that is not a "**non-United States person**" as defined in regulations adopted under the CEA.]<sup>11</sup>

[The [Notes]/[Certificates] documented in these Final Terms may be considered structured products in Switzerland pursuant to Article 70 the Swiss Financial Services Act of June 15, 2018 ("**FinSA**"); **they are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes of June 23, 2006 ("CISA"). Accordingly, they are not subject to the supervision of the Swiss Financial Market Supervisory Authority, FINMA and potential investors do not benefit from the specific investor protection provided under the CISA. Investors bear the credit risk of the Issuer and the Guarantor.** [The [Notes]/[Certificates] documented in these Final Terms are not being and will not be offered, sold or advertised, directly or indirectly, in, into or from Switzerland to retail clients (*Privatkundinnen und -kunden*) ("**Retail Clients**") pursuant to Article 4 para. 2 FinSA. Neither these Final Terms nor any offering materials relating to the [Notes]/[Certificates] may be made available to Retail Clients in or from Switzerland. The offering of the [Notes]/[Certificates] directly or indirectly, in, into or from Switzerland is only made by way of private placement by addressing the [Notes]/[Certificates] solely at investors classified as professional clients (*professionelle Kunden*) or institutional clients (*institutionelle Kunden*) within the meaning of FinSA ("**Professional or Institutional Clients**").]<sup>12</sup> [The Programme has been registered with a Swiss reviewing body

<sup>8</sup> Include this for all securities unless the first tranche of the issue which is being increased was issued under a Base Prospectus with an earlier date.

<sup>9</sup> The following alternative language applies if the first tranche of the issue which is being increased was issued under a Base Prospectus with an earlier date.

<sup>10</sup> Include in respect of issues of Securities for which the offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus.

<sup>11</sup> Include for Securities that have been determined to be permanently prohibited from being offered, sold, resold, transferred, pledged or delivered in the United States or to a U.S. person.

<sup>12</sup> Include where no offer intended to Retail Clients in or from Switzerland. Please note that it would also be possible to benefit from such a private placement exemption if (a) the offer is made to less than 500 Retail Clients, (b) if the denomination of the Securities is at least CHF 100'000, (c) if the Securities may only be purchased by investors investing at least CHF 100'000 or (d) if the offer

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(*Prüfstelle*) within the meaning of Article 52 FinSA (a "**Swiss Reviewing Body**") and the [Notes]/[Certificates] documented in these Final Terms may be offered, sold or advertised, directly or indirectly, in, into or from Switzerland to retail clients (*Privatkundinnen und -kunden*) ("**Retail Clients**") pursuant to Article 4 para. 2 FinSA. Such offer of the [Notes]/[Certificates] to Retail Clients may only be made after the registration of the Programme with a Swiss Reviewing Body according to the rules of the FinSA and if a key investor document (Basisinformationsblatt) within the meaning of Article 58 et seq. of FinSA relating to the Securities (a "FinSA-KID") or a key information document pursuant to the PRIIPs Regulation is made available to such Retail Client. The Programme and these Final Terms are available on [*specify website*] or may be requested as hard copies on request of the investor at [*specify address*]<sup>13</sup><sup>14</sup><sup>15</sup>

*Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms. Where the context so permits, Terms in these Final Terms may be attributed a numerical or letter suffix value when included hereon. Without limitation, the suffix can be denoted as "j", "k", "m", "q", "n", "t" or "i" and the term may be completed on the basis of the number or numbers represented by j, k, m, q, n, t or i, as chosen at the time of an issue of Securities. When applicable and in order to improve the reading and intelligibility of the formula(e) in the Final Terms, the applicable suffixes may be included, completed and explained and may be presented as a table, if necessary, in the Final Terms. Where the Final Terms specify that a table may be inserted, such table will set out amounts, entities, dates, items, rates, value levels, triggers, figures and other information which completes the definitions that appear in the relevant subparagraphs of the Final Terms, the Terms and Conditions of the Securities and the applicable Annex(es) to the Terms and Conditions of the Securities.<sup>16</sup>*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.]*

1. (i) Issuer: [BBVA Global Markets B.V. (NIF: N0035575J)]
- (ii) Guarantor: [Banco Bilbao Vizcaya Argentaria, S.A. (NIF: A48265169)][Banco Bilbao Vizcaya Argentaria, S.A. (NIF: A48265169), acting through its New York Branch]
- (iii) Principal Paying Agent: [Deutsche Bank AG, London Branch][*specify*]
- (iv) Registrar: [Deutsche Bank Luxembourg, S.A.][The Bank of New York Mellon][Banco Bilbao Vizcaya Argentaria, S.A.][Not Applicable][*specify*]
- (v) Transfer Agent: [Deutsche Bank Luxembourg, S.A.][The Bank of New York Mellon] [Banco Bilbao Vizcaya Argentaria, S.A.] [Not applicable][*specify*]
- (vi) Calculation Agent: [Banco Bilbao Vizcaya Argentaria, S.A.][*specify name*]
2. (i) Series Number: [*specify*]
- (ii) Tranche Number: [*specify*] (*delete if Tranche 1*)
- (iii) Date on which the [Notes]/[Certificates] will be The [Notes]/[Certificates] will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date][exchange of the Temporary Global Security for

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does not exceed the cap of CHF 8'000'000 (over a 12 month period). In the event that the issuer would benefit from such other exemption, please adjust the wording accordingly.

<sup>13</sup> Upon request, the Programme and the Final Terms should be made available as hard copies.

<sup>14</sup> Include where offer is not exempted from the Swiss prospectus requirements under the FinSA.

<sup>15</sup> Delete where no offer into Switzerland is intended.

<sup>16</sup> Remove guidance notes in italics when preparing Final Terms.

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consolidated and form a single Series: interests in the Permanent Global Security, as referred to in paragraph 51 below, which is expected to occur on or about [date]][Not applicable]

- (iv) Applicable Annex(es): [Not applicable]
- [Annex 1: Payout Conditions]
- [Annex 2: Index Linked Conditions]
- [Annex 3: Equity Linked Conditions]
- [Annex 4: ETF Linked Conditions]
- [Annex 5: Fund Linked Conditions]
- [Annex 6: Inflation Linked Conditions]
- [Annex 7: Foreign Exchange (FX) Rate Linked Security Conditions]
- [Annex 8: Credit Linked Conditions]
- [Annex 9: EUA Contract Linked Conditions]
- (More than one Annex may apply.)*

**3. Specified Currency or Currencies:** [*specify*] [[(the "**SER Subject Currency**") for the purpose of the Specified Denomination and calculations [and payments other than those to which the Settlement Exchange Rate Provisions are specified to apply;] and (payments [to which the Settlement Exchange Rate Provisions are specified to apply] shall be made in [*specify*] [(the "**Settlement Currency**").]]]

[In respect of which payments to which the Settlement Exchange Rate Provisions and the SER Intermediated Currency Requirements are specified to apply, the "**SER Intermediate Currency**" is [*specify*].]

- (i) UVR Inflation-Adjusted [Notes]/[Certificates]<sup>17</sup>: [Applicable][Not applicable]
- (ii) UVR Equivalent of Aggregate Nominal Amount/Specified Denomination(s)/Calculation Amount as of the [Issue Date][specify]: The [Aggregate Nominal Amount is equal to UVR [*specify*]]  
The [Specified Denomination is equal to UVR [*specify*]]  
[Calculation Amount is equal to UVR [*specify*]] [all these based on the UVR rate of [*specify*] in effect as of the [Issue Date]][*specify*].
- (iii) Specified Number of COP/UVR Business Days: [*specify*]
- (iv) Initial UVR: [*specify*]
- (v) Floored UVR Index: [Not applicable][Applicable, for the purpose of determining [the Final Redemption Amount only][all payments]

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<sup>17</sup> Delete if not applicable

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### 4. Aggregate Nominal Amount:

- (i) Series: [specify] [(being the equivalent of [specify] Certificates)]
- [The [Notes]/[Certificates] are Partly Paid [Notes]/[Certificates]] [see paragraph 48 below]
- (For Partly Paid Securities, specify the dates and amounts for the payment of aggregate nominal amount)*
- [Part Payment Date(s) [specify]]
- [Part Payment Amount (s) [specify]]
- (ii) Tranche: [specify] [(being the equivalent of [specify] Certificates)]  
*(delete if Tranche 1)*

### 5. Issue Price:

[specify] [per cent. of the Aggregate Nominal Amount] [being the equivalent of [specify] Certificate(s)] [per Certificate] [plus accrued interest from [insert date] (if applicable)] [payable as set out in paragraph 4(i) above] [converted into the Settlement Currency at the Initial SER, being [specify amount] in respect of the Aggregate Nominal Amount where "**Initial SER**" means [specify]]

6. (i) Specified Denomination(s): [specify] [(being the equivalent of [specify] Certificate(s))]
- (ii) Minimum Tradable Amount: [specify][Not applicable] [(being the equivalent of [specify] Certificates)]
- (iii) Calculation Amount: [specify] [Specified Denomination] [(being the equivalent of [specify] Certificate(s))] *(Insert the following in the case of Instalment Securities:)* [(the "**Original Calculation Amount**")][minus, for the purposes of any calculation by reference to the Calculation Amount on any day, the sum of the Instalment Amounts paid prior to the relevant day][which shall be reduced by [specify amount] after each Instalment Date] [save for the purposes of calculation of any [Interest Amount][Final Redemption Amount][Early Redemption Amount][Automatic Early Redemption Amount][Optional Redemption Amount][Entitlement Amount] [[payable][deliverable] on [specify]]][for which purpose the Original Calculation Amount will apply] [Not applicable]]]

*(Insert the following in the case of Partly Paid Securities: [To the extent the [Notes]/[Certificates] are not fully paid up, the Calculation Amount and any amounts specified per Calculation Amount shall be proportionately reduced])*

*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

*(Where the Credit Linked provisions are not applicable to the [first, second etc] Instalment Amounts then the Original Calculation Amount minus the sum of such [first, second etc]*

**FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]**

*Instalment Amounts should be used for the purposes of the Credit Linked provisions in paragraphs 11 and 30. Where the Credit Linked provisions apply to a portion of the Securities not subject to redemption by Instalments 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 30)*

7. (i) Issue Date: [specify]
- (ii) Interest Commencement Date: [specify][Issue Date][Not applicable]

*(An Interest Commencement Date will not be relevant for certain Securities, for example Zero Coupon Securities.)*

- (iii) Trade Date: [specify]

8. **Maturity Date:** [The Interest Payment Date falling on or nearest to [specify] [specify] [(the "**Scheduled Maturity Date**")]] [or if that is not a Business Day the immediately succeeding][preceding] Business Day [unless it would thereby fall into the next calendar month, in which event it will be brought forward to the immediately preceding Business Day]] [or such [later] date for redemption determined as provided in the [[Index Linked][Equity Linked][ETF Linked][Fund Linked][Inflation Linked] [FX Linked] Credit Linked][EUA Contract Linked] Conditions] [but subject to Credit Linked Condition 1(g)]] [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]]

9. **Interest Basis:** [Not applicable][The Notes shall not pay interest] [per cent.] [per annum] [Fixed Rate] [Interest Leverage Multiplier: [specify]]

[[EURIBOR][SONIA][SOFR][€STR][specify CMS Rate][specify] +/- [specify] per cent.] Floating Rate] [Interest Leverage Multiplier: [specify]]

[Specified Interest Amount][Zero Coupon]

*(If Reference Item Linked Interest is the interest basis, specify one or more of the following)*

[Index Linked Interest]

[Equity Linked Interest]

[ETF Linked Interest]

[Fund Linked Interest]

[Inflation Linked Interest]

[Foreign Exchange (FX) Rate Linked Interest]

[Credit Linked Interest]

**FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]**

[Reference Item Rate Linked Interest]

[EUA Contract Linked Interest]

[Combination Interest]

[Interest Leverage Multiplier:

*[specify]*]

[and converted into the Settlement Currency by reference to the applicable Settlement Exchange Rate] [only in the specific circumstances set out in the Interest Rate Payout Formula]]

[Calculation Amount Basis will apply]<sup>18</sup>

(See paragraph 16 [and *[specify]*] below)

**10. Redemption Basis:**

[Redemption at [par]*[specify]*][see paragraph 30 (Final Redemption Amount)] [and] below)]

*(If Reference Item linked Redemption is the redemption basis, specify one or more of the following)*

[Index Linked Redemption]

[Equity Linked Redemption]

[ETF Linked Redemption]

[Fund Linked Redemption]

[Inflation Linked Redemption]

[Foreign Exchange (FX) Rate Linked Redemption]

[Credit Linked Redemption]

[Reference Item Rate Linked Redemption]

[EUA Contract Linked Redemption]

[Combination Redemption]

[Instalment] (See paragraph 46 below)

[and converted into the Settlement Currency by reference to the applicable Settlement Exchange Rate] [only in the specific circumstances set out in the Final Payout Formula]

(See paragraph 13 below)

[subject to Variation of Settlement, (see paragraph 49 below)]

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<sup>18</sup> Include for Interest bearing Certificates

**FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]**

- 11. Reference Item(s):** *[specify] [insert table] [See paragraph [specify] [Index][Basket of Indices][Share][Basket of Shares][Index][Indices][ETF][ETF Basket][Fund][Fund Basket][Subject Currency][Subject Currencies] Reference Item Rate][Reference Spread][Reference Entity(es)] [EUA Contract(s)]below] (Repeat if necessary)*
- [Not applicable]
- 12. Put/Call Options:** [Not applicable]
- [Securityholder Put Option]
- [Issuer Call Option]
- [(see paragraph[s] [33][34] below)]
- 13. Settlement Exchange Rate Provisions:** [Not applicable][Applicable][in respect of][all payments][payments of [interest][principal]only][only those payments to which these Settlement Exchange Rate Provisions are specified to apply]]
- [(See paragraph[s] *[specify]* below)]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) SER Intermediate Currency Requirements: [Not applicable][Applicable][in respect of][all payments][payments of [interest][principal]only][only those payments to which these Settlement Exchange Rate Provisions and these SER Intermediate Currency Requirements are specified to apply]]
- Second Settlement Exchange Rate means *[specify]*
- SER Intermediate Currency means *[specify]*
- (ii) Settlement Exchange Rate: *[Specify rate] (if a pre-determined fixed rate applies then delete the remaining subparagraphs of this paragraph).*
- (iii) SER Valuation Date(s): *[specify] [SER Scheduled Trading Days prior to the [scheduled] [specify each payment date]]*
- (where different SER Valuation Dates apply to different payment dates, specify in respect of each applicable payment date)*
- (iv) Provisions applicable to determining the Settlement Exchange Rate: For the purpose of the definition of Settlement Exchange Rate in Payout Condition 6.3:
- SER Price Source: [in respect of the Settlement Exchange Rate:] *[specify]* [as per Payout Condition 6.3]
- SER Valuation Time: [in respect of the Settlement Exchange Rate:] *[specify]* [as per Payout Condition 6.3]

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SER Settlement Day Centre(s): [in respect of the Settlement Exchange Rate:] [*specify*] [as per Payout Condition 6.3]

- (v) 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] per cent.
- 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]]
- [as per Payout Conditions 6.1 and 6.2 ]
- [Not applicable]
- (vi) SER Scheduled Trading Day City/Cities: [*specify*] [as per Payout Condition 6.3]
- (vii) SER Disruption Fallbacks (for Price Source Disruption and Price Materiality only): [The following Disruption Fallbacks apply in the following order:
- [Valuation Postponement]
- SER Number of Postponement Settlement Days: [[Two][*specify*]] [Business Days][SER Settlement Days] [*specify*]
- SER Maximum Days of Postponement: [*specify*]
- [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:



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SER Second Fallback Price Source: *[specify]*

SER Second Fallback Valuation Time: *[specify]*

SER Second Fallback Number of Settlement Days:  
*[specify]*

[Calculation Agent Determination] (*specify fallbacks required and arrange order in which to be applied*)

[as per Payout Condition 6.3]

[Not applicable]

(viii) SER Cumulative Events: [Not applicable][Applicable and Maximum Cumulative Days of Postponement means *[specify]*]

[as per Payout Condition 6.1]

(ix) SER Number of Settlement Days: [Two][Zero]*[specify other]* [where SER Settlement Day Centre(s) means [in respect of the Settlement Exchange Rate:] *[specify]* [and in respect of the Intermediate Exchange Rate: *[specify]*]]

[as per Payout Condition 6.3]

(x) SER Additional Disruption Event: [As per Payout Condition 6.3] [Not applicable] [The following SER Additional Disruption Events apply to the [Notes]/[Certificates]:]

*(Specify each of the following which applies or if change of law does not apply)*

[[Hedging Disruption] [Increased Cost of Hedging] [Trade Date means *[specify]*]]

[Change in Law: Not applicable]

**14. Knock-in Event:**

[Not applicable][Applicable: Knock-in Value [for [every][any] Reference Item in the Basket] is [greater than][greater than or equal to][less than][less than or equal to] the Knock-in[Barrier][[within][outside] [the Knock-in Range] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

[The Reference Item Rate [1][2] is [greater][less] than [or equal to] the Knock-in Barrier] (*Insert for Reference Item Rate Linked Securities*)

(i) Knock-in Value: *[insert definition from Payout Condition 5.1]*

(ii) Knock-in Barrier: *[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, barrier etc]* [Not applicable]

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- (iv) Knock-in Determination Day(s): [*specify*][Each Scheduled Trading Day in the Knock-in Determination Period][Not applicable]
- (v) Knock in Determination Period: [*specify*][Not applicable]
- (vi) Knock-in Period Beginning Date: [*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]

**15. Knock-out Event:**

[Not applicable][Applicable: The Knock-out Value [for [every][any] Reference Item in the Basket] is [(i)][greater than][greater than or equal to][less than][less than or equal to] [the Knock-out [Barrier] [within][outside] the Knock-out Range]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[The Reference Item Rate [1][2] is [greater][less] than [or equal to] the Knock-out Barrier]

*(Insert for Reference Item Rate Linked Securities)*

- (i) Knock-out Value: [*insert definition from Payout Condition 5.1*]
- (ii) Knock-out Barrier: [*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): [*specify*][Each Scheduled Trading Day in the Knock-out Determination Period][Not applicable]
- (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]

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- (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**

**16. Interest:** [Applicable][Not applicable]

*(If not applicable, or in case of Specified Interest Amount, delete the remaining subparagraphs of this paragraph)*

- (i) Interest Period End Date(s): [specify][Not applicable][As per General Condition 4[(a)][(b)]]
- (ii) Business Day Convention for Interest Period End Date(s): [Adjusted in accordance with [Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention][Floating Rate Convention]] [Not applicable (unadjusted)]
- (if unadjusted specify not applicable. If adjusted specify same Business Day Convention as for Interest Payment Dates. Unless otherwise agreed, the Business Day Convention where the Reference Rate is SONIA, SOFR or €STR should be specified as Modified Following Business Day Convention)*
- (iii) Interest Payment Date(s): [specify] [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions][As defined in the relevant Interest Basis provisions below] [(i) Each scheduled Interest Payment Date set out in the table below or, in each case; (ii) the Automatic Early Redemption Date immediately following the occurrence of an Automatic Early Redemption Event, whichever is the earlier][Upon the occurrence of an Automatic Early Redemption Event, interest shall cease to accrue and no further interest will be payable after the Automatic Early Redemption Date.]
- (iv) Business Day Convention for Interest Payment Date(s): [Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention][Floating Rate Convention][Not applicable]
- (If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (v) Minimum Interest Rate: [specify][per cent.][per annum][Not applicable]

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*(If a Minimum Interest Rate applies for each Interest Period, the Minimum Interest Rate shall be specified separately for each Interest Period)*

(vi) Maximum Interest Rate: [specify][per cent.][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.)*

(vii) Day Count Fraction: [30/360][Actual/Actual [(ICMA)][(ISDA)]] [Actual/365 [(Fixed)][(Sterling)]] [Actual/360] [30/360/] [360/360] [Bond Basis] [30E/360 [(ISDA)]] [Eurobond Basis] [1/1] [1] [Not applicable]

*(Where Actual/Actual ICMA is applicable, insert Determination Date(s) below)*

*(Repeat for each Interest Basis as necessary)*

*(Where the Reference Rate is (i) SONIA, specify Actual/365(Fixed); and (ii) SOFR or €STR, specify Actual/360)*

(viii) Determination Date(s): [[specify][in each year]][Not applicable]

*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In which case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*

(ix) Rate of Interest: [In respect of [the] [each] Interest Payment Date[s] [(from [specify] to [specify])][ falling [on][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 [as][in accordance with the following formula(s)]:

*(The above formulation may be repeated as necessary for each relevant interest type below)*

[Fixed Rate]

[Floating Rate]

*(In respect of a Rate of Interest Formula(e) from Payout Condition 2.1 insert formula, relevant value(s) and other related definitions from Payout Condition 2.1 and relevant definitions from Payout Condition 5).*

[Option FX: Applicable] *(specify as applicable for each Rate of Interest where FX option is to apply)*

*(If the Rate or Interest is calculated by reference to different Reference Items, Valuation Dates, etc. or is otherwise calculated 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*

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*Date etc. applies in respect of the corresponding Interest Payment Date)*

- 17. Fixed Rate [Note]/[Certificate] Provisions:** [Applicable[, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify]] only]][Not applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

*(In respect of Credit Linked Securities) [, [not] subject to the provisions of paragraph 41 Credit Linked Interest/Redemption and the Credit Linked Conditions]*

*(If more than one fixed rate is to be determined repeat items (i) to (iii) of this paragraph for each such rate and, if Digital Coupon One Dual Condition of Digital Coupon two Dual 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) Rate(s) of Interest: [[specify] [per cent. [per annum] payable [annually][semi-annually][quarterly][monthly] in arrears on [the] [each] Interest Payment Date[s]][Not applicable]

*(Amend appropriately in the case of irregular coupons)*

- (ii) Fixed Coupon Amount(s): [[specify] per Calculation Amount] [payable on [the][each] Interest Payment Date[s] falling [in][on][specify] [Not applicable]

- (iii) Broken Amount(s): [[specify] per Calculation Amount, payable on [the][each] Interest Payment Date[s] falling [in][on][specify]][Not applicable]

- 18. Floating Rate [Note]/[Certificate] Provisions:** [Applicable[, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify] only]][Not applicable] [for purposes only of determining the "Rate" element of the Rate of Interest specified in item 16(ix)] *(insert where "Rate of Interest (x) - Range Accrual" applies under item 16(ix))*

*(In respect of Credit Linked Securities) [, [not] subject to the provisions of paragraph 41 Credit Linked Interest/Redemption and the Credit Linked Conditions]*

*(If more than one floating rate is to be determined, repeat items [specify] to [specify] 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)*

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

- (i) Specified Period(s): [specify length of period] [Not applicable]

- (ii) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination][ISDA Determination] *(further particulars specified below)*

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- (iii) Screen Rate Determination: [Applicable][Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (If applicable, for floating rate Securities not referencing SONIA, SOFR or €STR include (a) to [(d)] below and delete the other sub-paragraphs)*
- (If applicable, for floating rate Securities referencing SONIA, SOFR or €STR include (a) to [(TBD)] (excluding (c) below, delete otherwise)*
- (a) Reference Rate: [specify period] [month] [year] [EURIBOR] [SONIA] [SOFR] [€STR] [CMS Rate with a Designated Maturity of [insert years]][specify Government Bond Yield Rate][specify TEC Rate] [with a Designated Maturity of [insert years]] [specify other]
- (b) Interest Determination Date(s): [specify] [[ ] [prior to the [The][first] day of each Interest Period]] [The [second][specify] [Business Day][specify] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][specify] [Business Day][specify] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to General Condition 5 (Payments, Physical Delivery and Exchange of Talons)) – use for Payment Delay only]
- (c) Specified Time: [specify][Not applicable]
- (Not applicable, for SONIA, SOFR or €STR)*
- (d) Relevant Screen Page: [specify][The SOFR Screen Page][ECB Website][New York Federal Reserve's Website]
- (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)*
- (e) RFR Index Determination: [Applicable][Not applicable]
- (f) Determination Method: [Compounded Daily Rate – include if RFR Index Determination is specified as applicable, or if this is the chosen determination method where RFR Index Determination is specified as Not applicable][Weighted Average Rate]
- (g) Observation Method: [Observation Shift][Lag][Lock-Out][Payment Delay]
- (h) Observation Shift Option [Specify only where Observation Shift is applicable]: [Standard Shift][IDD Shift][Not applicable]

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- (i) Y: ["Y":] means [360] (*likely to be specified for USD and Euro*) [365] (*likely to be specified for GBP*)[*specify*] [Not applicable]
- (j) "p": [*specify*] (*only if Observation Shift (Standard Shift) or Lag are applicable*)[[Not applicable]
- (k) Effective Interest Payment Dates: [In respect of each Interest Period other than the final Interest Period, the date falling [two][*specify*] [Business Days][*specify*] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Securities. [Not applicable] (*include Not applicable if Payment Delay is not specified as the Observation Method*)
- (l) Rate Cut-off Date: [(*specify*) Reference Rate Business Day(s) immediately prior to the Interest Determination Date] [as per General Condition 4(b)(iv)(2)(D)] [Not applicable] (*include where Lock-Out or Payment Delay is specified as the Observation Method*)
- (m) SOFR Replacement Alternatives Priority: [As per General Condition 4(b)(iv)(4)][*specify*][[Not applicable] (*Include where the Reference Rate is SOFR*)]
- (iv) ISDA Determination: [Applicable][[Not applicable]
- (a) ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
- (b) Floating Rate Option: [*specify*] [EUR-EURIBOR-Reuters (*if 2006 ISDA Definitions apply*) / EUR-EURIBOR (*if 2021 ISDA Definitions apply*) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / USD-SOFR / USD-SOFR Compounded Index / USD-SOFR ICE Swap Rate]
- (*if the Floating Rate Option is a Compounded Index specify not applicable in (e) and (f) and complete (g) below*)
- (c) Designated Maturity: [*specify*][[Not applicable]
- (*Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate*)
- (d) Reset Date: [*specify*] [as specified in the ISDA Definitions][the first day of the relevant Interest Period]
- (e) Compounding: [Applicable]/[Not applicable]
- Compounding Method: [OIS Compounding]
- [Compounding with Lookback]
- Lookback: [Five][*specify*] Applicable Business Days]
- [Compounding with Observation Period Shift]

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Observation Period Shift: [Five][*specify*] Observation Period Shift Business Days

Observation Period Shift Additional Business Days: [*specify*]/[Not applicable]]

[Compounding with Lockout

Lockout: [*specify*] Lockout Period Business Days

Lockout Period Business Days: [Applicable Business Days][*specify*]]

[Daily Capped Rate and/or Daily Floored Rate: [Applicable][Not applicable]

[Daily Capped Rate: [*specify*] per cent.]

[Daily Floored Rate: [*specify*] per cent.]]

(f) Averaging: [Applicable]/[Not applicable]

Averaging Method: [Overnight Averaging]

[Averaging with Lookback

Lookback: [Five][*specify*] Applicable Business Days]

[Averaging with Observation Period Shift

Observation Period Shift: [Five][*specify*] Observation Period Shift Business Days

Observation Period Shift Additional Business Days: [*specify*]/[Not applicable]]

[Averaging with Lockout

Lockout: [Five][*specify*] Lockout Period Business Days

Lockout Period Business Days: [Applicable Business Days][*specify*]]

[Daily Capped Rate and/or Daily Floored Rate: [Applicable][Not applicable]

[Daily Capped Rate: [*specify*] per cent.]

[Daily Floored Rate: [*specify*] per cent.]]

(g) Index Provisions: [Applicable][Not applicable]

Index Method: Compounded Index Method with Observation Period Shift

Observation Period Shift: [Five][*specify*] Observation Period Shift Business Days



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Observation Period Shift Additional Business Days:  
[specify]/[Not applicable]

[Standard Index Method][Compounded Index Method]

(h) Interest Determination Date(s): [specify]

(i) Payment Delay: [Applicable][Not applicable]

[Effective Interest Payment Date:  
In respect of each Interest Period other than the final Interest Period, the date falling [two][specify] [Business Days][specify] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the [Notes]/[Certificates] (include if Payment Delay is specified as applicable for Floating Rate Option when OIS Compounding or Overnight Averaging is the applicable calculation method and for Floating Rate Option Index if Index Method is Standard Index Method or Compounded Index Method)

(v) Linear Interpolation: [Not applicable][Applicable - the Rate of Interest for the [long][short] [first][last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]

(vi) Margin(s): [[+/-][specify]][per cent][per annum][Not applicable]

(If a Margin applies for each Interest Period, the Margin shall be specified separately for each Interest Period)

**19. Specified Interest Amount [Note]/[Certificate] Provisions:** [Applicable][Not applicable] (If not applicable delete the remaining subparagraphs of this paragraph)

(i) Specified Interest Amount(s): [In respect of [the][each] [following] Specified Interest Payment Date[s] [from and including [specify] to and including [specify]], [specify] per Calculation Amount][See table [above][below]][Insert table] (Note that for partially Credit-Linked Securities where the Specified Interest Amounts are not credit-linked, the amount specified per Calculation Amount should be the intended Specified Interest Amount per Calculation Amount multiplied by (1-Credit Multiplier).)

(In respect of Credit Linked Securities) [, [not] subject to the provisions of paragraph 41 Credit Linked Interest/Redemption and the Credit Linked Conditions]

(repeat as necessary)

(ii) Specified Interest Payment Date(s): [specify][[Each][The] Interest Payment Date falling on or nearest to] [specify][from and including [the Interest Payment Date falling on or nearest to] [specify] to and including [the Interest Payment Date falling on or nearest to][specify]][, as adjusted in accordance with the Business Day Convention] [See table [above][below]](Insert table)

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- (iii) Specified Interest Amount Multiplier: [Not applicable] *[specify]* [Credit Event Reduction Factor] *(only include where relevant for Credit Linked Securities)*
- (iv) Business Day Convention *[specify]* [Not applicable]
- 20. Zero Coupon [Note]/[Certificate] Provisions:** [Applicable][Not applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph 41 Credit Linked Interest/Redemption and the Credit Linked Conditions]
- Accrual Yield: *[specify]* per cent. [per annum] [30/360]*[specify]*
- 21. Index Linked Interest Provisions:** [Applicable] [in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] *[specify]* [to and including *[specify]* only][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item 16(ix)] *(insert where "Rate of Interest (x) - Range Accrual" applies under item 16(ix))*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph 41 Credit Linked Interest/Redemption and the Credit Linked Conditions]
- (i) [Index][Basket of Indices]: [The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][specify]])] will apply:] [Not applicable] [See table [above] [below]] *[Insert table]*
- [For [k]=1]*[specify]**[insert description and, if relevant details of where investors can obtain information about the Index][(see paragraph [specify])](repeat as necessary)*
- [The *(specify Index)* is [not] a [Single-Exchange] [or] [Multi-Exchange Index] *(repeat as necessary)*]
- [Weighting: [[Not applicable]] *[specify]* [Each such Weighting shall be subject to adjustment in accordance with the Index Linked Conditions]]
- (ii) [Exchange(s)] [Pricing Source]: and Index Sponsor: (a) [the relevant [Exchange[s]][Pricing Source [s] [is][are]*specify*] [there are no relevant [Exchanges][Pricing Sources]]*specify*]; and
- (b) the relevant Index Sponsor is *[specify]*.
- [See table [above][below]]
- (include Pricing Source if non Multi-Exchange/Single Exchange is selected above).*
- (iii) [Related Exchange][Related Pricing Source]: *[specify]* [All Exchanges]

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- [specify][All Related Pricing Sources] [Not applicable]  
(include Related Pricing Source if the Index is a non Single-Exchange or Multi-Exchange Index).
- (iv) Screen Page: [specify][See table [above][below]]
- (v) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable] [See table [above][below]]
- (vi) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [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.]
- (vii) Interest Payment Date(s): [specify][See table [above][below]][Insert table][or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (viii) [Coupon Valuation [Date(s)][Period(s)]: [specify][See table [above][below]] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (ix) Coupon Valuation Time: [Scheduled Closing Time][Any time [on the relevant Coupon Valuation Date][during the Coupon Valuation Period] [specify][As per the Index Linked Conditions]
- (x) [Observation Date(s)][Observation Period(s): [specify][Not applicable][See table [above][below]]
- (xi) [Exchange Business Day][Index Business Day]: [(All Indices Basis)][(Per Index Basis)][(Single Index Basis)][(Cross Asset Basis)]
- (include Index Business Day if non Multi-Exchange/Single Exchange is selected above)
- (xii) Scheduled Trading Day: [All Indices Basis][Per Index Basis][Single Index Basis][Cross Asset Basis]
- (must match election made for Exchange Business Day/Index Business Day)
- (xiii) Index Correction Period: [As set out in Index Linked Condition 7][specify]
- (xiv) Specified Maximum Days of Disruption: [specify][eight][Scheduled Trading Days][Not applicable]
- (xv) Additional Disruption Events: [Not applicable][As per the Index Linked Conditions] [The following Additional Disruption Events apply to the [Notes]/[Certificates]:]

(Specify each of the following which applies)

[Hedging Disruption]

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[Increased Cost of Hedging]

[Increased Cost of Component Borrow]

[Loss of Component Borrow]

[Change in Law: Not applicable]

[Hedging Disruption: Not applicable]

[The Maximum Component Loan Rate in respect of *[specify]* is *[specify]*] (Only applicable if Loss of Component Borrow is applicable)

[The Initial Component Loan Rate in respect of *[specify]* is *[specify]*] (Only applicable if Increased Cost of Component Borrow is applicable)

**22. Equity Linked Interest Provisions:**

[Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] *[specify]* [to and including *[specify]*] only][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item 16(ix)] (*insert where "Rate of Interest (x) - Range Accrual" applies under item 16(ix)*)

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

*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph 41 Credit Linked Interest/Redemption and the Credit Linked Conditions]

(i) [Share(s)]/[Basket of Shares]:

The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][specify]])] will apply:] [Not applicable] [See table [above] [below]] [*Insert table*]

[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 Equity Linked Conditions]]

(ii) Share Currency:

*[specify]* [See table [above][below]]

(iii) ISIN of Share(s):

*[specify]* [See table [above][below]]

(iv) Screen Page:

*[specify]* [See table [above][below]]

(v) Exchange(s):

*[specify]* [See table [above][below]]

(vi) Related Exchange(s):

*[specify]*[All Exchanges]

(vii) Depository Receipt provisions:

[Applicable][Not applicable][For Reference Item k=*[specify]*][and k=*[specify]*]

(a) Details of share:

*[specify name and ISIN code of the share to which the relevant Depository Receipts relate]*

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- (b) Share Exchange: *[specify]*
- (viii) [Strike Date] [Strike Period and Strike Days]: *[specify]*[Not applicable] *[specify applicable Strike Days in the period if applicable]* [See table [above][below]]
- (ix) Averaging: [Not applicable][Averaging applies to the [Notes]/[Certificates]. 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]
- (x) Interest Payment Date(s): *[specify]* [ See table [above][below]] *[Insert table]* [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (xi) [Coupon Valuation [Date(s)][Period(s)]]: *[specify]*[See table [above][below] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (xii) Coupon Valuation Time: [Scheduled Closing Time][Any time [on the relevant Coupon Valuation Date]][during the Coupon Valuation Period]] *[[specify][As per the Equity Linked Conditions]*
- (If no time is specified the Coupon Valuation Time will be the Scheduled Closing Time)*
- (xiii) [Observation Date(s)][Observation Period(s)]: *[specify]*[Not applicable][See table [above][below]]
- (xiv) Exchange Business Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]
- (xv) Scheduled Trading Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]
- (Must match election for Exchange Business Day)*
- (xvi) Share Correction Period: [As set out in Equity Linked Condition 8]*[specify]*
- (xvii) Specified Maximum Days of Disruption: *[specify]*[eight][Scheduled Trading Days][Not applicable]
- (xviii) Extraordinary Events: [Not applicable][As per the Equity Linked Conditions][In addition to De-Listing, Insolvency, Merger Event, Tender Offer unless Tender Offer (specified below as not applicable) and Nationalisation, the following Extraordinary Events apply to the [Notes]/[Certificates]:
- (specify each of the following which applies)*
- [Listing Change]
- [Listing Suspension]
- [Illiquidity]

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- [Tender Offer: Not applicable]
- (xix) Additional Disruption Events: [Not applicable][As per the Equity Linked Conditions][The following Additional Disruption Events apply to the [Notes]/[Certificates]:]
- (Specify each of the following which applies)*
- [Hedging Disruption]
- [Insolvency Filing]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Loss of Stock Borrow]
- [Stop-Loss Event]
- [Stop-Loss Event Percentage: *[specify]* per cent.]
- [Change in Law: Not applicable]
- [The Maximum Stock Loan Rate in respect of *[specify in relation to each relevant 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 Share]* is *[specify]* (Only applicable if *Increased Cost of Stock Borrow* is applicable)]
- 23. ETF Linked Interest Provisions:** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] *[specify]* [to and including *[specify]*] only]][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item 16(ix)] (*insert where "Rate of Interest (x) - Range Accrual" applies under item 16(ix)*),
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph 41 Credit Linked Interest/Redemption 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*]
- [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]]

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- (iii) ISIN of ETF Share(s): *[specify]* [See table [above][below]]
- (iv) Screen Page: *[specify]* [See table [above][below]]
- (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 [applies] to the [Notes]/[Certificates]]. [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) Interest Payment Dates(s): *[specify]* [See table [above][below]] *[insert table]* [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (x) [Coupon Valuation [Date(s)][Period(s)]: *[specify]* [See table [above][below]] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (xi) Coupon Valuation Time: [Scheduled Closing Time][Any time [on the relevant Coupon Valuation Date]Period]] *[specify]* [As per the ETF Linked Conditions]
- (If no time is specified, the Coupon Valuation Time will be the close of trading on the Exchange)*
- (xii) [Observation Date(s)][Observation Period(s): *[specify]*[Not applicable][See table [above][below]]
- (xiii) Exchange Business Day: [[(All ETF Shares Basis)][(Per ETF Shares Basis)]][(Single ETF Share Basis)][(Cross Asset Basis)]
- (xiv) Scheduled Trading Day: [[(All ETF Share Basis)]][(Per ETF Share Basis)]][(Single ETF Share Basis)][(Cross Asset Basis)]
- (xv) ETF Share Correction Period: [As set out in the ETF Linked Condition 6]*[specify]*
- (xvi) Specified Maximum Days of Disruption: [Not applicable]*[specify]*[eight][Scheduled Trading Days]
- (xvii) Extraordinary ETF Events: [As set out in ETF Linked Condition 2(b)] *[specify]*
- (xviii) Additional Extraordinary ETF Events: [Not applicable][As per the ETF Linked Conditions][The following Additional Extraordinary ETF Events apply to the [Notes]/[Certificates]:
- (Specify each of the following which applies)*

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[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

[Stop-Loss Event]

[Stop-Loss Event Percentage: *[specify]* per cent.]

[Change in Law: Not applicable]

[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]

**24. Fund Linked Interest Provisions:**

[Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] *[specify]* [to and including *[specify]*] only]] [Not applicable] [for the purposes of determining the "Rate of Interest" specified in item 16(ix)] (*insert where "Rate of Interest (x) - Range Accrual" applies under item 16(ix)*),

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

*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph 41 Credit Linked Interest/Redemption and the Credit Linked Conditions]

(i) Fund(s)/Fund Basket(s): The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][*specify*])] will apply:] [Not applicable] [See table [above][below]] [*Insert table*]

[For [k]=1][*specify*][*insert description*][(see paragraph *[specify]*)](*repeat as necessary*)

[The NAV per Fund Share will be published on *[specify]*]

[Weighting: [[Not applicable]] [*specify*] [Each such Weighting shall be subject to adjustment in accordance with the [Fund Linked Conditions]]

(ii) Fund Shares: *[specify]*[a unit of the relevant Fund] [See table [above][below]]

(iii) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [The Averaging Dates are *[specify]*]. [See paragraph *[specify]* above][See table [above][below]]



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[In the event that an Averaging Date is a Fund Non-Valuation Date, [Omission][Postponement][Modified Postponement] will apply]

- (iv) Interest Payment Date(s): *[specify]* [See table [above][below]] *[insert table]* [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (v) [Coupon Valuation Date(s)][Period(s)]: *[specify]* [See table [above][below]] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (vi) [Observation Date(s)][Observation Period(s)]: *[specify]*[Not applicable][See table [above][below]]
- (vii) Fund Business Day: *[specify]*[(All Fund Share Basis)][(Per Fund Share Basis)][(Single Fund Share Basis)] [As per the Fund Linked Conditions]
- (viii) Initial Calculation Dates:
  - (a) Initial Calculation Day: *[specify]* [Not applicable]
  - (b) Initial Calculation Date: *[specify]* [Not applicable]
  - (c) Initial Calculation Period: *[specify]* [Not applicable]
- (ix) Final Calculation Date: *[specify]* [Not applicable]
- (x) Calculation Date(s): *[specify]* [Not applicable]
- (xi) Extraordinary Fund Events: [As set out in Fund Linked Condition 1] *[specify]*
  - (a) NAV Barrier: *[specify]*[Not applicable]
  - (b) NAV Trigger Percentage: *[specify]*[As set out in Fund Linked Condition 6] [Not applicable]
  - (c) NAV Trigger Period: *[specify]*[As set out in Fund Linked Condition 6] [Not applicable]
  - (d) Number of NAV Publication Days: *[specify]*[As set out in Fund Linked Condition 6] [Not applicable]
  - (e) Basket Trigger Level: *[specify]*[As set out in Fund Linked Condition 6] [Not applicable]
- (xii) Additional Extraordinary Fund Events: [Not applicable][As per the Fund Linked Conditions][The following Additional Extraordinary Fund Events apply to the [Notes]/[Certificates]:

*(Specify each of the following which applies)*

[Hedging Disruption]

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[Increased Cost of Hedging]

[Change in Law: Not applicable]

(xiii) Delayed Payment Cut-Off Date: [As set out in Fund Linked Condition 3][*specify*]

**25. Inflation Linked Interest Provisions:** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [*specify*] [to and including [*specify*]] only]][Not applicable][for the purposes of determining the "Rate of Interest" specified in item 16(ix)] (*insert where "Rate of Interest (x) - Range Accrual" applies under item 16(ix)*)

*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph 41 Credit Linked Interest/Redemption and the Credit Linked Conditions]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*(If more than one Inflation Rate is to be determined, repeat items (i) to (ix) for each such Inflation Rate and, if Digital Coupon One Dual Condition of Digital Coupon Two Dual 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) [Index][Indices][Basket of each Inflation Index] of [*specify*] [Reference Item[s]][(k)]

*(Set out each Index level and insert "in respect of [*specify date*]" following each Index level)*

(ii) Screen Page/Exchange/ CODE: [*specify*]

(iii) Index Sponsor: [*specify*]

(iv) Cut-Off Date: [As per the Inflation Linked Conditions][*specify*]

(v) Related Bond: [*specify*][Fallback Bond][Not applicable]

(vi) Fallback Bond: [Applicable][Not applicable]

(vii) Related Bond Redemption Event: [Applicable][Not applicable]

(viii) [Strike Date] [Strike Period and Strike Days]: [*specify*][Not applicable] [*specify applicable Strike Days in the period if applicable*]

(ix) Reference Month: [*specify*][Not applicable]

(x) Determination Date [*specify*][Not applicable]

(xi) Additional Disruption Events: [Not applicable][As per the Inflation Linked Conditions][The following Additional Disruption Events apply to the [Notes]/[Certificates]:

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*(Specify each of the following which applies)*

[Hedging Disruption]

[Increased Cost of Hedging]

[Change in Law: Not applicable]

**26. Foreign Exchange (FX) Rate Linked Interest Provisions:** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] *[specify]* [to and including *[specify]*] only][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item 16(ix)] *(insert where "Rate of Interest (x) - Range Accrual" applies under item 16(ix))* [For the purpose of determining the "RI FX Level" specified in item 16(ix)]

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

*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph 41 Credit Linked Interest/Redemption 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) [Strike Date] [Strike Period and Strike Days]: *[specify]*[Not applicable] *[specify applicable Strike Days in the period if applicable]*[See table [above][below]]
- (iv) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [The Averaging Dates are *[specify]*]. [See paragraph *[specify]* above][See table [above] [below]]
- (v) Interest Payment Date(s): *[specify]* [See table [above][below]] *[Insert table]* [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (vi) [Coupon Valuation [Date(s)][Period(s)]: *[specify]*[See table [above][below]] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (vii) [Observation Date(s)][Observation Period]: *[specify]*[Not applicable][See table [above][below]]
- (viii) 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) Relevant Screen Page: *[specify]*[Not applicable]

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- (b) Price Source: [specify]
- (c) Valuation Time: [specify][As per Foreign Exchange (FX) Rate Linked Security Condition 6]
- (d) Disruption Events: [Price Source Disruption]  
 [Illiquidity Disruption]  
 [Dual Exchange Rate]  
 [General Inconvertibility]  
 [General Non-Transferability]  
 [Material Change in Circumstances]  
 [Nationalisation]  
 [Not applicable]  
*(Specify in respect of each Subject Currency where Non-EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different Disruption Events (or components thereof) also apply thereto).*
- (e) Specified Maximum Days of Disruption: [specify][Five][Scheduled Trading Days][Not applicable]
- (ix) 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 Security 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]
- (b) EM Disruption Events: [Price Source Disruption]  
 [Illiquidity Disruption]  
 [Dual Exchange Rate]  
 [General Inconvertibility]  
 [General Non-Transferability]

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[Material Change in Circumstance]

[Nationalisation]

[Price Materiality, where:

EM Price Materiality Percentage: *[specify]*[3] per cent.

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 [EM Calculation Agent Determination]  
Fallbacks:

[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 [specify]  
Days of  
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)*

(e) Cumulative [Not applicable][Applicable and EM Maximum Cumulative  
Events: Days of Postponement means *[specify]*]

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*(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][specify]] [Business Days][ Settlement Days][specify]
- (g) EM Number of Postponement Settlement Days: [Two][Zero][specify other] [Business Days][ [where Settlement Day Centre(s) means [specify]]
- (x) Additional Disruption Events: [Not applicable][As per the Foreign Exchange (FX) Rate Linked Conditions] [The following Additional Disruption Events apply to the [Notes]/[Certificates]:]

*(Specify each of the following which applies)*

[[Hedging Disruption][Increased Cost of Hedging]

[Change in Law: Not applicable]

*(insert where Change in Law does not apply)*

- 27. Reference Interest:** **Item Rate Linked** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including] [specify] only][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item 16(ix)] *(insert where "Rate of Interest (x) - Range Accrual" applies under item 16(ix))*

(In respect of Credit Linked Securities) [, [not] subject to the provisions of paragraph 41 Credit Linked Interest/Redemption and the Credit Linked Conditions]

[The [Floating][Fixed] Rate Security 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 sub-paragraphs of this paragraph)*

*(If more than one Reference Item Rate is to be determined, include the following language: "Reference Item Rate [specify] is as follows:" and repeat items (i) to (vi) below for each such Reference Item Rate)*

- (i) Screen Rate Determination: [Applicable][Not applicable]

*(If not applicable, delete the sub-paragraphs of this paragraph)*

- (a) Reference Item Rate: [specify period] [month] [year] [EURIBOR] [SONIA] [SOFR] [€STR] [CMS Rate with a Designated Maturity of [insert years]][specify Government Bond Yield Rate][specify TEC Rate] [with a Designated Maturity of [insert years]] [specify other]

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- (b) Interest Determination Date(s): [specify]
- (c) Specified Time: [specify]
- (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) ISDA Determination: [Applicable][Not applicable]  
*(If not applicable, delete the sub-paragraphs of this paragraph)*
- (a) ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
- (b) Floating Rate Option: [specify]
- (c) Designated Maturity: [specify]
- (d) Reset Date: [specify]
- (iii) Reference Spread: [Reference Item Rate 1 minus Reference Item Rate 2][Not applicable] [See paragraph [specify][above][below]  
*(If a Reference Spread applies for each Interest Period, the Reference Spread shall be specified separately for each Interest Period.)*
- (iv) [Coupon Valuation [Date(s)][Period(s)]: [specify][or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (v) Range Accrual Cut-Off Date: [specify] [See paragraph [specify][above][below][Not applicable]
- (vi) 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 TARGET Settlement Day][Reference Rate Business Day (as defined in General Condition 4(b)(iv)(2)][a "**U.S. Government Securities Business Day**", being any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) 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]
- 28. EUA Contract Linked Interest Provisions:** [Applicable][Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

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- (i) EUA Contract/EUA Contracts/Basket of EUA Contracts [specify EUA Contract/EUA Contracts][The [futures] contract specified in item (viii) below]  
[Relevant Registry: specify]
- (ii) Pricing Date(s) [specify][Not applicable]
- (iii) Initial Pricing Date [specify][Not applicable]
- (iv) Final Pricing Date [specify][Not applicable]
- (v) Coupon Valuation Date(s) [specify][Not applicable]
- (vi) Interest Payment Dates [specify][Not applicable]
- (vii) Trade Date [specify]
- (viii) 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 []]<sup>19</sup>
- (ix) EUA Contract Business Day [EUA Contract Linked Condition [1] applies][specify]
- (x) Delivery Date [specify][Not applicable]
- (xi) Nearby Month [specify][Not applicable]
- (xii) Specified Price [specify][Not applicable]
- (xiii) Exchange [specify][Not applicable]
- (xiv) Valuation Time [Continuous monitoring specify other] and the relevant time on [insert relevant date(s)].][specify]
- (xv) Specified Maximum Days of Disruption [specify] [[specify] EUA Contract Business Days]<sup>20</sup> /[As per Conditions]
- (xvi) Weighting [The Weighting to be applied to each item comprising the Basket of EUA Contracts is specify]/[Not applicable]
- (xvii) Rolling Futures Contract [Notes]/[Certificates] [Yes/No]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)  
[Dislocation Event: Applicable]/[Not applicable]  
Dislocation Level: specify/[As per Conditions]
- (xviii) Futures Rollover [Date/Period] [specify][Not applicable]

<sup>19</sup> Delete if using automated EUA Contract Reference Prices

<sup>20</sup> [Only applicable in respect of EUA contract linked notes linked to a single EUA contract]



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- 29. Combination Interest:** [Applicable][Not applicable]  
*(Applicable in relation to Interest linked to a combination of types of Reference Items)*  
*(If applicable, complete relevant prompts from paragraphs 16 to 28)*

**PROVISIONS RELATING TO REDEMPTION [AND PROVISIONS RELATING TO CREDIT LINKED] [NOTES]/[CERTIFICATES]**

- 30. Final Redemption Amount:** [Redemption at par][Calculation Amount \* [specify] per cent.][Calculation Amount \* Final Payout][, subject to [specify][the application of the Settlement Exchange Rate Provisions[in the specified circumstances set out in the Final Payout Formula only]]][specify]

- 31. Final Payout:** [Applicable][Not applicable] *(If applicable, in respect of the following, insert a Final Payout Formula(e) from Payout Condition 2.2 and relevant definitions from Payout Condition 5)*

- 32. 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' in relation to Accumulated Coupon)*

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Automatic Redemption Event: Early [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 [for [every][any] Reference Item in the Basket] is: [greater than][greater than or equal to][less than][less than or equal to] the Automatic Early Redemption Trigger][within][outside] [the Automatic Early Redemption Range]

*(repeat as necessary)*

- (ii) AER Value: *[insert relevant value definition and where applicable relevant definitions from Payout Condition 5.1 and 5.2]*

- (iii) Automatic Redemption Amount: Early The Automatic Early Redemption Amount shall be determined in accordance with the following formula:

*(Insert relevant formula from payout annex)*

- (iv) Automatic Redemption Trigger: Early [[specify][per cent.]] [Not applicable][See table [above][below]][Insert table]

- (v) Automatic Redemption Range: Early From and [including][excluding][specify range of values, percentages, level, or prices etc] to and [including][excluding] [specify range of values, percentages,

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- level, or prices etc* [Not applicable] [See table [above][below]]
- (vi) AER Percentage: *[specify]* per cent. [Not applicable] [See table [above][below]]
- (insert where ST Automatic Early Redemption applies)*
- (vii) Automatic Early Redemption Date(s): *[specify]* [The date falling *[specify]* Business Days following [each][the] Automatic Early Redemption Valuation [Date][Period] in respect of which an Automatic Early Redemption Event has occurred] [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]] [See table [above][below]]
- (viii) AER Additional Rate: [AER Rate][*Insert relevant provisions from Payout Condition 5.1*][Not applicable]
- [AER Rate DCF][*Insert relevant provisions from Conditions*]
- [AER Rate MT][*Insert relevant provisions from Conditions*]
- [See table [above][below]]
- (ix) [(i)] Automatic Early Redemption Valuation Date(s): *[specify]* [Each *[specify]* [Scheduled Trading Day] falling within the [relevant] Automatic Early Redemption Valuation Period] [See table [above][below]]
- (repeat as necessary)*
- (x) [(ii)] Automatic Early Redemption Valuation Period(s): [[from (i)=*[specify]* to *[specify]* [Each][The] period from [and including][but excluding]*[specify]*, to [and including][but excluding]*[specify]* [See table [above][below]]
- (repeat as necessary)*
- (xi) Automatic Early Redemption Valuation Time: *[specify]*[Scheduled Closing Time][Any time [on the relevant Automatic Early Redemption Valuation Date][during the Automatic Early Redemption Valuation Period]
- (xii) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [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]
- 33. Issuer Call Option:** [Applicable][Not applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Optional Redemption Date(s): *[specify]* [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]]

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- (ii) Optional Redemption Valuation Date(s): *[specify]*[Not applicable]
- (iii) Optional Redemption Amount: *[[specify] per Calculation Amount]* [In relation to each [Note]/[Certificate]][its pro rata share of]*[specify]* [The Optional Redemption Amount shall be determined in accordance with the following formula:  
  
*(Insert relevant formula from Payout Annex)*  
  
*(Insert relevant Optional Redemption Amount in respect of each relevant Optional Redemption Date. These may be set out in a table or annexed to the Final Terms)*
- (iv) If redeemable in part:
- (a) Minimum Redemption Amount: *[specify]*[Not applicable]
- (b) Higher Redemption Amount: *[specify]*[Not applicable]
- (v) Notice periods: Minimum period: *[specify]*  
  
Maximum period: *[specify]*  
  
*[Not applicable]*  
  
*(When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*
- 34. Securityholder Put Option:** *[Applicable]*[Not applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): *[specify]* [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (ii) Optional Redemption Valuation Date(s): *[specify]*[Not applicable]
- (iii) Optional Redemption Amount(s): *[[specify] [per Calculation Amount]]*[The Optional Redemption Amount shall be determined in accordance with the following formula: *(Insert relevant formula from Payout Annex)*]
- (iv) Notice periods: Minimum period: *[specify]*[Not applicable]  
  
Maximum period: *[specify]*[Not applicable]

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*(When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 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 Agent)*

**35. Early Redemption Amount payable in cases of a Redemption for tax reasons (General Condition 6(b), a Redemption for Illegality (General Condition 6(c) [or][.] a redemption following an event of default (General Condition 9) [or][.] following an early redemption in all other cases pursuant to the Conditions [or a failure to pay a Part Payment Amount on the relevant due date (General Condition 6(k))]:** [[specify] per Calculation Amount][As set out in General Condition 6(f)]

**36. Index Linked Redemption:** [Applicable][- terms specified under paragraph 21 above will also apply for Index Linked Redemption unless specified otherwise in this paragraph 36] [Not applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph. If the relevant item from the sub-paragraphs below has already been specified under paragraph 21 above, delete the corresponding sub-paragraph of this paragraph)*

(i) [Index][Basket of Indices]: [The following Reference Item(s)][(k)] [(from [k] = 1 to [[k][specify]])] will apply:] [Not applicable] [See table below] [Insert table]

[For [k]=1][specify][insert description and, if relevant, details of where investors can obtain information about the Index](repeat as necessary)

[The (specify Index) is [not] a [Single-Exchange] [or] [Multi-Exchange Index] (repeat as necessary)]

[Weighting: [Not applicable] [[specify] [Each such Weighting shall be subject to adjustment in accordance with the Index Linked Conditions]]

(ii) [Exchange(s)][Pricing Source]: and Index Sponsor]: (a) [the relevant [Exchange[s]][Pricing Source [s] [is][are]specify] [there are no relevant [Exchanges][Pricing Sources]][specify]; and

(b) the relevant Index Sponsor is [specify]

[See table [above][below]]

*(include Pricing Source if non Multi-Exchange/Single Exchange is selected above).*

(iii) [Related Exchange][Related Pricing Source]: [specify][All Exchanges][Not applicable]

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- [specify][All Related Pricing Sources] [Not applicable]  
(include Related Pricing Source if the Index is a non Single-Exchange or Multi-Exchange Index).
- (iv) Screen Page: [specify][Not applicable] [See table [above]][below]]
- (v) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable] [See table [above]][below]]
- (vi) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [The Averaging Dates are [specify]].][See table [above]][below]]
- [In the event that an Averaging Date is a Disrupted Day, [Omission][Postponement][Modified Postponement] will apply]
- (vii) Redemption Valuation Date(s)/Period(s): [specify] [See table [above] [below]]
- (viii) Valuation Time: [Scheduled Closing Time][Any time [on the relevant Redemption Valuation Date][during the Redemption Valuation Period]] [[specify [As per the Index Linked Conditions]
- (ix) [Observation Date(s)][Observation Period]: [specify][Not applicable][See table [above] [below]]
- (x) [Exchange Business Day][Index Business Day]: [(All Indices Basis)][(Per Index Basis)][(Single Index Basis)][(Cross Asset Basis)]
- (include Index Business Day if non Multi-Exchange/Single Exchange is selected above).
- (xi) Scheduled Trading Day: [(All Indices Basis)][(Per Index Basis)][(Single Index Basis)][(Cross Asset Basis)]
- (must match election made for Exchange Business Day/ Index Business Day)
- (xii) Index Correction Period: [As set out in Index Linked Condition 7][specify]
- (xiii) Specified Maximum Days of Disruption: [specify][eight][Scheduled Trading Days][Not applicable]
- (xiv) Additional Disruption Events: [Not applicable][As per the Index Linked Conditions][The following Additional Disruption Events apply to the [Notes]/[Certificates]:]
- (Specify each of the following which applies)
- [Hedging Disruption]
- [Increased Cost of Hedging]
- [Increased Cost of Component Borrow]

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[Loss of Component Borrow]

[Change in Law: Not applicable]

[Hedging Disruption: Not applicable]

[The Maximum Component Loan Rate in respect of *[specify]* is *[specify]* (only applicable if Loss of Component Borrow is applicable)]

[The Initial Component Loan rate in respect of *[specify]* is *[specify]* (N.B. only applicable if Increased Cost of Component Borrow is applicable)]

### 37. Equity Linked Redemption:

[Applicable] [- terms specified under paragraph 22 above will also apply for Equity Linked Redemption unless specified otherwise in this paragraph 37] [Not applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph. If the relevant item from the sub-paragraphs below has already been specified under paragraph 22 above, delete the corresponding sub-paragraph of this paragraph)*

(i) [Share(s)]/[Basket of Shares]:

[The following Reference Item(s)][(k)] [(from [k] = 1 to [[k][specify]])] will apply:] [Not applicable] [See table [above] [below]] [*Insert table*]]

[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 Equity Linked Conditions]]

(ii) Share Currency:

*[specify]* [See table [above] [below]]

(iii) ISIN of Share(s):

*[specify]* [See table [above] [below]]

(iv) Screen Page:

*[specify]* [See table [above] [below]]

(v) Exchange:

*[specify]* [See table [above] [below]]

(vi) Related Exchange(s):

*[specify]*[All Exchanges][Not applicable]

(vii) Depository Receipt provisions:

[Applicable][Not applicable] [For Reference Item k=*[specify]*][and k=*[specify]*]

*(If not applicable, delete the sub-paragraphs of this paragraph)*

(a) Details of share:

*[specify name and ISIN code of the share to which the relevant Depository Receipts relate]*

(b) Share Exchange:

*[specify]*

(viii) [Strike Date] [Strike Period and Strike Days]:

*[specify]*[Not applicable] *[specify applicable Strike Days in the period if applicable]*[See table [above][below]]

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- (ix) Averaging: [Not applicable][Averaging applies to the [Notes]/[Certificates].][The Averaging Dates are [specify].][See table [above][below]]
- [In the event that an Averaging Date is a Disrupted Day, [Omission][Postponement][Modified Postponement] will apply]
- (x) Redemption Valuation [specify][Not applicable][See table [above][below]]  
Date(s)/Period(s):
- (xi) Valuation Time: [Scheduled Closing Time][Any time [on the relevant Redemption Valuation Date][during the Redemption Valuation Period]] [[specify] [As per the Equity Linked Conditions]
- (xii) [Observation Date(s)][Observation Period]: [specify][Not applicable][See table [above][below]]
- (xiii) Exchange Business Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]
- (xiv) Scheduled Trading Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]
- (xv) Share Correction Period: [As set out in Equity Linked Condition 8][specify]
- (xvi) Specified Maximum Days of Disruption: [specify][eight][Scheduled Trading Days][Not applicable]
- (xvii) Extraordinary Events: [Not applicable][As per the Equity Linked Conditions][In addition to De-Listing, Insolvency, Merger Event and Nationalisation, the following Extraordinary Events apply to the [Notes]/[Certificates]]:
- [Listing Change]
- [Listing Suspension]
- [Illiquidity]
- [Tender Offer: Not applicable]
- (xviii) Additional Disruption Events: [Not applicable][As per the Equity Linked Conditions][The following Additional Disruption Events apply to the [Notes]/[Certificates]]:
- (Specify each of the following which applies)
- [Hedging Disruption]
- [Insolvency Filing]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]

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[Loss of Stock Borrow]

[Stop-Loss Event]

[Stop-Loss Event Percentage: *[specify]* per cent.]

[Change in Law: Not applicable]

[The Maximum Stock Loan Rate in respect of *[specify]* in relation to each relevant 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 Share] is *[specify]* *(Only applicable if Increased Cost of Stock Borrow is applicable)*

**38. ETF Linked Redemption:**

[Applicable] [- terms specified under paragraph 23 above will also apply for ETF Linked Redemption unless specified otherwise in this paragraph 38]

[Not applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph. If the relevant item from the sub-paragraphs below has already been specified under paragraph 23 above, delete the corresponding sub-paragraph of this paragraph)*

(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]*

[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]*

(iv) Screen Page: *[specify]*

(v) Exchange(s): *[specify]* [See table [above][below]] [Not applicable]

(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 *[applies]* to the [Notes]/[Certificates]]. [The Averaging Dates are *[specify]*]. [See table [above][below]]

[In the event that an Averaging Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply]



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- (ix) Redemption Valuation Date(s)/ Period(s): *[specify]*[Not applicable][See table [above][below]]
- (x) Valuation Time: [Scheduled Closing Time][Any time [on the relevant Redemption Valuation Date][during the Redemption Valuation Period]] *[specify]*[As per ETF Linked Condition 6]
- (xi) [Observation Date(s)][Observation Period]: *[specify]*[Not applicable][see table above][below]]
- (xii) Exchange Business Day: [(All ETF Shares Basis)] [(Per ETF Share Basis)] [(Single ETF Share Basis)] [(Cross Asset Basis)]
- (xiii) Scheduled Trading Day: [(All ETF Shares Basis)] [(Per ETF Share Basis)] [(Single ETF Share Basis)] [(Cross Asset Basis)]
- (xiv) ETF Share Correction Period: [As set out in ETF Linked Condition 6]*[specify]*
- (xv) Specified Maximum Days of Disruption: *[specify]*[eight][Scheduled Trading Days][Not applicable]
- (xvi) Extraordinary ETF Events: [As set out in ETF Linked Condition 2(b)] *[specify]*
- (xvii) Additional Extraordinary ETF Events: [Not applicable][As per the ETF Linked Conditions] [The following Additional Disruption Events apply to the [Notes]/[Certificates]]:
- (Specify each of the following which applies)*
- [Hedging Disruption]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Insolvency Filing]
- [Stop-Loss Event]
- [Stop-Loss Event Percentage: *[specify]* per cent.]
- [Failure to Deliver: Not applicable]
- [Change in Law: Not applicable]
- [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]

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- 39. Fund Linked Redemption:** [Applicable] [- terms specified under paragraph 24 above will also apply for Fund Linked Redemption unless specified otherwise in this paragraph 39] [Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph. If the relevant item from the sub-paragraphs below has already been specified under paragraph 24 above, delete the corresponding sub-paragraph of this paragraph)*
- (i) Fund(s)/Fund Basket: [The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][specify]])] will apply:] [Not applicable] [See table [above][below]] [*Insert table*]
- [For [k]=1][specify][insert description][(see paragraph [specify])](repeat as necessary)
- [The NAV per Fund Share will be published on [specify]]
- [Weighting: [[Not applicable]] [[specify]] [Each such Weighting shall be subject to adjustment in accordance with the Fund Linked Conditions]]
- (ii) Fund Shares: [specify] [See table [above][below]][a unit of the relevant Fund]
- (iii) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [The Averaging Dates are [specify]]. [See paragraph [specify] above][See table [above][below]]
- [In the event that an Averaging Date is a [Fund Non-Valuation Date][Omission][Postponement][Modified Postponement] will apply]
- (iv) [Observation Date(s)][Observation Period]: [specify][Not applicable][see table above][below]]
- (v) Redemption Valuation Date(s)/ Period(s): [specify][Not applicable][See table [above][below]]
- (vi) Fund Business Day: [specify][(All Fund Share Basis)][(Per Fund Share Basis)][(Single Fund Share Basis)] [As per the Fund Linked Conditions]
- (vii) Initial Calculation Dates:
- (a) Initial Calculation Date: [specify][Not applicable]
- (b) Initial Calculation Period: [specify][Not applicable]
- (c) Initial Calculation Days: [specify][Not applicable]
- (viii) Final Calculation Date: [specify][Not applicable]
- (ix) Calculation Date(s): [specify][Not applicable]

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- (x) Extraordinary Events: [As set out in Fund Linked Condition 1] [*specify*]
- (a) NAV Barrier: [*specify*][Not applicable]
- (b) NAV Trigger Percentage: [*specify*][As per the Fund Linked Condition 6][*specify*][Not applicable]
- (c) NAV Trigger Period: [As per the Fund Linked Conditions][*specify*]
- (d) Basket Trigger Level: [*specify*][As set out in Fund Linked Condition 6] [Not applicable]
- (e) Number of NAV Publication Days: [*specify*] [As set out in Fund Linked Condition 6][Not applicable]
- (xi) Additional Extraordinary Fund Events: [Not applicable][As per the Fund Linked Conditions][The following Additional Extraordinary Fund Events apply to the [Notes]/[Certificates]]:
- (Specify each of the following which applies)*
- [Increased Cost of Hedging]
- [Change in Law: Not applicable]
- [Hedging Disruption: Not applicable]
- (xii) Delayed Payment Cut-off Date: [As set out in Fund Linked Condition 3][*specify*][Not applicable]
- 40. Inflation Linked Redemption:** [Applicable] [- terms specified under paragraph 25 above will also apply for Inflation Linked Redemption unless specified otherwise in this paragraph 40] [Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph. If the relevant item from the sub-paragraphs below has already been specified under paragraph 25 above, delete the corresponding sub-paragraph of this paragraph*)
- (i) [Index][Indices]: [*specify*] [Reference Item[s]][(k)]
- (ii) Screen page/Exchange/CODE: [*specify*]
- (iii) Index Sponsor: [*specify*]
- (iv) Cut-Off Date: [As per the Inflation Linked Conditions][*specify*]
- (v) Related Bond: [*specify*][Fallback Bond][Not applicable]
- (vi) Fallback Bond: [Applicable][Not applicable]
- (vii) Related Bond Redemption Event: [As set out in Inflation Linked Condition 4][*specify*]
- (viii) Reference Month: [*specify*][Not applicable]

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(ix) [Strike Date] [Strike Period and Strike Days]: [*specify*][Not applicable] [*specify applicable Strike Days in the period if applicable*]

(x) Determination Date(s): [*specify*]

(xi) Additional Redemption Event: [Not applicable][As per the Inflation Linked Conditions][The following Additional Disruption Events apply to the [Notes]/[Certificates]:

*(Specify each of the following which applies)*

[Hedging Disruption]

[Increased Cost of Hedging]

[Change of Law: Not applicable]]

**41. Credit Interest/Redemption: Linked** [Applicable:

(a) Credit Linked Interest: [Applicable][Not applicable] [in respect of [Long Exposure][and][Short Exposure]]

*(Specify not applicable for Credit Linked Securities which are Zero Coupon Credit Linked Securities or if Interest Amount is not subject to Credit provisions and repeat as necessary for Long/Short Credit Linked Securities)*

*(If Credit Linked Interest is specified as applicable for Single Reference Entity Credit Linked Securities, First-to-Default Credit Linked Securities, Nth-to-Default Credit Linked Securities or Long/Short Credit Linked Securities (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 Securities 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]/[Certificates]: The [Notes]/[Certificates] are [Single Reference Entity][First-to-Default] [Nth-to-Default] Credit Linked [Notes]/[Certificates] [and the Relevant Number is [*specify*] (*for Nth-to-Default Credit Linked Securities*)] [Non-Tranched Linear Basket Credit Linked [Notes]/[Certificates]

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where Credit Payment [on Maturity] [As You Go] applies] [Tranched Linear Basket Credit Linked [Notes]/[Certificates]] [iTraxx Non-Tranched Index Credit Linked [Notes]/[Certificates] where Credit Payment [on Maturity] [As You Go] applies] [CDX Non-Tranched Index Credit Linked [Notes]/[Certificates] where Credit Payment [on Maturity] [As You Go] applies] [iTraxx Tranched Index Credit Linked [Notes]/[Certificates]] [CDX Tranched Index Credit Linked [Notes]/[Certificates]] [Basket Tranched Index Credit Linked [Notes]/[Certificates]][Long/Short Credit Linked [Notes]/[Certificates]]

- (a) [Credit Event Amount: *[specify amount]* (only use for Linear Basket Credit Linked Securities or Index Credit Linked Securities 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 6 of the Payout Conditions]

*((a) and (b) are only applicable for Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities 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 Securities, if not the same for Long Exposure and Short Exposure, specify for each separately or repeat as necessary for Basket Tranched Index Credit Linked Securities)
- (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 Securities are not Index Credit Linked Securities or if the Securities are Long/Short Credit Linked Securities and the Long Exposure and the Short Exposure do not reference an Index or repeat as necessary for Basket Tranched Index Credit Linked Securities or Long/Short Credit Linked Securities)*

- (e) [In respect of [Long Exposure][and][Short Exposure]][in respect of Basket Tranched Index Component k=[ ]:] Annex Date: *[specify]*

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*(Delete this paragraph if the Securities are not Index Credit Linked Securities or if the Securities are Long/Short Credit Linked Securities and the Long Exposure and the Short Exposure do not reference an Index or repeat as necessary for Basket Tranched Index Credit Linked Securities or Long/Short Credit Linked Securities)*

- (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 paragraph (a) or (b) of the definition of "Credit Event Backstop Date", as applicable.] *(For Long/Short Credit Linked Securities, if not the same for Long Exposure and Short Exposure, specify for each separately or repeat as necessary for Basket Tranched Index Credit Linked Securities)*
- (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 Securities or Index Credit Linked Securities or Long/Short Credit Linked Securities)*  
*[Not applicable] (specify in case of physically settled securities or 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 nominal amount)]*
- (NB The Protected Amount may be applicable in case of Single Reference Entity Credit Linked Securities, First-to-Default Credit Linked Securities, Nth-to-Default Credit Linked Securities, Linear Basket Credit Linked Securities Index Credit Linked Securities and Long/Short Credit Linked Securities 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

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determined as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]]  
*(Delete this line item for Physically Settled Securities or if Credit linked Redemption is not applicable) (Apply for Long /Short Credit Linked Securities)*

- [(b)] Maturity Credit Redemption: [Applicable][Not applicable]] *(Delete this line item (b) for Linear Basket Credit Linked Securities or Index Credit Linked Securities or Long/Short Credit Linked Securities or if Credit Linked Redemption is not applicable)]*
- (vii) Settlement Method: [(see further item(s) [(xxviii)] [to] [(xlix)] below)] [In respect of [Long Exposure][and][Short Exposure]:] [Auction Settlement][Cash Settlement][Physical Delivery]
- [Not applicable]: [Zero/Set Recovery [Notes]/[Certificates]] [Tranched Linear Basket Credit Linked [Notes]/[Certificates]] [Tranched Index Credit Linked [Notes]/[Certificates]] where Zero Recovery is applicable] [Basket Tranched Index Credit Linked [Notes]/[Certificates]] 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 Securities, 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 Physical Settlement Matrix] *(For Long/Short Credit Linked Securities, 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 Securities, 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 Securities 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 Securities or, in the case of Long/Short Credit Linked Securities 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) Physical Settlement Matrix: [Applicable [in respect of Long Exposure and Short Exposure], [for which purpose the Date of the Physical

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Settlement Matrix is *[specify]* [Not applicable] [in respect of Long Exposure and Short Exposure] (*For Long/Short Credit Linked Securities, 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 (xiii) applies. (e.g.: 'Standard European Corporate'.)*)

(*For Basket Tranched Index Credit Linked Securities insert the following for each Index and repeat as necessary*) [In respect of Basket Tranched Index Component k= [ ]]

(*For iTraxx Index Credit Linked Securities or for Long/Short Credit Linked Securities 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 Securities or for Long/Short Credit Linked Securities 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 Securities, Single Reference Entity Credit Linked Securities and/or where a Credit Multiplier applies: As defined in Credit Linked Condition 13*] (*For Non-Tranched Index Credit Linked Securities and Non-Tranched Linear Basket Credit Linked Securities which are Instalment Securities, then please specify that the RENA will be equal to:*) [Means in respect of each Reference Entity, (i) the product of the aggregate outstanding nominal 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 Securities: 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 when the Final Terms are signed, insert one of the following:*) (*For Long/Short Credit Linked Securities where*



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*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 when the Final Terms are signed, insert:)*

[Standard Reference Obligation: Applicable

Seniority Level: [Senior Level][Subordinated Level][As set out in Credit Linked Condition 13]]

*[For Index Credit Linked Securities or Long/Short Credit Linked Securities 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]:] [As per the Physical Settlement Matrix][Applicable][Not applicable]

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*(For Long/Short Credit Linked Securities, 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 Physical Settlement Matrix] *(if Physical Settlement Matrix 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 Securities, 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 Securities, 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]

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*(For Long/Short Credit Linked Securities, 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 Securities, if not the same for Long Exposure and Short Exposure, specify for each separately)*

(xviii) Obligation(s): [In respect of [Long Exposure][and][Short Exposure]:]

(a) Obligation Category: [In respect of [Long Exposure][and][Short Exposure]:][As per the Physical Settlement Matrix][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 Physical Settlement Matrix][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 Securities, 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 Securities, same must apply to both)*

*[If applicable: [Merger Event Redemption Date:specify]]*

[Merger Event Redemption Amount: *specify*]]

(xxii) Provisions relating to Monoline Insurer Reference Entities: [In respect of [Long Exposure][and][Short Exposure]:] [Credit Linked Condition 16: [Applicable][Not applicable]][Credit Linked Condition 20 is Applicable][As

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per the Physical Settlement Matrix] *(For Long/Short Credit Linked Securities, if not the same for Long Exposure and Short Exposure, specify for each separately)*

- (xxiii) Provisions relating to LPN Reference Entities: [In respect of [Long Exposure][and][Short Exposure]:] [Credit Linked Condition 18: [Applicable][Not applicable]][Credit Linked Condition 20 is Applicable][As per the Physical Settlement Matrix] *(For Long/Short Credit Linked Securities, 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] [Credit Linked Condition 20 is Applicable] *(For Long/Short Credit Linked Securities, 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] [Credit Linked Condition 20 is Applicable] *(For Long/Short Credit Linked Securities, if not the same for Long Exposure and Short Exposure, specify for each separately)*

***Terms relating to Cash Settlement:***

*(delete section and renumber if not applicable as Settlement Method or Fallback Settlement Method) (For Long/Short Credit Linked Securities repeat as necessary if different)*

[[Long][Short] Exposure:]

- (xxvi) Valuation Date: [Single Valuation Date: [As per Credit Linked Condition 13]  
[Multiple Valuation Dates: *[specify]* Business Days; and each *[specify]* Business Days thereafter; Number of Valuation Dates: *[specify]*]
- (xxvii) Valuation Time: [As per Credit Linked Condition 13]
- (xxviii) Indicative Quotations: [Applicable][Not applicable]
- (xxix) Quotation Method: [Bid][Offer][Mid-market][As per Credit Linked Condition 13]
- (xxx) Quotation Amount: *[specify]*[Representative Amount][Credit Linked Conditions apply]
- (xxxi) Minimum Quotation Amount: *[specify]* [As set out in Credit Linked Condition 13]
- (xxxii) Quotation Dealers: *[specify]*[As set out in Credit Linked Condition 13]
- (xxxiii) Quotations: [Include Accrued Interest][Exclude Accrued Interest]
- (xxxiv) Valuation Method: [Market][Highest]  
[Average Market][Average Highest]

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[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 Securities repeat as necessary if different)*

[[Long][Short] Exposure:]

(xxxv) Fallback Settlement Method: [Cash Settlement][Physical Delivery]

### ***Terms relating to Physical Delivery***

*(delete section and renumber if not applicable as Settlement Method or Fallback Settlement Method but note may be needed for Auction elections in which case do not delete)*

(xxxvi) Physical Settlement Period: [[*specify*] Business Days][Not applicable][As per Physical Settlement Matrix]

(xxxvii) Accrued Interest on Entitlement: [Include Accrued Interest][Exclude Accrued Interest][Not applicable]

(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 Physical Settlement Matrix][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] [Qualifying Participation Seller: [*insert*]] [Transferable] [Listed] [*specify*]] [Maximum Maturity: [*specify*] years] [Accelerated or Matured] [Not Bearer][As per the Physical Settlement Matrix] [Not applicable] [Domestic Currency: [As set out in Credit Linked Condition 13] [Not Applicable][*Specify*]

(xl) Sovereign No Asset Package Delivery: [Applicable][Not applicable] [As per Physical Settlement Matrix]

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(xli) Additional Deliverable [specify] [Not applicable]  
Obligation(s):

(a) Excluded Deliverable [specify] [Not applicable]  
Obligation(s):

(b) Indicative [Applicable][Not applicable]  
Quotations:

(xlii) Reference Obligation Only [specify][Not applicable]  
Termination Amount:

*(To be specified for the purposes of Credit Linked Condition 21 for Reference Obligation Only Securities relating to a single Reference Entity issued pursuant to Annex 8.)*

***Terms relating to Zero/Set Recovery  
[Notes]/[Certificates]***

*(delete section and renumber if not applicable)*

[[Long][Short] Exposure:]

(xlili) Set/Zero Recovery Price: [Insert percentage in relation to each Reference Entity, which may be zero]

***[Terms relating to Tranching Linear Basket Credit Linked  
[Notes]/[Certificates]] [Terms related to Tranching Linear Basket Exposure]***

*(delete section and renumber if not applicable)*

[[Long][Short] Exposure:]

(xliv) H: [Insert number of Reference Entities that are equal to the higher tranche level]

(xlv) L: [Insert number of Reference Entities that are equal to the lower tranche level]

*(For Long/Short Credit Linked Securities where the Long Exposure and/or Short Exposure references a Tranching Linear Basket Exposure, repeat as necessary)*

***[Terms relating to Tranching Index Credit Linked [Notes]/[Certificates]  
[Terms related to Tranching Index Exposure]:***

*(delete section and renumber if not applicable)*

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[[Long][Short] Exposure:]

(xlvi) Attachment Point: [specify]

(xlvii) Exhaustion Point: [specify]

(xlviii) Determination of Aggregate Loss Percentage: [Zero Recovery][FP Recovery]

*(For Long/Short Credit Linked Securities where the Long Exposure and/or Short Exposure references a Tranche Index Exposure, repeat as necessary)*

***[Terms relating to Basket Tranche Index Credit Linked [Notes]/[Certificates]] [Terms relating to Basket Tranche Index Exposure]:***

*(Repeat in respect of each Basket Tranche Index Component or use Basket Tranche Index Component Numbering as appropriate)*

*(delete section and renumber if not applicable)*

[[Long][Short] Exposure:]

(xlix) Basket Tranche Index Components: The following Basket Tranche 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 41(i)(d) and (e) above)*

(l) Attachment Point: For Basket Tranche Index Component [k]=1:[specify]

For Basket Tranche Index Component [k]=[specify]: [specify]

(li) Exhaustion Point: For Basket Tranche Index Component [k]=1:[specify]

For Basket Tranche Index Component [k]=[specify]: [specify]

(lii) Component Weighting: For Basket Tranche Index Component [k]=1:[specify]

For Basket Tranche Index Component [k]=[specify]: [specify]

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- (liii) Determination of Aggregate Loss Percentage: For Basket Trunched Index Component [k]=[ ] [Zero Recovery][FP Recovery]

*(For Long/Short Credit Linked Securities where the Long Exposure and/or Short Exposure references a Basket Trunched Index Exposure, repeat as necessary)*

### **Terms relating to Long/Short Credit Linked [Notes]/[Certificates]:**

- (liv) Long Exposure: [*specify*] [Single Reference Entity Exposure] [First-to-Default Exposure] [Nth-to-Default Exposure] [Non-Trunched Linear Basket Exposure] [Non-Trunched Index Exposure] [Trunched Linear Basket Exposure] [Trunched Index Exposure] or [Basket Trunched Index Exposure]
- (lv) Short Exposure: [*specify*] [Single Reference Entity Exposure] [First-to-Default Exposure] [Nth-to-Default Exposure] [Non-Trunched Linear Basket Exposure] [Non-Trunched Index Exposure] [Trunched Linear Basket Exposure] [Trunched Index Exposure] or [Basket Trunched Index Exposure]
- (lvi) Long Nominal Exposure Percentage: [*specify*]
- (lvii) Short Nominal Exposure Percentage: [*specify*]
- (lviii) LLM: [*specify*] [Not applicable]
- (lix) SLM: [*specify*] [Not applicable]
- (lx) [Determination of Aggregate Loss Percentage:] [[Zero Recovery][FP Recovery]] (*Delete if Long Exposure or Short Exposure is neither Trunched Index Exposure nor Basket Trunched Index Exposure*)

- 42. Foreign Exchange (FX) Rate Linked Redemption:** [Applicable] [- terms specified under paragraph 26 above will also apply for Foreign Exchange (FX) Rate Linked Redemption unless specified otherwise in this paragraph 42] [Not applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph. If the relevant item from the sub-paragraphs below has already been specified under paragraph 26 above, delete the corresponding sub-paragraph of this paragraph)*

*(In respect of Credit Linked Securities) [, subject to the provisions of paragraph 41 Credit Linked Interest/Redemption 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]



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- (iii) [Strike Date] [Strike Period and Strike Days]: [*specify*][Not applicable] [*specify applicable Strike Days in the period if applicable*]
- (iv) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [The Averaging Dates are [*specify*].] [See paragraph [*specify*] above][see table below]
- (v) [Redemption Valuation Date(s)][Redemption Valuation Period(s)]: [*specify*][Not applicable]
- (vi) [Observation Date(s)][Observation Period]: [*specify*][Not applicable][See table above]
- (vii) 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) Relevant Screen Page: [*specify*][Not applicable]
- (b) Price Source: [*specify*]
- (c) Valuation Time: [*specify*]
- (d) Disruption Events: [Price Source Disruption]  
 [Illiquidity Disruption]  
 [Dual Exchange Rate]  
 [General Inconvertibility]  
 [General Non-Transferability]  
 [Material Change in Circumstance]  
 [Nationalisation]  
 [Not applicable]  
*(Specify in respect of each Subject Currency where Non-EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different Disruption Events (or components thereof) also apply thereto)*
- (e) [Specified Maximum Days of Disruption:] [*specify*][Scheduled Trading Days][Not applicable]
- (viii) 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]

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*(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 Security 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]*

- (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] per cent.

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:

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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) 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]* [Business Days] [where SER Settlement Day Centre(s) means *[specify]*]
- (g) EM Number of Postponement Settlement Days: [[Two]*[specify]*] [Business Days][Settlement Days] *[specify]*
- (ix) Additional Disruption Events: [Not applicable][As per the Foreign Exchange (FX) Rate Linked Conditions] [The following Additional Disruption Events apply to the [Notes]/[Certificates]:]  
*(Specify each of the following which applies)*  
[[Hedging Disruption][Increased Cost of Hedging]  
[Change in Law: Not applicable]  
*(insert where Change in Law does not apply)*
- (x) Delayed Redemption on the Occurrence of a Disruption Event: [Applicable][Not applicable]

- 43. Reference Item Rate Linked Redemption:** [Applicable] [- terms specified under paragraph [27] above] will also apply for Reference Item Rate Linked Redemption unless specified otherwise in this paragraph [43] [Not applicable]

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*(If not applicable delete the remaining sub-paragraphs of this paragraph)*

[The [Floating][Fixed] Rate Security Provisions shall apply for the purpose of determining the Reference Item Rate on the basis of elections in this paragraph.]

*(If more than one Reference Rate is to be determined, include the following language: "Reference Rate [specify] is as follows:" and repeat items (i) to (vi) below for each such Reference Item Rate)*

(i) Screen-Rate Determination: [Applicable][Not applicable]

*(If not applicable delete the sub-paragraphs of this paragraph)*

(a) Reference Item Rate: [specify period][month][year][EURIBOR] [SONIA] [SOFR] [€STR] [CMS Rate with a Designated Maturity of [insert years]][specify Government Bond Yield Rate][specify TEC Rate][ with a Designated Maturity of [insert years]]

(b) Valuation Date(s): [specify]

*(e.g. the second day on which the T2 System is open prior to the start of each Interest Period if USD-SOFR ICE Swap Rate, and the second day on which the T2 System is open prior to the start of each Interest Period if EURIBOR). Where the Rate of Interest is being used other than for a Floating Rate Security, 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 Securities)*

(c) Valuation Time: [specify]

*(which will be 11:00 am, New York Citytime, in the case of USD-SOFR ICE Swap Rate, and 11:00 a.m., Brussels time, in the case of EURIBOR)*

(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) ISDA Determination: [Applicable][Not applicable] *(If not applicable, delete the remaining sub-paragraph of this paragraph)*

*(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)*

(a) ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]

(b) Floating Rate Option: [specify]

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- (c) Designated Maturity: [specify]
- (d) Reset Date: [specify]
- (iii) Reference Spread: [Reference Item Rate 1 minus Reference Item Rate 2 [Not applicable]  
[See paragraph [specify][above][below]
- (iv) Redemption Date(s)/Period(s) Valuation [specify][Not applicable]
- (v) Range Accrual Cut-Off Date: [specify][See paragraph [specify][above][below]
- (vi) Business Days: 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 TARGET Settlement Day][Reference Rate Business Day (as defined in General Condition 4(b)(iv)(2))][a "**U.S. Government Securities Business Day**", being any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) 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]
- 44. EUA Contract Linked Redemption:** [Applicable] [- terms specified under paragraph 28 above will also apply for EUA Contract Linked Redemption unless specified otherwise in this paragraph 44] [Not applicable]  
  
*(If not applicable, delete the remaining sub-paragraph of this paragraph. If the relevant item from the sub-paragraphs below has already been specified under paragraph 28 above, delete the corresponding sub-paragraph of this paragraph)*
- (i) EUA Contract/EUA Contracts/Basket of EUA Contracts: [specify EUA Contract/EUA Contracts][The [futures] contract specified in item (viii) below]  
[Relevant Registry: [specify]]
- (ii) Pricing Date(s): [specify][Not applicable]
- (iii) Initial Pricing Date: [specify][Not applicable]
- (iv) Final Pricing Date: [specify][Not applicable] [EUA Contract Linked Condition 7 applies]
- (v) Redemption Valuation Date: [specify][Not applicable]
- (vi) Trade Date: [specify]

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- (vii) 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 []]<sup>21</sup>
- (viii) EUA Contract Business Day: [EUA Contract Linked Condition [1] applies]*[specify]*
- (ix) Delivery Date: *[specify]*[Not applicable]
- (x) Nearby Month: *[specify]*[Not applicable]
- (xi) Specified Price: *[specify]*[Not applicable]
- (xii) Exchange: *[specify]*[Not applicable]
- (xiii) Valuation Time: [Continuous monitoring *[specify other]* and the relevant time on *[insert relevant date(s)]*].*[specify]*
- (xiv) Specified Maximum Days of Disruption: *[specify]* [*[specify]* EUA Contract Business Days]<sup>22</sup> /[As per Conditions]
- (xv) Weighting: [The Weighting to be applied to each item comprising the Basket of EUA Contracts is *[specify]*]/[Not applicable]
- (xvi) Rolling Futures Contract [Notes]/[Certificates]: [Yes/No]  
  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)  
  
[Dislocation Event: [Applicable]/[Not applicable]]  
  
[Dislocation Level: *[specify]*]/[As per Conditions]]
- (xvii) Futures Rollover [Date/Period]: *[specify]*[Not applicable]
- (xviii) EUA Contract Early Redemption Amount: [Applicable][Not Applicable]  
  
(If not applicable, delete the remaining sub-paragraph of this paragraph)  
  
The EUA Contract Early Redemption Amount per Calculation Amount will be [determined in accordance with EUA Contract Linked Condition 7]/*[insert amount]*  
  
[EUA Contract 1: *[specify relevant EUA forward contract]*  
EUA Contract 2: *[specify relevant EUA spot contract]*]

<sup>21</sup> Delete if using automated EUA Contract Reference Prices

<sup>22</sup> [Only applicable in respect of EUA contract linked notes linked to a single EUA contract]

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**45. Combination Redemption:** [Applicable] [- terms specified under paragraph [29 above] will also apply for Combination Redemption unless specified otherwise in this paragraph [45]] [Not applicable]

*(If applicable, complete relevant prompts from paragraphs 363636 to 44 above)*

**46. Provisions applicable to Instalment [Notes]/[Certificates]:** [Applicable][Not applicable]

*(Applicable in relation to Reference Item Securities linked to a combination of types of Reference Items)*

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Instalment Amounts: [specify] [per Calculation Amount]

(a) Calculation Amount \* Instalment Factor \* Instalment Payout]

(b) [Instalment Payout: Insert relevant redemption formula from payout annex]

(c) [Instalment Factor: means [specify]]

[The Credit Linked Conditions are [not] applicable to the [first, second, etc] Instalment Amount(s)][Note: include where the Securities are Credit Linked Instalment Securities but where the Instalment Amounts are not subject to the Credit Linked provisions]

*(repeat as necessary)*

(ii) Instalment Dates: [specify]

**47. Provisions applicable to Physical Delivery:** [Applicable][in accordance with Credit Linked Conditions and paragraph 41 above] [where the Issuer has exercised its option to vary settlement pursuant to the application of Variation of Settlement per paragraph 49][Not applicable]

*(If not applicable or the Securities are Credit Linked Securities to which Credit Linked Redemption is applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Entitlement Amount: [Insert formula, relevant value(s) and other related definitions from Payout Condition 4][A nominal amount of the Relevant Asset equal to [specify]] [An amount per Calculation Amount equal to [specify]]

(ii) Relevant Asset(s): [specify]

*(for bonds, include the following as applicable:)*

[ISIN: [specify]]

[Issuer: [specify]]

[Maturity: [specify]]

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- [Coupon: *specify*]
- (iii) Unwind Costs: [Applicable:*specify*][Standard Unwind Costs][Not applicable]
- (iv) Cut-off Date: *specify*[As specified in General Condition 5(b)]
- (v) Settlement Business Day(s): *specify*
- (vi) Delivery Agent: [Banco Bilbao Vizcaya Argentaria, S.A.][Dealer]*specify* of *specify address*
- (vii) Assessed Value Payment Amount: [Applicable][Not applicable]
- (viii) Failure to Deliver due to Illiquidity: [Applicable][Not applicable]
- 48. Provisions applicable to Partly Paid [Notes]/[Certificates]:** [Applicable in accordance with General Condition 6(k)][Not applicable]
- [(The [Notes]/[Certificates] will be subscribed at the Part Payment Amount(s) and on the Part Payment Date(s) specified in paragraph 4 above to the account specified to the Securityholders for such purpose by the Paying Agent on behalf of the Issuer. Securityholders shall make available to the Paying Agent the funds [Five] Business Days prior to the dates specified in paragraph 4 above.)]
- (Applicable in relation to Partly Paid Securities)*
- 49. Variation of Settlement:** [The Issuer has the option to vary settlement in respect of the [Notes]/[Certificates] as set out in General Condition 5(b)(ii) [The minimum period of notice is *specify*][and][the maximum period of notice is *specify*][Not applicable]
- 50. Payment Disruption Event:** [Applicable][Not applicable]

### GENERAL PROVISIONS APPLICABLE TO THE [NOTES]/[CERTIFICATES]

- 51. Form of [Notes]/[Certificates]:** [Bearer [Notes]/[Certificates]:
- [Temporary Bearer Global Security exchangeable for a Permanent Bearer Global Security which is exchangeable for definitive Bearer [Notes]/[Certificates] [on 60 days' notice given at any time/only upon an Exchange Event [including/excluding] the exchange event described in paragraph (iii) of the definition in the Permanent Global Security]]<sup>23</sup>
- [Temporary Global Security exchangeable for definitive [Notes]/[Certificates] on and after the Exchange Date]<sup>24</sup>

<sup>23</sup> In relation to any Tranche of Securities which are expressed to be issued in denominations of EUR100,000 and integral multiples of EUR 1,000 the Global Security will not be exchangeable at the option of the holder.

<sup>24</sup> In relation to any Tranche of Securities which are expressed to be issued in denominations of EUR100,000 and integral multiples of EUR 1,000 the Global Security will not be exchangeable at the option of the holder.



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[Permanent Bearer Global Security exchangeable for definitive [Notes]/[Certificates] [on 60 days' notice given at any time/only upon an Exchange Event [including/excluding] the exchange event described in paragraph (iii) of the definition in the Permanent Global Security]]]<sup>25</sup>

[Registered [Notes]/[Certificates]:

[Regulation S Global Security [*specify nominal amount*] registered in the name of a nominee for [DTC/ a common depository for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))] [Rule 144A Global Security [*specify nominal amount*] registered in the name of a nominee for DTC/ a common depository for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))][Definitive IAI Registered [Notes]/[Certificates] [*specify nominal amounts*]][Registered [Notes]/[Certificates] in definitive form [*specify nominal amounts*]]]

[CREST Depository Instruments:

CREST Depository Interests ("**CREST Depository Interests**") representing the [Notes]/[Certificates] may also be issued in accordance with the usual procedures of Euroclear UK & International Limited ("**CREST**").]

- 52. New Global [Note][Certificate]:**<sup>26</sup> [Yes][No]
- 53.** (i) Additional Financial [Not applicable][*give details*] (*Note that this paragraph relates to the place of payment and not interest period end dates. All relevant Financial Centre(s) (including the location of the relevant agent(s)) should be included other than Target*)  
Centre(s):
- (ii) Additional Business [Not applicable] [*specify*]  
Centre(s):
- 54.** Talons for future Coupons or Receipts to be attached to definitive [Notes]/[Certificates] (and dates on which such Talons mature): [Yes as the [Notes]/[Certificates] have more than 27 Coupon payments, Talons may be required if, on exchange into definitive form, more than 27 Coupons are still to be made][No]
- 55. Redenomination, renominalisation and reconventioning provisions:** [Not applicable][The provisions in General Condition 8 apply]

[*Only applicable for Securities denominated in European currency except for Euro*]

<sup>25</sup> In relation to any Tranche of Securities which are expressed to be issued in denominations of EUR100,000 and integral multiples of EUR 1,000 the Global Security will not be exchangeable at the option of the holder.

<sup>26</sup> You should only elect "yes" opposite "New Global Security" if you have elected "yes" to the section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility" and the securities are issued in bearer form.

**FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]**

**56. Prohibition of Sales to EEA Retail Investors:** [Applicable][Not applicable]

*(If the Securities clearly do not constitute "packaged" products, "Not applicable" should be specified. If the Securities may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified)*

**57. Prohibition of Sales to UK Retail Investors:** [Applicable][Not applicable]

*(If the Securities clearly do not constitute "packaged" products or the Securities do constitute "packaged" products and a key information document will be prepared in the UK, "Not applicable" should be specified. If the Securities may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

**58. Sales outside EEA and UK only:** [Applicable][Not applicable]

**RESPONSIBILITY**

[The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms and declare that the information contained in these Final Terms is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. *[Insert relevant third party information]* has been extracted from *[specify source]*. The Issuer and the Guarantor confirm 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 inaccurate or misleading.]

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: \_\_\_\_\_

By: \_\_\_\_\_

Duly authorised

Duly authorised

# FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

## PART B – OTHER INFORMATION

### 1. Listing and Admission to Trading

[Application [has been made/will be made] by the Issuer (or on its behalf) for the [Notes]/[Certificates] to be listed on [the official list of] [Euronext Dublin] [and] [the Nordic Growth Market NGM AB [(NDX [Sweden/Finland])]] [and] [admitted to trading on [the regulated market of] [Euronext Dublin] [and] [the Nordic Growth Market NGM AB [(NDX [Sweden/Finland])]] [and] [Taipei Stock Exchange ("TPEX"), which is not a regulated market] [with effect from [the Issue Date] [*specify*]].

[Application [has also been/will also be] made for the [Notes]/[Certificates] to be admitted to trading on the multilateral trading facility of [securitised derivatives financial instruments organised and managed by Borsa Italiana S.p.A. ("SeDeX")] [EuroTLX organised and managed by Borsa Italiana S.p.A. ("Euro TLX")] [with effect from/on or around] [*specify*]].

[[*specify*] will act as liquidity provider with reference to the [Notes]/[Certificates] traded on [SeDeX]EuroTLX][*specify*]]

*[TPEX is not responsible for the content of this document and the Base Prospectus and no representation is made by TPEX to the accuracy or completeness of this document and the Base Prospectus and any supplement or amendment thereto. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document and the Base Prospectus and any supplement or amendment thereto. Admission to the listing and trading of the Securities on TPEX shall not be taken as an indication of the merits of the Issuer or the Securities. The Securities will be listed and traded on TPEX pursuant to the applicable rules of TPEX]*

*(insert specific language required by Stock Exchange/Listing Authority)*

*(Indicate in the case of a fungible issue that original Securities are already admitted to trading unless the minimum denomination of the Securities is €100,000 or more (or its equivalent in the relevant currency as at the date of issue) and the Securities are Derivative Securities)*

*(Indicate in the case of a fungible issue that original Securities are already admitted to trading unless the minimum denomination of the Securities is €100,000 or more (or its equivalent in the relevant currency as at the date of issue) and the Securities are Derivative Securities)*

Estimated of total expense related to admission of trading: [*specify*]

*(Delete if the minimum denomination is less than €100,000 (or its equivalent in any other currency as at*

## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

*the date of issue) or if the Securities are Derivative Securities)*

### 2. Ratings

Ratings:

[The [Notes]/[Certificates] have not been rated.]

[The [Notes]/[Certificates] to be issued [[have been][are expected to be]] rated:]

[S&P Global:\*[specify]]

[Moody's:\*[specify]]

[Other\*]: [specify]

*(Please include a brief explanation of the meaning of the above ratings if this has previously been published by the relevant rating provider – this explanation is not required in the case of Securities with a denomination of €100,000 or more (or its equivalent in the relevant currency as at the date of issue) or where the Securities are not derivative securities for the purposes of the Prospectus Regulation).*

*(Delete the rest of this paragraph 2 unless the Securities are to be listed on a regulated market)*

[[Inserting rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). [As such [[Insert rating agency] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]]

[[Insert the legal name of relevant non-EU credit rating agency entity] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [Insert the legal name of relevant non-EU credit rating agency entity] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

[[Insert legal name of relevant non-EU credit rating agency entity] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). The ratings have been endorsed by [insert the legal name of the relevant EU-registered credit rating agency entity] in accordance with CRA Regulation. [Insert the legal name of the relevant EU-registered credit rating agency entity] is established in the European Union and registered under the CRA Regulation. [As such [insert the legal name of the relevant EU-registered credit rating agency entity] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (delete as appropriate)] which have been endorsed by [insert the legal name of the relevant EU credit rating agency entity that applied for

## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

*registration*] may be used in the EU by the relevant market participants.]

[[*Insert legal name of relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"), but it [[is]/[has applied to be]] certified in accordance with the CRA Regulation [[[EITHER:] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [[OR:] although notification of the corresponding certification decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant non-EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority [and [*insert the legal name of the relevant credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*], although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*] may be used in the EU by the relevant market participants.]]<sup>27</sup>

### 3. Interests of Natural and Legal Persons Involved in the Issue

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<sup>27</sup>

Repeat for each credit rating.

## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

*(Description of any interest, including conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. This may be satisfied by the inclusion of the following statement:)*

- (i) Save for any fee paid to the Dealer (if applicable, such fee shall be as set out in paragraph (ii) below) [and/or any fee or other inducement paid to the distributor (if any)], so far as the Issuer is aware no person involved in the offer of the [Notes]/[Certificates] has an interest material to the offer. [For specific and detailed information on the nature and quantity of the fee or inducement paid to the distributor (if any) the investor should contact the distributor.]

*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation)*

- (ii) Dealer commission [*specify*]/[Not applicable]

### 4. [Reasons for the Offer, ]<sup>28</sup>Estimated Net Proceeds and Total Expenses<sup>29</sup>

- (i) [Reasons for the Offer: [See "*Use of Proceeds*" in the Base Prospectus]

[The Securities are [Green Securities][Social Securities][Sustainable Securities] and the net proceeds from the issuance of the Securities are intended to be used for ["green"/[and/or]"/"social"/[and/or]"/"sustainability"] purposes as described in the "*Use of Proceeds*" section of this Base Prospectus.] [The net proceeds of the issue of the Securities will be used by the Guarantor to finance and/or refinance, in part or in full, new and/or existing [description of the relevant project to be inserted]. [ ]]<sup>30</sup>

[Any delay or failure by the Issuer or Guarantor in allocating or dealing with net proceeds of the Securities or otherwise performing as described under "*Use of Proceeds*" in the Base Prospectus and Part B of these Issue Terms will not constitute an Event of Default under the Securities and will not give rise to any other claim of a holder of the Securities]

[●] (*Specify if reasons for offer is different from what is disclosed in the Base Prospectus*)

- (ii) Estimated net proceeds: [*specify*] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)
- (iii) Estimated total expenses: [*specify*] (*Include breakdown of expenses into each principal intended "use", presented in order of priority of such "uses"*)

### 5. Yield<sup>31</sup>

Indication of yield: [*specify*]

The yield is calculated at the Issue Date on the basis of the Issue Price.][The yield is calculated at the Issue Date by

<sup>28</sup> Delete in case the Reason for the Offer are not to be "green", "social" or "sustainability" purposes.

<sup>29</sup> Delete this section for Securities with a denomination of €100,000 or higher (or its equivalent in the relevant currency as at the date of issue) and which are not derivative securities.

<sup>30</sup> Delete as appropriate.

<sup>31</sup> Delete this section in the case of Securities which are derivative securities for the purposes of the Prospectus Regulation.

## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

*[insert method of yield calculation]* on the basis of *[insert yield calculation hypothesis]* It is not an indication of future yield.

### 6. **Historic Rates of Interest - Floating Rate [Notes]/[Certificates] Only**<sup>32</sup>

Details of historic [EURIBOR][SONIA][SOFR][€STR] *[specify CMS Rate]* rates can be obtained from [Reuters and/or Bloomberg]/*[specify source]*

### 7. **[Performance of [Index]<sup>33</sup>[Share][Inflation][Foreign Exchange Rate][ETF][Fund][Reference Entity/Entities][Formula][Reference Item Rate][EUA Contract], Explanation of Effect on Value of Investment and Other Information concerning the Underlying ]**<sup>34</sup>

*(Need to include details of where past and future performance and volatility of the index/formula/rates/reference entity/exchange traded fund/fund/other variable can be obtained by electronic means and whether or not it can be obtained free of charge and a clear and comprehensive explanation on how the value of the investment is affected by the underlying and the circumstances where the risk is most evident.)*

*[Where the underlying is an index, include the name of the index and details of where the information about the index can be obtained.]*

*[Where the underlying is a security, include the name of the issuer of the security and the ISIN or equivalent identification number.]*

*[Where the underlying is a basket of underlying, include the relevant weightings of each underlying in the basket.]*

*[Where the underlying is a Reference Entity or a Reference Obligation, include the name of the Reference Entity, its address, country of incorporation, industry or industries in which the Reference Entity (or the issuer of the Reference Obligation) operates and the name of the market in which its securities are admitted.]*<sup>35</sup>

*[Where the underlying is none of the above, include details of where the information about such underlying can be obtained.]*

*(Need to include a description of any market disruption or settlement disruption events that affect the underlying and any adjustment rules in relation to events concerning the underlying (if applicable).)*

*The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]*

*[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.]*

### 8. **Operational Information**

(i) ISIN Code: *[specify]*

(ii) Common Code: *[specify]*

<sup>32</sup> Delete this section in the case of Securities with a denomination of €100,000 or more (or its equivalent in the relevant currency as at the date of issue).

<sup>33</sup> The indices will only be indices where the administrator of the Index is included in the ESMA register.

<sup>34</sup> Required for derivative securities.

<sup>35</sup> Include when the Reference Entity or the Issuer of the Reference Obligation has securities already admitted to trading on a regulated market, equivalent third country market or SME Growth Market and the Credit Linked Note comprises of a single Reference Entity or Obligation or in case of a pool of Reference Entities or Obligation in which the Reference Entity or the Reference Obligation represents a 20 per cent. or more of the pool.

## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

- (iii) CUSIP: [specify][Not applicable]
- (iv) Other Code(s): [specify][Not applicable] *(If not applicable, delete the remaining sub paragraphs of this paragraph)*
- (a) [Valoren Code: [specify][Not applicable]]
- (b) [CFI:<sup>36</sup> [specify][Not applicable]]
- (c) [FISN: [specify][Not applicable]]
- (v) Any clearing system(s) other than Euroclear, Clearstream Luxembourg and the DTC approved by the Issuer and the Principal Paying Agent and the relevant identification number(s): [Not applicable][give name(s)][The [Notes]/[Certificates] will also be eligible for CREST via the issue of CREST Depository Interests representing the [Notes]/[Certificates]]
- (vi) Delivery: [Delivery [against][free of] payment] [Not applicable]
- (vii) Additional Paying Agent(s) (if any): [specify][Not applicable]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility [Yes. Note that the designation "yes" simply means that the [Notes]/[Certificates] are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper,] [include this text for registered Securities] and does not necessarily mean that the [Notes]/[Certificates] will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No.][Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the [Notes]/[Certificates] are capable of meeting them the [Notes]/[Certificates] may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)[include this text for registered securities]. Note that this does not necessarily mean that the [Notes]/[Certificates] will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

*(NB if "yes" selected the bearer Securities must be issued in NGS form)*

## 9. DISTRIBUTION

<sup>36</sup> Only to be included if required by the relevant stock exchange for reference data reporting purposes.



## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

- 9.1** Method of distribution: [Syndicated][Non-syndicated] *(if non-syndicated delete paragraph 9.2)*
- 9.2** (i) If syndicated, names [and addresses] of Managers [and underwriting commitments/quot as (material features): [Not applicable][give names [and addresses] of each entity acting as underwriter [and its respective underwriting commitments]]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers. Where not all of the issue is underwritten, please include information about portion not covered)*
- (ii) Date/Description of Subscription Agreement: [insert details][Not applicable]
- (iii) Stabilisation Manager(s) (if any): [Not applicable][give name] [specify] per cent. of the Aggregate Nominal Amount]
- (iv) [Total (underwriting and placing) commission]<sup>37</sup>
- 9.3** If non-syndicated, name [and address] of relevant Dealer: [Not applicable][give name [and address]]
- 9.4** U.S. Selling Restrictions: [The [Notes]/[Certificates] are only for offer and sale outside the United States in offshore transactions to persons that are not U.S. persons in reliance on Regulation S under the Securities Act and may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person.

Each initial purchaser of the [Notes]/[Certificates] and each subsequent purchaser or transferee of the [Notes]/[Certificates] shall be deemed to have agreed with the issuer or the seller of such [Notes]/[Certificates] that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, such [Notes]/[Certificates] so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person and (ii) it is not purchasing any

<sup>37</sup> Delete this section in the case of Securities with a denomination of €100,000 or more (or its equivalent in the relevant currency as at the date of issue).

## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

[Notes]/[Certificates] for the account or benefit of any U.S. person.]

*(include the preceding two paragraphs for issuance of Bearer Securities pursuant to Regulation S)*

[No [Notes]/[Certificates] may be offered, sold, pledged, or otherwise transferred except (i) to the Issuer or any subsidiary thereof, (ii) pursuant to a registration statement that has become effective under the Securities Act of 1933, as amended (the "**Securities Act**"), (iii) to a "Qualified Institutional Buyer" (within the meaning of Rule 144A under the Securities Act ("**Rule 144A**")) in compliance with Rule 144A, who is also a "qualified purchaser" within the meaning of Section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended (the "**1940 Act**") and the rules and regulations thereunder ("**QP**"), (iv) to a person that is not a U.S. person in an offshore transaction complying with the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act or (v) pursuant to an exemption from registration under the Securities Act (if available).]

*(include the preceding paragraph for issuance of Registered Global Securities by BBVA Global Markets B.V. pursuant to Rule 144A)*

[No [Notes]/[Certificates] may be offered, sold, pledged, or otherwise transferred except (i) to the Issuer or any subsidiary thereof, (ii) pursuant to a registration statement that has become effective under the Securities Act of 1933, as amended (the "**Securities Act**"), (iii) to a "Qualified Institutional Buyer" (within the meaning of Rule 144A under the Securities Act ("**Rule 144A**")) in compliance with Rule 144A, (iv) to a person that is not a U.S. person in an offshore transaction complying with the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act or (v) pursuant to an exemption from registration under the Securities Act (if available).]

*(include the preceding paragraph for issuance of Registered Global Securities by BBVA Global Securities B.V. pursuant to Rule 144A)*

Reg. S Compliance Category [2]; [TEFRA D][TEFRA C][TEFRA not applicable] (NB: *Securities which will be represented by CREST Depository Interests to be TEFRA C*)

<b>9.5</b>	[U.S. Withholding Considerations	Tax	As of the date of these Final Terms, the [Notes]/[Certificates] are "U.S. equity linked Securities" subject to withholding under Section 871(m) of the U.S. Internal Revenue Code of 1986.][specify] <sup>38</sup>
<b>9.6</b>	U.S. "Original Discount" Legend:	Issue	[Not applicable] [FOR PURPOSES OF ORIGINAL ISSUE DISCOUNT RULES UNDER THE UNITED STATES INTERNAL REVENUE CODE OF 1986, THIS [NOTE]/[CERTIFICATE] HAS ORIGINAL ISSUE DISCOUNT OF [currency][amount] PER EACH [currency][amount] OF NOMINAL AMOUNT OF THIS

<sup>38</sup>

Delete this Section 9.5 if the applicable Securities are not subject to withholding under Section 871(m).

## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

[NOTE]/[CERTIFICATE]; THE ISSUE PRICE OF THIS [NOTE]/[CERTIFICATE] IS [currency][amount]; THE ISSUE DATE IS [date]; AND THE YIELD TO MATURITY (COMPOUNDED [semi-annually]) IS [yield].]

*(include the preceding legend if the Securities are to be issued pursuant to Rule 144A or Section 3(a)(2) of the Securities Act, and are issued with an "original issue discount" for U.S. federal income tax purposes).*

**9.7** Non-Exempt Offer [Applicable] [Not applicable](if not applicable, delete the remaining placeholders of this paragraph 9.7 and also paragraph 10 below).

Non-Exempt Offer [France][,][and][Italy] [,][and][Portugal]  
Jurisdiction:

**9.8** Offer Period: [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [specify] Business Days thereafter"]

**9.9** Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it: [Insert names and addresses of financial intermediaries/ Authorised Offeror receiving consent (specific consent)]

*(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non- exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the Base Prospectus (and any supplement) has been notified / passported.)*

[The Issuer reserves the right to appoint other distributors during the Offer Period, which will be communicated to investors by means of a notice published as specified in paragraph [specify].] [No underwriting commitment is undertaken by the Distributor.]

### **10. Terms and Conditions of the Offer**<sup>39</sup>

[Applicable][Not applicable] [specify] (If not applicable, delete the remaining sub-paragraphs of this paragraph) [The [Notes]/[Certificates] will be offered to the public in [each][the] Non-exempt Offer Jurisdiction(s) in accordance with the arrangements listed below.]

**10.1** Offer Price: [Not applicable][See paragraph 10.11 below][give details]

**10.2** [Conditions to which the offer is subject:] [Not applicable][give details]

[Offers of the [Notes]/[Certificates] are conditional on their issue and are subject to such conditions as are set out in the [Distribution Agreement], As between Dealers and their customers (including Authorised Offerors) or between Authorised Offerors and their customers offers of the [Notes]/[Certificates] are further subject to such conditions as may be agreed between them and/or as is specified in any arrangements in place between them.]

<sup>39</sup>

Delete where no public offer in accordance with the Prospectus Regulation is intended

**FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]**

- 10.3** [Description of the application process]: [Not applicable][give details]
- 10.4** [Details of the minimum and/or maximum amount of application]: [Not applicable][give details]
- 10.5** [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]: [Not applicable][give details]
- 10.6** [Details of the method and time limits for paying up and delivering the [Notes]/[Certificates]:] [Not applicable][give details]  
(NB: Under normal circumstances, on the Issue Date, allocated Securities will be made available to the Dealer(s)/Authorised Offerors in such account as may be held by them directly or indirectly at Euroclear or Clearstream. Luxembourg.)
- 10.7** [Manner in and date on which results of the offer are to be made public:] [Not applicable][give details]  
(If applicable (i) specify date on which the final size of the issue will be made public and (ii) insert specific details in respect of the method of publication (including, where relevant, details of any advertisements to be published).)
- 10.8** [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercise:] [Not applicable][give details]
- 10.9** [Whether tranche(s) have been reserved for certain countries:] [Not applicable][give details]
- 10.10** Indication of the expected price at which the [Notes]/[Certificates] will be offered or the method of determining the price and the process for its disclosure and if the Notes are being offered to various categories of investors: [Not applicable]/[specify] [The Issuer had offered and will sell the [Notes]/[Certificates] to the Dealer(s) (and no one else) at the Issue Price of [specify] [less a total commission of [specify]]. The Dealer(s) and Authorised Offerors will offer and sell the [Notes]/[Certificates] to their customers in accordance with the arrangements in place between each such Dealer and its customers (including the Authorised Offerors) or each such Authorised Offeror and its customers by reference to the Issue Price and the market conditions prevailing at the time.]  
  
[The Notes may be offered to [any category of investors][Eligible Counterparties] [Professional Clients] [Retail clients] [only] [specify]]
- 10.11** [Process for notification to applications of the amount allotted and the indication whether dealing may begin before notification is made:] [Not applicable][give details]  
  
[Each investor will be notified by the relevant Dealer(s) and Authorised Offeror in accordance with the arrangements in place between such Dealer(s) or Authorised Offeror and its

## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

customers. Any dealing in the [Notes]/[Certificates], which take place will be at the risk of the investor.]

- 10.12** [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [NOT APPLICABLE][ *GIVE DETAILS*]
- 10.13** [Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.] [The [Authorised Offerors] [and][the distributor] are identified in 9.9 above and identifiable from the Base Prospectus]/[None]/[give details].]
- 10.14** Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: [*specify*][Not applicable]

### 11. Public Offers in Switzerland<sup>40</sup>

[If the securities are publicly offered in Switzerland, add: Applicable, and specify i.e. An offer of the Securities may be made in Switzerland during the period from [(and including)](*specify date*) to [(and including)] (*specify date*) (the "Swiss Offer Period"). [Investors are granted a withdrawal right pursuant to article 63 para. 5 FinSO during the Swiss Offer Period.]<sup>41</sup>]

### 12. [EU Benchmarks Regulation

[[Include if applicable: Amounts payable under the [Notes]/[Certificates] may be calculated by reference to [*specify benchmark*], which is provided by [administrator legal name]] [repeat as necessary]. As at the date of these Final Terms, [*administrator legal name*] [does/do] appear in the register of administrators and benchmarks established and maintained by European Securities and Markets Authority ("ESMA") pursuant to Article 36 of the EU Benchmarks Regulation.] [*specify*] does not fall within the scope of the EU Benchmark Regulation by virtue of Article 2 of the Benchmark Regulation.]<sup>42</sup>

### 13. [Index/Other Disclaimer<sup>43</sup>

[The [Notes]/[Certificates] are not sponsored, recommended, endorsed, sold or promoted by the Index or the Index Sponsor. The Index Sponsor does not make any representations, whether express or implied, regarding the results to be obtained from using their Index or the level at which an Index may stand at any particular time or any particular date or otherwise, nor its suitability. Further, the Index Sponsor will not have any liability (whether in negligence or otherwise) for any inaccuracy in the data on which the Index is based, for any mistakes, errors, or omissions in the calculation and/or dissemination of the Index, or for the manner in which it is applied in the [Notes]/[Certificates] or the offering thereof. The Issuer shall not have any liability for any act of failure to act by the Index Sponsor in connection with the calculation adjustment or maintenance of the Index. None of the Issuer or its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking

<sup>40</sup> Delete this section 11 if not required

<sup>41</sup> Insert withdrawal right pursuant to article 63 para. 5 FinSO as an alternative to an extension of the Swiss Offer Period upon publication of a supplement.

<sup>42</sup> Delete this section 12 if Benchmark Regulation is not applicable.

<sup>43</sup> Delete this section 13 if not required

## FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]

(express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

*(Insert unless the relevant Index has a bespoke disclaimer, in which case, substitute for such bespoke disclaimer)*

[IHS Markit Index Disclaimer

The Index Annex which is specified in these Final Terms in relation to the [Notes]/[Certificates] (for the purposes of this disclaimer only, a "**Credit Index**"), is the property of Markit Indices Limited (the "**Index Sponsor**") and has been licensed for use in connection with the [Notes]/[Certificates]. Each of the Securityholders acknowledges and agrees that the [Notes]/[Certificates] are not sponsored, endorsed, or promoted by the Index Sponsor. The Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of the merchantability or fitness for a particular purpose or use), with respect to the Credit Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to the quality, accuracy and/or completeness of the Credit Index or any data included therein, the results obtained from the use of the Credit Index and/or the composition of the Credit Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Credit Index at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Credit Index, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein. The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling the [Notes]/[Certificates], the ability of the Credit Index to track relevant markets' performances, or otherwise relating to the Credit Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Credit Index. No party purchasing or selling the [Notes]/[Certificates], nor the Index Sponsor shall have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Credit Index. "**iTraxx®**", "**Markit iTraxx® Europe**" and any other Index using the title "**Markit iTraxx® Europe**" are service marks of Markit Indices Limited and have been licensed for use by the Issuer.]

[[The Issuer is only offering to and selling to the Dealer(s) pursuant to and in accordance with the terms of the [Programme Agreement]. All sales to persons other than the Dealer(s) will be made by the Dealer(s) or persons to whom they sell, and/or otherwise make arrangements with, including the Financial Intermediaries. The Issuer shall not be liable for any offers, sales or purchase of [Notes]/[Certificates] by the Dealer(s) or Financial Intermediaries in accordance with the arrangements in place between any such Dealer or any such Financial Intermediary and its customers.]

[[Each [of] the Dealer(s) has acknowledged and agreed, and any Financial Intermediary will be required by the Dealer(s) to acknowledge and agree, that for the purpose of offer(s) of the [Notes]/[Certificates], the Issuer has passported the Base Prospectus in each of the Non-exempt Offer Jurisdictions and will not passport the Base Prospectus into any other Relevant State; accordingly, the [Notes]/[Certificates] may only be publicly offered in Non-exempt Offer Jurisdictions or offered to Qualified Investors (as defined in the Prospectus Regulation) in any other Relevant State and that all offers of [Notes]/[Certificates] by it will be made only in accordance with the selling restrictions set forth in the Prospectus and the provisions of these Final Terms and in compliance with all applicable laws and regulations.]<sup>44</sup>].

[Financial intermediaries seeking to rely on the Base Prospectus and any Final Terms to resell or place [Notes]/[Certificates] as permitted by article 5 of the Prospectus Regulation must obtain prior written consent from the Issuer and the Guarantor; nothing herein is to be understood as a waiver of such requirement for prior written consent.]<sup>45</sup>

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<sup>44</sup> Delete unless for a public offer

<sup>45</sup> Delete in respect of Securities with a denomination of at least €100,000 (or equivalent in another currency)

**FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]**

**FORM OF FINAL TERMS FOR NON-EXEMPT [NOTES]/[CERTIFICATES]**

**SUMMARY OF SECURITIES**

*[Insert completed summary for the Securities, unless minimum denomination is equal to or greater than €100,000 (or its equivalent in any other currency)]*



**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

*Set out below is the form of Pricing Supplement for Exempt Securities which will be completed for each Tranche of Securities issued under the Programme.<sup>46</sup>*

*A form of Pricing Supplement substantially in the form set out herein can alternatively also be used for the issuance of each Tranche of 3(a)(2) Notes under the Programme.<sup>47</sup>*

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF THE [NOTES]/[CERTIFICATES] DESCRIBED BELOW**

[Date]

**[BBVA GLOBAL MARKETS 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 residency in Spain)*

(as "Issuer")

Legal Entity Identifier ("LEI"): 213800L2COK1WB5Q3Z55]<sup>48</sup>

**[BBVA GLOBAL SECURITIES 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 residency in Spain)*

(as "Issuer")

Legal Entity Identifier ("LEI"): 7245002K0ECNIA1YTU43]<sup>49</sup>

Issue of [[Aggregate Nominal Amount] [Number] of Tranche] [Title of [Notes]/[Certificates]] (the "[Notes]/[Certificates]")

under the €10,000,000,000

Structured Medium Term Securities Programme

[Rule 144A Securities]<sup>50</sup>[3(a)(2) Notes]<sup>51</sup>

guaranteed by

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A., NEW YORK BRANCH]<sup>52</sup>**

*(incorporated with limited liability in Spain)*

(as "Guarantor")

[The [Notes]/[Certificates] are not intended to be offered, distributed or otherwise made available to any investor classified as retail investor in the jurisdiction where the [Notes]/[Certificates] are to be offered or otherwise made available.]

<sup>46</sup> Delete when completing the Pricing Supplement.

<sup>47</sup> Delete when completing the Pricing Supplement.

<sup>48</sup> Insert for Securities issued by BBVA Global Markets B.V.

<sup>49</sup> Insert for Securities issued by BBVA Global Securities B.V.

<sup>50</sup> Insert for Rule 144A Securities only.

<sup>51</sup> Insert for 3(a)(2) Notes only.

<sup>52</sup> Insert for 3(a)(2) Notes only.

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

### EUROPEAN ECONOMIC AREA AND UNITED KINGDOM

[The [Notes]/[Certificates] are not intended to be offered, distributed or sold to any investor in [the European Economic Area ("EEA")] [or] [the United Kingdom ("UK")], and no person may offer, sell or otherwise make available any [Notes]/[Certificates] which are the subject of the offering contemplated by the Base Listing Particulars as completed by this Pricing Supplement to any investor in [the EEA] [or] [the UK].]<sup>53</sup>

[This Pricing Supplement has been prepared on the basis that any offer of [Notes]/[Certificates] in [(a)] any Member State of the European Economic Area ("EEA") will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation") from the requirement to publish a prospectus for offers of [Notes]/[Certificates] [and] [(b)] the United Kingdom ("UK") will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA") (the "UK Prospectus Regulation and the Financial Services and Markets Act 2000, as amended, the "FSMA") from the requirement to publish a prospectus for offers of [Notes]/[Certificates]]. Accordingly any person making or intending to make an offer of [Notes]/[Certificates] in [(a)] any Member State of the European Economic Area which are the subject of the offering contemplated in this Pricing Supplement may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer] [and] [(b)] the United Kingdom which are the subject of the offering contemplated in this Pricing Supplement may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or section 85 of the [Financial Services and Markets Act 2000, as amended, the "FSMA")][FSMA] or to supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.]<sup>54</sup>

[Neither the Issuer nor the Dealer has authorised, nor do they authorise, the making of any offer of [Notes]/[Certificates] in any other circumstances.]

**[PROHIBITION OF SALES TO [EEA RETAIL INVESTORS] [AND] [UK RETAIL INVESTORS] –** [Consistent with the foregoing paragraph,]<sup>55</sup> the [Notes]/[Certificates] are not intended to be offered, sold or otherwise made available to any [EEA retail investor in [the European Economic Area (the "EEA")][the EEA]] [or any] [UK retail investor in][ the United Kingdom ("UK")][the UK]]. [Consequently,] [no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the [Notes]/[Certificates] or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the [Notes]/[Certificates] or otherwise making them available to any EEA retail investor may be unlawful under the PRIIPs Regulation.] [In addition,] [no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018 (the "EUWA")][EUWA] (as amended, the "UK PRIIPs Regulation") for offering or selling the [Notes]/[Certificates] or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the [Notes]/[Certificates] or otherwise making them available to any UK retail investor may be unlawful under the UK PRIIPs Regulation]. [For the purposes of this provision,] [an EEA retail investor means a person who is one (or more) of: (i) a "retail client" as defined in point (11) of Article 4(1) of [MiFID II][Directive 2014/65/EU (as amended, "MiFID II")]<sup>56</sup>; (ii) a customer within the meaning of [Directive 2016/97/EU (as amended or superseded, the "Insurance Distribution Directive"); or (iii) not a qualified investor as defined in [Regulation (EU) 2017/1129, as amended (the "Prospectus Regulation")][the Prospectus Regulation].] [In addition,] [a UK 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; (ii) a customer within the meaning of the provisions of the [FSMA][Financial Services and Markets Act 2000 (as amended, 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.]<sup>57</sup>

<sup>53</sup> Insert where the Securities are going to be sold only outside the EEA and the UK.

<sup>54</sup> Insert where no public offer (in accordance with the Prospectus Regulation) is intended in EEA and the UK.

<sup>55</sup> Insert where the Securities are going to be sold only outside the EEA and the UK.

<sup>56</sup> To be included if TM legends switched off, as MiFID not then defined anywhere.

<sup>57</sup>

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

[The [Notes]/[Certificates] are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any EEA retail investor other than in accordance with Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") and in each case in accordance with the additional requirements (if any) of the national competent authority in the Member State of EEA (the "**Relevant State**").] [Pursuant to the PRIIPs Regulation, any Relevant State may require the ex-ante notification of the key information document (the "**KID**") to the competent authority for PRIIPs marketed in that Relevant State (a "**Notification State**").] [In the EEA, the [Notes]/[Certificates] should not be offered, sold or otherwise made available to any EEA retail investor in any Notification State unless all relevant requirements in such Notification State have been first complied with.] [In the EEA, where the Notification State requires a KID to be provided in a particular language, to the extent that BBVA has not already prepared a KID in such language, the [Notes]/[Certificates] should not be offered, sold or otherwise made available to any EEA retail investor in any such Notification State until a KID has been prepared by Banco Bilbao Vizcaya Argentaria, S.A. in the relevant language.] [In the EEA, responsibility for compliance with any ex-ante notification and any ongoing regulatory obligation in respect of such KID in such Notification State shall lie solely with the person offering, selling or otherwise making the [Notes]/[Certificates] available in the Notification State.] [For these purposes,] [an "EEA retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU, 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.]]<sup>58</sup>

**[MIFID II PRODUCT GOVERNANCE] [AND] [UK MIFIR PRODUCT GOVERNANCE] TARGET MARKET** – Solely for the purposes of [the]/[each] manufacturer's product approval process, the target market assessment in respect of the [Notes]/[Certificates] has led to the conclusion that: (i) [(A)] the MiFID II target market for the [Notes]/[Certificates] is [eligible counterparties] [,] [and] [professional clients] [ and retail clients,] [[each] as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and [(B)] the UK MiFIR target market for the [Notes]/[Certificates] is [eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**")][,] [and] [professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018 (the "**EUWA**")][EUWA][ and retail clients, 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]; [and] [(ii)] in the EEA, all channels for distribution of the [Notes]/[Certificates] are appropriate]/ [(ii)] in the EEA, the following channels for distribution of the [Notes]/[Certificates] are appropriate: [investment advice][,] [and] [portfolio management][,] [and] [non-advised sales] [and pure execution services] [(ii)] in the EEA, (A) all channels for distribution to eligible counterparties and professional clients are appropriate; and (B) the following channels for distribution of the [Notes]/[Certificates] to retail clients are appropriate – [investment advice][,] [and] [portfolio management][,] [and] [non-advised sales] [and pure execution services] [, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]; and [(iii)] in the UK, all channels for distribution of the [Notes]/[Certificates] are appropriate]/ [(iii)] in the UK, the following channels for distribution of the [Notes]/[Certificates] are appropriate: [investment advice][,] [and] [portfolio management][,] [and] [non-advised sales] [and pure execution services] [(iii)] in the UK, (A) all channels for distribution to eligible counterparties and professional clients are appropriate; and (B) the following channels for distribution of the [Notes]/[Certificates] to retail clients are appropriate – [investment advice][,] [and] [portfolio management][,] [and] [non-advised sales] [and pure execution services] [, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Notes]/[Certificates] (for the purposes of this paragraph, a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, [(a)] a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes]/[Certificates] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable;] [and] [(b)] 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]/[Certificates] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable.]]<sup>59</sup>.

<sup>58</sup>  
<sup>59</sup>

Insert as necessary, where the product is a PRIIP for sale in the EEA and/or the UK for which a KID will be prepared.

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

### UNITED STATES OF AMERICA

[The Notes and the guarantee thereof are 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. 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.]<sup>60</sup> [Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the [Notes]/[Certificates] or determined that this Pricing Supplement is truthful or complete. Any representation to the contrary is a criminal offense. Under no circumstances shall this Pricing Supplement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these [Notes]/[Certificates], in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification under the securities laws of any such jurisdiction.]<sup>61</sup>

### SWITZERLAND

[Neither this Pricing Supplement nor any offering materials relating to the [Notes]/[Certificates] constitute a Prospectus [and/or key investor document (*Basisinformationsblatt*)] within the meaning of FinSA]

### PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions of the [Notes]/[Certificates] (and, together with the applicable Annex(es), the "**Conditions**") set forth in the Base Listing Particulars dated June 23, 2023 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a Base Listing Particulars (the "**Base Listing Particulars**").][This document constitutes the Pricing Supplement for the [Notes]/[Certificates] and must be read in conjunction with the Base Listing Particulars [and the supplements to it dated [specify], which together constitute [together] constitute[s] a Base Listing Particulars (the "**Base Listing Particulars**").] Full information on the Issuer, the Guarantor and the offer of the [Notes]/[Certificates] is only available on the basis of the combination of this Pricing Supplement and the Base Listing Particulars. Copies of the Base Listing Particulars [as so supplemented] have been published on the website of the Guarantor [(<https://www.bbva.com/en/>)]/[specify hyperlink] and the exchange where the [Notes]/[Certificates] are admitted to listing and trading. All references in the Base Listing Particulars and the General Conditions to the Securities shall mean the [Notes]/[Certificates].]<sup>62</sup>

[Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions of the Securities (and, together with the applicable Annex(es), the "**Conditions**") set forth in the Base Listing Particulars dated [original date] [and the supplement dated [date]] which are incorporated by reference in the Base Listing Particulars. All references in the Base Listing Particulars and the General Conditions to the Securities shall mean the [Notes]/[Certificates].]<sup>63</sup>

[The [Notes]/[Certificates] have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under any state securities laws, and the [Notes]/[Certificates] may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person. Furthermore, the [Notes]/[Certificates] do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act, as amended (the "**CEA**"), and trading in the [Notes]/[Certificates] has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") pursuant to the CEA, and no U.S. person may at any time trade or maintain a position in the [Notes]/[Certificates]. For a description of the restrictions on offers and sales of the [Notes]/[Certificates], see "*Subscription and Sale and Transfer and Selling Restrictions*" in the Base Listing Particulars.

As used herein, "**U.S. person**" includes any "**U.S. person**" as defined in Regulation S [and any person that is not a "**non-United States person**" as defined in regulations adopted under the CEA.]<sup>64</sup>

<sup>60</sup> Insert for 3(a)(2) Notes only.

<sup>61</sup> Insert for 3(a)(2) Notes only.

<sup>62</sup> Include this for all securities unless the first tranche of the issue which is being increased was issued under a Base Prospectus with an earlier date.

<sup>63</sup> The following alternative language applies if the first tranche of the issue which is being increased was issued under a Base Listing Particulars with an earlier date.

<sup>64</sup> Include for Securities that have been determined to be permanently prohibited from being offered, sold, resold, transferred, pledged or delivered in the United States or to a U.S. person.

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

[The [Notes]/[Certificates] documented in this Pricing Supplement may be considered structured products in Switzerland pursuant to Article 70 the Swiss Financial Services Act of June 15, 2018 ("FinSA"); **they are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes of June 23, 2006 ("CISA"). Accordingly, they are not subject to the supervision of the Swiss Financial Market Supervisory Authority, FINMA and potential investors do not benefit from the specific investor protection provided under the CISA. Investors bear the credit risk of the Issuer and the Guarantor.** [The [Notes]/[Certificates] documented in this Pricing Supplement are not being and will not be offered, sold or advertised, directly or indirectly, in, into or from Switzerland to retail clients (*Privatkundinnen und -kunden*) ("**Retail Clients**") pursuant to Article 4 para. 2 FinSA. Neither this Pricing Supplement nor any offering materials relating to the [Notes]/[Certificates] may be available to Retail Clients in or from Switzerland. The offering of the [Notes]/[Certificates] directly or indirectly, in, into or from Switzerland is only made by way of private placement by addressing the [Notes]/[Certificates] solely at investors classified as professional clients (*professionelle Kunden*) or institutional clients (*institutionelle Kunden*) within the meaning of FinSA ("**Professional or Institutional Clients**").]]<sup>65</sup>

*Include whichever of the following apply. 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. Italics denote directions for completing the Pricing Supplement. Where the context so permits, Terms in this Pricing Supplement may be attributed a numerical or letter suffix value when included hereon. Without limitation, the suffix can be denoted as "j", "k", "m", "q", "n", "t" or "i" and the term may be completed on the basis of the number or numbers represented by j, k, m, q, n, t or i, as chosen at the time of an issue of Securities. 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 explained and may be presented as a table, if necessary, in the Pricing Supplement. Where the Pricing Supplement specifies that a table may be inserted, such table will set out amounts, entities, dates, items, rates, value levels, triggers, figures and other information which completes the definitions that appear in the relevant subparagraphs of the Pricing Supplement, the Terms and Conditions of the Securities and the applicable Annex(es) to the Terms and Conditions of the Securities. Any units expressed in percentage can be shorted by the symbol "%". 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 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. Type and size of letter can be discretionally changed.*<sup>66</sup>

- |    |       |                         |  |
|----|-------|-------------------------|--|
| 1. | (i)   | Issuer:                 | [BBVA Global Markets B.V. (NIF: N0035575J)][BBVA Global Securities B.V. (NIF: N0074943B)]  |
|    | (ii)  | Guarantor:              | [Banco Bilbao Vizcaya Argentaria, S.A. (NIF: A48265169)][Banco Bilbao Vizcaya Argentaria, S.A. (NIF: A48265169), acting through its New York Branch] |
|    | (iii) | Principal Paying Agent: | [Deutsche Bank AG, London Branch][ <i>specify</i> ]  |
|    | (iv)  | Registrar:              | [Deutsche Bank Luxembourg, S.A.][The Bank of New York Mellon][Banco Bilbao Vizcaya Argentaria, S.A. ][Not applicable][ <i>specify</i> ]              |
|    | (v)   | Transfer Agent:         | [Deutsche Bank Luxembourg, S.A.][The Bank of New York Mellon][Banco Bilbao Vizcaya Argentaria, S.A. ][Not applicable][ <i>specify</i> ]              |
|    | (vi)  | Calculation Agent:      | [Banco Bilbao Vizcaya Argentaria, S.A.][ <i>specify name</i> ]   |
| 2. | (i)   | Series Number:          | [ <i>specify</i> ]   |

<sup>65</sup> Delete where no offer into Switzerland is intended.

<sup>66</sup> Remove guidance notes in italics when preparing Pricing Supplement.

**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

- (ii) Tranche Number: *[specify] (delete if Tranche 1)*
- (iii) Date on which the [Notes]/[Certificates] will be consolidated and form a single Series: The [Notes]/[Certificates] will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date][exchange of the Temporary Global Security for interests in the Permanent Global Security, as referred to in paragraph [51] below, which is expected to occur on or about *[date]*][Not applicable]
- (iv) Applicable Annex(es): [Not applicable]
  - [Annex 1: Payout Conditions]
  - [Annex 2: Index Linked Conditions]
  - [Annex 3: Equity Linked Conditions]
  - [Annex 4: ETF Linked Conditions]
  - [Annex 5: Fund Linked Conditions]
  - [Annex 6: Inflation Linked Conditions]
  - [Annex 7: Foreign Exchange (FX) Rate Linked Security Conditions]
  - [Annex 8: Credit Linked Conditions]
  - [Annex 9: EUA Contract Linked Conditions]

*(More than one Annex may apply.)*

**3. Specified Currency or Currencies:** *[specify]* [[(the "**SER Subject Currency**") for the purpose of the Specified Denomination and calculations [and payments other than those to which the Settlement Exchange Rate Provisions are specified to apply;] and (payments [to which the Settlement Exchange Rate Provisions are specified to apply] shall be made in *[specify]* [(the "**Settlement Currency**").].]]

[In respect of which payments to which the Settlement Exchange Rate Provisions and the SER Intermediate Currency Requirements are specified to apply, the "**SER Intermediate Currency**" is *[specify]*.]

- (i) UVR Inflation-Adjusted [Notes]/[Certificates]<sup>67</sup>: [Applicable][Not applicable]
- (ii) UVR Equivalent of Aggregate Nominal Amount/Specified Denomination(s)/Calculation Amount as of the [Issue Date]*[specify]*: The [Aggregate Nominal Amount is equal to UVR *[specify]*]  
The [Specified Denomination is equal to UVR *[specify]*]  
[Calculation Amount is equal to UVR *[specify]*] [all these based on the UVR rate of *[specify]* in effect as of the [Issue Date]]*[specify]*.

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<sup>67</sup> Delete if not applicable<sup>68</sup>      Include for Interest bearing Certificates

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

- (iii) Specified Number of [specify] COP/UVR Business Days:
- (iv) Initial UVR: [specify]
- (v) Floored UVR Index: [Not applicable][Applicable, for the purpose of determining the Final Redemption Amount only][all payments]

### 4. Aggregate Nominal Amount:

- (i) Series: [specify] [(being the equivalent of [specify] Certificates)]  
  
[The [Notes]/[Certificates] are Partly Paid [Notes]/[Certificates]] [see paragraph [48] below]  
  
*(For Partly Paid Securities, specify the dates and amounts for the payment of aggregate nominal amount)*  
  
[Part Payment Date(s) [specify]  
Part Payment Amount (s) [specify]
- (ii) Tranche: [specify] [(being the equivalent of [specify] Certificates)]  
*(delete if Tranche 1)*

### 5. Issue Price:

[specify] [per cent. of the Aggregate Nominal Amount] [being the equivalent of [specify] Certificate(s)] [per Certificate] [plus accrued interest from [insert date] (if applicable)] [payable as set out in paragraph 4(i) above] [converted into the Settlement Currency at the Initial SER, being [specify amount] in respect of the Aggregate Nominal Amount where "**Initial SER**" means [specify]]

- 6. (i) Specified Denomination(s): [specify] [(being the equivalent of [specify] Certificate(s))]
- (ii) Minimum Tradable Amount: [specify][Not applicable] [(being the equivalent of [specify] Certificates)]
- (iii) Calculation Amount: [specify] [Specified Denomination] [(being equivalent to [specify] Certificate(s))] *(Insert the following in the case of Instalment Securities:)* [(the "**Original Calculation Amount**")][minus, for the purposes of any calculation by reference to the Calculation Amount on any day, the sum of the Instalment Amounts paid prior to the relevant day][which shall be reduced by [specify amount] after each Instalment Date] [save for the purposes of calculation of any [Interest Amount][Final Redemption Amount][Early Redemption Amount][Automatic Early Redemption Amount][Optional Redemption Amount][Entitlement Amount] [[payable][deliverable] on [specify]][[for which purpose the Original Calculation Amount will apply] [Not applicable]]]

*(Insert the following in the case of Partly Paid Securities: [To the extent the [Notes]/[Certificates] are not fully paid up, the Calculation Amount and any amounts specified per Calculation Amount shall be proportionately reduced])*

*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a*

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*common factor in the case of two or more Specified Denominations.)*

*(Where the Credit Linked provisions are not applicable to the [first, second etc] Instalment Amounts then the Original Calculation Amount minus the sum of such [first, second etc] Instalment Amounts should be used for the purposes of the Credit Linked provisions in paragraphs 10 and 30. Where the Credit Linked provisions apply to a portion of the Securities not subject to redemption by Instalments 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 10 and 30)*

7. (i) Issue Date: [specify]
- (ii) Interest Commencement Date: [specify][Issue Date][Not applicable]

*(An Interest Commencement Date will not be relevant for certain Securities, for example Zero Coupon Securities.)*

- (iii) Trade Date: [specify]

8. **Maturity Date:** [The Interest Payment Date falling on or nearest to [specify]] [specify] [(the "**Scheduled Maturity Date**") [or if that is not a Business Day the immediately [succeeding][preceding] Business Day [unless it would thereby fall into the next calendar month, in which event it will be brought forward to the immediately preceding Business Day] [or such [later] date for redemption determined as provided in the [[Index Linked][Equity Linked][ETF Linked][Fund Linked][Inflation Linked] [FX Linked] Credit Linked][EUA Contract Linked] Conditions] [but subject to Credit Linked Condition 1(g)][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]]

9. **Interest Basis:** [Not applicable] [The Notes shall not pay interest]
- [per cent.] [per annum] [Fixed Rate] [Interest Leverage Multiplier: [specify]]
- [EURIBOR][SONIA][SOFR][€STR][specify] CMS Rate][specify] +/-[specify] per cent.] Floating Rate] [Interest Leverage Multiplier: [specify]]
- [Specified Interest Amount])
- [Zero Coupon]
- (If Reference Item Linked Interest is the interest basis, specify one or more of the following)*
- [Index Linked Interest]
- [Equity Linked Interest]
- [ETF Linked Interest]



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[Fund Linked Interest]

[Inflation Linked Interest]

[Foreign Exchange (FX) Rate Linked Interest]

[Credit Linked Interest][Reference Item Rate Linked Interest]

[EUA Contract Linked Interest]

[Combination Interest][Interest Leverage Multiplier: *specify*]

[and converted into the Settlement Currency by reference to the applicable Settlement Exchange Rate] [only in the specific circumstances set out in the Interest Rate Payout Formula]

[Calculation Amount Basis will apply]<sup>68</sup>

(See paragraph [16] [and *specify*] below)

### 10. Redemption Basis:

[Redemption at [par][*specify*][see paragraph [30] [(Final Redemption Amount)][and][*specify*] below)]

*(If Reference Item linked Redemption is the redemption basis, specify one or more of the following)*

[Index Linked Redemption]

[Equity Linked Redemption]

[ETF Linked Redemption]

[Fund Linked Redemption]

[Inflation Linked Redemption]

[Foreign Exchange (FX) Rate Linked Redemption]

[Credit Linked Redemption]

[Reference Item Rate Linked Redemption]

[EUA Contract Linked Redemption]

[Combination Redemption]

[Instalment] (See paragraph [46] below)

[and converted into the Settlement Currency by reference to the applicable Settlement Exchange Rate] [only in the specific circumstances set out in the Final Payout Formula]

(See paragraph [13] below)

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<sup>68</sup> Include for Interest bearing Certificates

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[subject to Variation of Settlement, (see paragraph [49] below)]

**11. Reference Item(s):** [specify] [insert table] [See paragraph [specify] [Index][Basket of Indices][Share][Basket of Shares][Index][Indices][ETF][ETF Basket][Fund][Fund Basket][Subject Currency][Subject Currencies] Reference Item Rate][Reference Spread][Reference Entity(es)][EUA Contract(s)] below] *(Repeat if necessary)*

[Not applicable]

**12. Put/Call Options:** [No]

[Securityholder Put Option]

[Issuer Call Option]

[(see paragraph[s] [33][34] below)]

**13. Settlement Exchange Rate Provisions:** [Not applicable][Applicable][in respect of][all payments][payments of [interest][principal]only][only those payments to which these Settlement Exchange Rate Provisions are specified to apply]]

[(See paragraph[s] [specify] below)]

(i) SER Intermediate Currency Requirements: [Not applicable][Applicable][in respect of][all payments][payments of [interest][principal]only][only those payments to which these Settlement Exchange Rate Provisions and these SER Intermediate Currency Requirements are specified to apply]]

Second Settlement Exchange Rate means [specify]

SER Intermediate Currency means [specify]

(ii) Settlement Exchange Rate: [Specify rate] *(if a pre-determined fixed rate applies then delete the remaining subparagraphs of this paragraph).*

(iii) SER Valuation Date(s): [specify] [SER Scheduled Trading Days prior to the [scheduled] [specify each payment date]]

*(where different SER Valuation Dates apply to different payment dates, specify in respect of each applicable payment date)*

(iv) Provisions applicable to determining the Settlement Exchange Rate: For the purpose of the definition of Settlement Exchange Rate in Payout Condition 6.3:

SER Price Source: [in respect of the Settlement Exchange Rate:] [specify] [as per Payout Condition 6.3]

SER Valuation Time: [in respect of the Settlement Exchange Rate:] [specify] [as per Payout Condition 6.3]

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SER Settlement Day Centre(s): [in respect of the Settlement Exchange Rate:] [*specify*] [as per Payout Condition 6.3]

(v) 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] per cent.

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]

[as per Payout Conditions 6.1 and 6.2]

[Not applicable]

(vi) SER Scheduled Trading Day City/Cities:

[*specify*] [as per Payout Condition 6.3]

(vii) SER Disruption Fallbacks (for Price Source Disruption and Price Materiality only):

[The following Disruption Fallbacks apply in the following order:

[Valuation Postponement]

SER Number of Postponement Settlement Days: [[Two][*specify*]] [Business Days][SER Settlement Days] [*specify*]

SER Maximum Days of Postponement: [*specify*]

[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:

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SER Second Fallback Price Source: *[specify]*

SER Second Fallback Valuation Time: *[specify]*

SER Second Fallback Number of Settlement Days:  
*[specify]*

[Calculation Agent Determination] (*specify fallbacks required and arrange order in which to be applied*)

[as per Payout Condition 6.3]

[Not applicable]

(viii) SER Cumulative Events: [Not applicable][Applicable and Maximum Cumulative Days of Postponement means *[specify]*]

[as per Payout Condition 6.1]

(ix) SER Number of Settlement Days: [Two][Zero]*[specify other]* [where SER Settlement Day Centre(s) means [in respect of the Settlement Exchange Rate:] *[specify]* [and in respect of the Intermediate Exchange Rate: *[specify]*]]

[as per Payout Condition 6.3]

(x) SER Additional Disruption Event: [As per Payout Condition 6.3] [Not applicable] [The following SER Additional Disruption Events apply to the [Notes]/[Certificates]:]

*(Specify each of the following which applies or if change of law does not apply)*

[[Hedging Disruption] [Increased Cost of Hedging] [Trade Date means *[specify]*]

[Change in Law: Not applicable]

**14. Knock-in Event:**

[Not applicable][Applicable: Knock-in Value [for [every][any] Reference Item in the Basket] is [greater than][greater than or equal to][less than][less than or equal to] the Knock-in[Barrier][[within][outside] [the Knock-in Range]

[The Reference Item Rate [1][2] is [greater][less] than [or equal to] the Knock-in Barrier] (*Insert for Reference Item Rate Linked Securities*)

(i) Knock-in Value: *[insert definition from Payout Condition 5.1]*

(ii) Knock-in Barrier: *[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, barrier etc]* [Not applicable]

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- (iv) Knock-in Determination Day(s): [*specify*][Each Scheduled Trading Day in the Knock-in Determination Period][Not applicable]
- (v) Knock in Determination Period: [*specify*][Not applicable]
- (vi) Knock-in Period Beginning Date: [*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]

**15. Knock-out Event:**

[Not applicable][Applicable: The Knock-out Value [for [every][any] Reference Item in the Basket] is [(i)][greater than][greater than or equal to][less than][less than or equal to] [the Knock-out [Barrier] [within][outside] the Knock-out Range]

[The Reference Item Rate [1][2] is [greater][less] than [or equal to] the Knock-out Barrier] (*Insert for Reference Item Rate Linked Securities*)

- (i) Knock-out Value: [*insert definition from Payout Condition 5.1*]
- (ii) Knock-out Barrier: [*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*]][Each Scheduled Trading Day in the Knock-out Determination Period][Not applicable]
- (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]

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- (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]

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

**16. Interest:** [Applicable][Not applicable]

- (i) Interest Period End Date(s): *[specify]*[As per General Condition 4[(a)][(b)]]
- (ii) Business Day Convention for Interest Period End Date(s): [Adjusted in accordance with [Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention][Floating Rate Convention]] [Not applicable (unadjusted)]

*(if unadjusted specify not applicable. If adjusted specify same Business Day Convention as for Interest Payment Dates. Unless otherwise agreed, the Business Day Convention where the Reference Rate is SONIA, SOFR or €STR should be specified as Modified Following Business Day Convention)*

- (iii) Interest Payment Date(s): *[specify]* [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions][As defined in the relevant Interest Basis provisions below] [(i) Each scheduled Interest Payment Date set out in the table below or, in each case; (ii) the Automatic Early Redemption Date immediately following the occurrence of an Automatic Early Redemption Event, whichever is the earlier][Upon the occurrence of an Automatic Early Redemption Event, interest shall cease to accrue and no further interest will be payable after the Automatic Early Redemption Date.]

- (iv) Business Day Convention for Interest Payment Date(s): [Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention][Floating Rate Convention]

*(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*

- (v) Minimum Interest Rate: *[specify]*[per cent.][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)*

- (vi) Maximum Interest Rate: *[specify]*[per cent.][per annum][Not applicable]

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*(If a Maximum Interest Rate applies for each Interest Period, the Maximum Interest Rate shall be specified separately for each Interest Period.)*

(vii) Day Count Fraction: [30/360][Actual/Actual [(ICMA)][(ISDA)]] [Actual/365 [(Fixed)][(Sterling)]] [Actual/360] [30/360/] [360/360] [Bond Basis] [30E/360 [(ISDA)]] [Eurobond Basis] [1/1] [1] [Not applicable]

*(Where Actual/Actual ICMA is applicable, insert Determination Date(s) below)*

*(Repeat for each Interest Basis as necessary)*

*(Where the Reference Rate is (i) SONIA, specify Actual/365(Fixed); and (ii) SOFR or €STR, specify Actual/360)*

(viii) Determination Date(s): [[specify][in each year]][Not applicable]

*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In which case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*

(ix) Rate of Interest: [In respect of [the] [each] Interest Payment Date[s] [(from [specify] to [specify])][ falling [on][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 [as][in accordance with the following formula(s)]:

*(The above formulation may be repeated as necessary for each relevant interest type below)*

[Fixed Rate]

[Floating Rate]

*(In respect of a Rate of Interest Formula(e) from Payout Condition 2.1 insert formula, relevant value(s) and other related definitions from Payout Condition 2.1 and relevant definitions from Payout Condition 5)*

[Option FX: Applicable] *(specify as applicable for each Rate of Interest where FX option is to apply)*

*(If the Rate or Interest is calculated by reference to different Reference Items, Valuation Dates, etc. 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 etc. applies in respect of the corresponding Interest Payment Date)*

**17. Fixed Rate [Note]/[Certificate] Provisions:** [Applicable[, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify]] only]][Not applicable]

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*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]

*(If more than one fixed rate is to be determined repeat items (i) to (iii) of this paragraph for each such rate and, if Digital Coupon One Dual Condition of Digital Coupon Two Dual 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) Rate(s) of Interest: [[specify] [per cent. [per annum] payable [annually][semi-annually][quarterly][monthly] in arrears on [the][each] Interest Payment Date[s]][Not applicable]

*(Amend appropriately in the case of irregular coupons)*

- (ii) Fixed Coupon Amount(s): [[specify] per Calculation Amount] [payable on [the][each] Interest Payment Date[s] falling [in][on][specify] [Not applicable]

- (iii) Broken Amount(s): [[specify] per Calculation Amount, payable on [the][each] Interest Payment Date[s] falling [in][on][specify]][Not applicable]

- 18. Floating Rate [Note]/[Certificate] Provisions:** [Applicable[, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify] only]][Not applicable] [for purposes only of determining the "Rate" element of the Rate of Interest specified in item [16(ix)]] *(insert where "Rate of Interest (x) - Range Accrual" applies under item 16(ix))*

*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]

*(If more than one floating rate is to be determined, repeat items [specify] to [specify] 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)*

- (i) Specified Period(s): [specify length of period] [Not applicable]
- (ii) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination][ISDA Determination] *(further particulars specified below)*
- (iii) Screen Rate Determination: [Applicable][Not applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*(If applicable, for floating rate Securities not referencing SONIA, SOFR or €STR include (a) to [(d)] below and delete the other sub-paragraphs)*



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*(If applicable, for floating rate Securities referencing SONIA, SOFR or €STR include (a) to [(TBD)] (excluding (c) below, delete otherwise)*

- (a) Reference Rate: [specify period] [month] [year] [EURIBOR] [SONIA] [SOFR] [€STR] [CMS Rate with a Designated Maturity of [insert years]][specify Government Bond Yield Rate][specify TEC Rate] [with a Designated Maturity of [insert years]] [specify other]
- (b) Interest Determination Date(s): [specify] [[specify] [prior to the [The][first] day of each Interest Period]] [The [second][specify] [Business Day][specify] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day][specify] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to General Condition 5 (Payments, Physical Delivery and Exchange of Talons)) – use for Payment Delay only]
- (c) Specified Time: [specify][Not applicable]  
*(Not applicable, for SONIA, SOFR or €STR)*
- (d) Relevant Screen Page: [specify][The SOFR Screen Page][ECB Website] [New York Federal Reserve's Website]  
*(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)*
- (e) RFR Index Determination: [Applicable][Not applicable]
- (f) Determination Method: [Compounded Daily Rate – include if RFR Index Determination is specified as applicable, or if this is the chosen determination method where RFR Index Determination is specified as Not applicable][Weighted Average Rate]
- (g) Observation Method: [Observation Shift][Lag][Lock-Out][Payment Delay]
- (h) Observation Shift Option [Specify only where Observation Shift is applicable]: [Standard Shift][IDD Shift][Not applicable]
- (i) Y: ["Y":] means [360] (likely to be specified for USD and Euro) [365] (likely to be specified for GBP)[specify] [Not applicable]
- (j) "p": [specify] (only if Observation Shift (Standard Shift) or Lag are applicable)[Not applicable]
- (k) Effective Interest Payment Dates: [In respect of each Interest Period other than the final Interest Period, the date falling [two][specify] [Business

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Days][*specify*] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Securities. [Not applicable] (*include Not applicable if Payment Delay is not specified as the Observation Method*)

- (l) Rate Cut-off Date: [(*specify*) Reference Rate Business Day(s) immediately prior to the Interest Determination Date] [as per General Condition 4(b)(iv)(2)(D)] [Not applicable] (*include where Lock-Out or Payment Delay is specified as the Observation Method*)
- (m) [SOFR Replacement Alternatives Priority: [As per General Condition 4(b)(iv)(4)][*specify*][Not applicable] (*Include where the Reference Rate is SOFR*)]
- (iv) ISDA Determination: [Applicable][Not applicable]
- (a) ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
- (b) Floating Rate Option: Rate [*specify*] [EUR-EURIBOR-Reuters (*if 2006 ISDA Definitions apply*) / EUR-EURIBOR (*if 2021 ISDA Definitions apply*) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / USD-SOFR / USD-SOFR Compounded Index] / USD-SOFR ICE Swap Rate  
  
(*if the Floating Rate Option is a Compounded Index specify not applicable in (e) and (f) and complete (g) below*)
- (c) Designated Maturity: [*specify*][Not applicable]  
  
(*Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate*)
- (d) Reset Date: [*specify*] [as specified in the ISDA Definitions][the first day of the relevant Interest Period]
- (e) Compounding: [Applicable]/[Not applicable]
- Compounding Method: [OIS Compounding]  
  
[Compounding with Lookback  
Lookback: [Five][*specify*] Applicable Business Days]  
  
[Compounding with Observation Period Shift  
Observation Period Shift: [*specify*] Observation Period Shift Business Days  
  
Observation Period Shift Additional Business Days: [*specify*]/[Not applicable]]  
  
[Compounding with Lockout

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- Lockout: [*specify*] Lockout Period Business Days
- Lockout Period Business Days: [Applicable Business Days][*specify*]
- [Daily Capped Rate and/or Daily Floored Rate: [Applicable][Not applicable]
- [Daily Capped Rate: [*specify*] per cent.]
- [Daily Floored Rate: [*specify*] per cent.]]
- (f) Averaging: [Applicable]/[Not applicable]
- Averaging Method: [Overnight Averaging]
- [Averaging with Lookback
- [Five][*specify*] Applicable Business Days]
- [Averaging with Observation Period Shift
- Observation Period Shift: [Five][*specify*] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: [*specify*]/[Not applicable]]
- [Averaging with Lockout
- Lockout: [Five][*specify*] Lockout Period Business Days
- Lockout Period Business Days: [Applicable Business Days][*specify*]
- [Daily Capped Rate and/or Daily Floored Rate: [Applicable][Not applicable]
- [Daily Capped Rate: [*specify*] per cent.]
- [Daily Floored Rate: [*specify*] per cent.]]
- (g) Index Provisions: [Applicable][Not applicable]
- Index Method: Compounded Index Method with Observation Period Shift
- Observation Period Shift: [Five][*specify*] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: [*specify*]/[Not applicable]
- [Standard Index Method][Compounded Index Method]
- (h) Interest Determination Date(s): [*specify*]

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Payment Delay: [Applicable][Not applicable]

[Effective Interest Payment Date:  
In respect of each Interest Period other than the final Interest Period, the date falling [two][specify] [Business Days][specify] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the [Notes]/[Certificates] (include if Payment Delay is specified as applicable for Floating Rate Option when OIS Compounding or Overnight Averaging is the applicable calculation method and for Floating Rate Option Index if Index Method is Standard Index Method or Compounded Index Method)

(v) Linear Interpolation: [Not applicable][Applicable - the Rate of Interest for the [long][short] [first][last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]

(vi) Margin(s): [[+/-][specify]][per cent][per annum][Not applicable]

(If a Margin applies for each Interest Period, the Margin shall be specified separately for each Interest Period)

**19. Specified Interest Amount [Note]/[Certificate] Provisions:** [Applicable][Not applicable]

(i) Specified Interest Amount(s): Interest [In respect of [the][each] [following] Specified Interest Payment Date[s] [from and including [[specify] to and including [specify]]], [specify] per Calculation Amount[See table [above][below]](Insert table) (Note that for partially Credit-Linked Securities where the Specified Interest Amounts are not credit-linked, the amount specified per Calculation Amount should be the intended Specified Interest Amount per Calculation Amount multiplied by (1-Credit Multiplier).)

(In respect of Credit Linked Securities) [, [not] subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]

(repeat as necessary)

(ii) Specified Interest Payment Date(s): [specify][[Each][The] Interest Payment Date falling on or nearest to] [specify][from and including [the Interest Payment Date falling on or nearest to] [specify] to and including [the Interest Payment Date falling on or nearest to][specify]][, as adjusted in accordance with the Business Day Convention] [See table [above][below]](Insert table)

(iii) Specified Interest Amount Multiplier: [Not applicable] [specify][Credit Event Reduction Factor] (only include where relevant for Credit Linked Securities )

(iv) Business Day Convention [specify] (only include if necessary)

**20. Zero Coupon [Note]/[Certificate] Provisions:** [Applicable][Not applicable]

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]

Accrual Yield: [specify] per cent. [per annum] [30/360][specify]

**21. Index Linked Interest Provisions:** [Applicable] [in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify] only][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item [16(ix)]]

*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]

(i) [Index][Basket of Indices]: [The following Reference Item(s)[(k)] [(from [k] = 1 to [[k]][specify])] will apply:] [Not applicable] [See table [above] [below]] [Insert table]

[For [k]=1][specify][insert description and, if relevant details of where investors can obtain information about the Index][(see paragraph [specify])](repeat as necessary)

[The (specify Index) is [not] a [Single-Exchange] [or] [Multi-Exchange Index] (repeat as necessary)]

[Weighting: [[Not applicable]] [[specify] [Each such Weighting shall be subject to adjustment in accordance with the Index Linked Conditions]]

(ii) [Exchange(s)] [Pricing Source]: and Index Sponsor]: (a) the relevant [Exchange[s]][Pricing Source [s] [is][are]specify] [there are no relevant [Exchanges]][Pricing Sources]][specify]; and

(b) the relevant Index Sponsor is [specify].]

[See table [above]][below]]

*(include Pricing Source if non Multi-Exchange/Single Exchange is selected above).*

(iii) [Related Exchange][Related Pricing Source]: [specify][All Exchanges][All Related Pricing Sources] *(include Related Pricing Source if the Index is a non Single-Exchange or Multi-Exchange Index).*

(iv) Screen Page: [specify][See table [above]][below]]

(v) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable] [See table [above]][below]]

(vi) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [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.]

**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

- (vii) Interest Payment Date(s): *[specify]* [See table [above][below]] *[Insert table]* [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (viii) [Coupon Valuation [Date(s)][Period(s)]: *[specify]* [See table [above][below]] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (ix) Coupon Valuation Time: [Scheduled Closing Time][Any time [on the relevant Coupon Valuation Date][during the Coupon Valuation Period] *[specify]* [As per the Index Linked Conditions]
- (x) [Observation Date(s)][Observation Period(s)]: *[specify]* [Not applicable][See table [above][below]]
- (xi) [Exchange Business Day][Index Business Day]: [(All Indices Basis)][(Per Index Basis)][(Single Index Basis)][(Cross Asset Basis)] (*include Index Business Day if non Multi-Exchange/Single Exchange is selected above*)
- (xii) Scheduled Trading Day: [(All Indices Basis)][(Per Index Basis)][(Single Index Basis)][(Cross Asset Basis)] (*must match election made for Exchange Business Day/ Index Business Day*)
- (xiii) Index Correction Period: [As set out in Index Linked Condition 7] *[specify]*
- (xiv) Specified Maximum Days of Disruption: *[specify]* [eight][Scheduled Trading Days][Not applicable]
- (xv) Additional Disruption Events: [Not applicable][As per the Index Linked Conditions] [The following Additional Disruption Events apply to the [Notes]/[Certificates]:]
- (Specify each of the following which applies)*
- [Hedging Disruption]
- [Increased Cost of Hedging]
- [Increased Cost of Component Borrow]
- [Loss of Component Borrow]
- [Change in Law: Not applicable]
- [Hedging Disruption: Not applicable]
- [The Maximum Component Loan Rate in respect of *[specify]* is *[specify]*] (*Only applicable if Loss of Component Borrow is applicable*)
- [The Initial Component Loan Rate in respect of *[specify]* is *[specify]*] (*Only applicable if Increased Cost of Component Borrow is applicable*)

- 22. Equity Linked Interest Provisions:** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] *[specify]* [to and including *[specify]*] only]] [Not applicable]

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[for the purposes of determining the "Rate of Interest" specified in item [16(ix)]]

*(In respect of Credit Linked Securities)* [[not] subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]

- (i) [Share(s)]/ [Basket of Shares]: The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][specify]])] will apply: [See table [above] [below]] [*Insert table*]
- [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 Equity Linked Conditions]]
- (ii) Share Currency: [specify] [See table [above][below]]
- (iii) ISIN of Share(s): [specify] [See table [above][below]]
- (iv) Screen Page: [specify] [See table [above][below]]
- (v) Exchange(s): [specify] [See table [above][below]]
- (vi) Related Exchange(s): [specify][All Exchanges]
- (vii) Depository Receipt provisions: [Applicable][Not applicable][For Reference Item k=[specify][and k=[specify]]
- (a) Details of share: [specify name and ISIN code of the share to which the relevant Depository Receipts relate]
- (b) Share Exchange: [specify]
- (viii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable] [See table [above][below]]
- (ix) Averaging: [Not applicable][Averaging applies to the [Notes]/[Certificates]. 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]
- (x) Interest Payment Date(s): [specify] [ See table [above][below]] [*Insert table*] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (xi) [Coupon Valuation Date(s)][Period(s)]: [specify][See table [above][below] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (xii) Coupon Valuation Time: [Scheduled Closing Time][Any time [on the relevant Coupon Valuation Date][during the Coupon Valuation Period]] [[specify][As per the Equity Linked Conditions]

**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

- (xiii) [Observation Date(s)][Observation Period(s)]: [specify][Not applicable][See table [above][below]]
- (xiv) Exchange Business Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]
- (xv) Scheduled Trading Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]  
*(Must match election for Exchange Business Day)*
- (xvi) Share Correction Period: [As set out in Equity Linked Condition 8][specify]
- (xvii) Specified Maximum Days of Disruption: [specify][eight][Scheduled Trading Days][Not applicable]
- (xviii) Extraordinary Events: [As per the Equity Linked Conditions][In addition to De-Listing, Insolvency, Merger Event, Tender Offer unless Tender Offer (specified below as not applicable) and Nationalisation, the following Extraordinary Events apply to the [Notes]/[Certificates]:  
*(specify each of the following which applies)*  
[Listing Change]  
[Listing Suspension]  
[Illiquidity]  
[Tender Offer: Not applicable]
- (xix) Additional Disruption Events: [Not applicable][As per the Equity Linked Conditions][The following Additional Disruption Events apply to the [Notes]/[Certificates]:]  
*(Specify each of the following which applies)*  
[Hedging Disruption]  
[Insolvency Filing]  
[Increased Cost of Hedging]  
[Increased Cost of Stock Borrow]  
[Loss of Stock Borrow]  
[Stop-Loss Event]  
[Stop-Loss Event Percentage: [specify] per cent.]  
[Change in Law: Not applicable]  
  
[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is [specify]] (Only applicable if Loss of Stock Borrow is applicable)



**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

[[The Initial Stock Loan rate in respect of *[specify in relation to each relevant Share]* is *[specify]*] (*Only applicable if Increased Cost of Stock Borrow is applicable*)

**23. ETF Linked Interest Provisions:**

[Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] *[specify]* [to and including *[specify]*] only]] [Not applicable] [for the purposes of determining the "Rate of Interest" specified in item [16(ix)]]

*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]

(i) [ETF(s)]/[ETF Basket]: The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][specify]])] will apply: [See table [above][below]] *[Insert table]*

[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]]

(iv) Screen Page: *[specify]* [See table [above][below]]

(v) Exchange(s): *[specify]* [See table [above][below]]

(vi) Related Exchange(s): *[specify]*[All Exchanges]

(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 [applies] to the [Notes]/[Certificates]]. [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) Interest Payment Dates(s): *[specify]* [See table [above][below]] *[insert table]* [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]

(x) [Coupon Valuation [Date(s)][Period(s)]: *[specify]* [See table [above][below]] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]

(xi) Coupon Valuation Time: [Scheduled Closing Time][Any time [on the relevant Coupon Valuation Date][during the Coupon Valuation Period]] [*specify*][As per the ETF Linked Conditions]

**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

- (xii) [Observation Date(s)][Observation Period(s)]: [specify][Not applicable][See table [above][below]]
- (xiii) Exchange Business Day: [[(All ETF Shares Basis)][(Per ETF Shares Basis)]][(Single ETF Share Basis)]][(Cross Asset Basis)]
- (xiv) Scheduled Trading Day: [[(All ETF Share Basis)]][(Per ETF Share Basis)]][(Single ETF Share Basis)]][(Cross Asset Basis)]
- (xv) ETF Share Correction Period: [As set out in the ETF Linked Condition 6][specify]
- (xvi) Specified Maximum Days of Disruption: [Not applicable][specify][eight][Scheduled Trading Days]
- (xvii) Extraordinary ETF Events: [As set out in ETF Linked Condition 2(b)] [specify]
- (xviii) Additional Extraordinary ETF Events: [Not applicable][As per the ETF Linked Conditions][The following Additional Extraordinary ETF Events apply to the [Notes]/[Certificates]:

*(Specify each of the following which applies)*

[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

[Stop-Loss Event]

[Stop-Loss Event Percentage: [specify] per cent.]

[Change in Law: Not applicable]

[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]

- 24. Fund Linked Interest Provisions:** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify]] only]][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item 16(ix)]

*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]

**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

- (i) Fund(s)/Fund Basket(s): The following Reference Item(s)[(k)] [(from [k] = 1 to [(k)][specify])] will apply: [See table [above][below]] [*Insert table*]
- [For [k]=1][specify][insert description][(see paragraph [specify])](repeat as necessary)
- [The NAV per Fund Share will be published on [specify]]
- [Weighting: [[Not applicable]] [[specify] [Each such Weighting shall be subject to adjustment in accordance with the [Fund Linked Conditions]]
- (ii) Fund Shares: [specify][a unit of the relevant Fund] [See table [above][below]]
- (iii) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [The Averaging Dates are [specify].] [See paragraph [specify] above][See table [above][below]]
- [In the event that an Averaging Date is a Fund Non-Valuation Date, [Omission][Postponement][Modified Postponement] will apply]
- (iv) Interest Payment Date(s): [specify] [See table [above][below]] [*insert table*] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (v) [Coupon Valuation [Date(s)][Period(s)]: [specify] [See table [above][below] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (vi) [Observation Date(s)][Observation Period(s): [specify][Not applicable][See table [above][below]]
- (vii) Fund Business Day: [specify][(All Fund Share Basis)][(Per Fund Share Basis)][(Single Fund Share Basis)] [As per the Fund Linked Conditions]
- (viii) Initial Calculation Dates:
- (a) Initial Calculation Day: [specify] [Not applicable]
- (b) Initial Calculation Date: [specify] [Not applicable]
- (c) Initial Calculation Period: [specify] [Not applicable]
- (ix) Final Calculation Date: [specify] [Not applicable]
- (x) Calculation Date(s): [specify] [Not applicable]
- (xi) Extraordinary Fund Events: [As set out in Fund Linked Condition 1] [specify]
- (a) NAV Barrier: [specify][Not applicable]

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- (b) NAV Trigger [specify][As set out in Fund Linked Condition 6] [Not applicable]  
Percentage:
- (c) NAV Trigger [specify][As set out in Fund Linked Condition 6] [Not applicable]  
Period:
- (d) Number of NAV [specify][As set out in Fund Linked Condition 6] [Not applicable]  
Publication Days:
- (e) Basket Trigger [specify][As set out in Fund Linked Condition 6] [Not applicable]  
Level:
- (xii) Additional Extraordinary [Not applicable][As per the Fund Linked Conditions][The following Additional Extraordinary Fund Events apply to the Fund Events:  
[Notes]/[Certificates]:  
  
(Specify each of the following which applies)  
  
[Increased Cost of Hedging]  
  
[Change in Law: Not applicable]  
  
[Hedging Disruption: Not applicable]
- (xiii) Delayed Payment Cut-Off [As set out in Fund Linked Condition 3][specify]  
Date:

**25. Inflation Linked Interest Provisions:** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify]] only]] [Not applicable][for the purposes of determining the "Rate of Interest" specified in item [16(ix)]]

*(In respect of Credit Linked Securities) [, [not] subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]*

*(If more than one Inflation Rate is to be determined, repeat items (i) to (ix) 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) [Index][Indices][Basket of each Inflation Index] [specify] [Reference Item[s]][(k)]  
  
*(Set out each Index level and insert "in respect of [specify date]" following each Index level)*
- (ii) Screen Page/Exchange/ [specify]  
CODE:
- (iii) Index Sponsor: [specify]
- (iv) Cut-Off Date: [As per the Inflation Linked Conditions][specify]
- (v) Related Bond: [specify][Fallback Bond][Not applicable]

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- (vi) Fallback Bond: [Applicable][Not applicable]
- (vii) Related Bond Redemption Event: [Applicable][Not applicable]
- (viii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable]
- (ix) Reference Month: [specify][Not applicable]
- (x) Determination Date [specify][Not applicable]
- (xi) Additional Disruption Events: [Not applicable][As per the Inflation Linked Conditions][The following Additional Disruption Events apply to the [Notes]/[Certificates]:

*(Specify each of the following which applies)*

[Hedging Disruption]

[Increased Cost of Hedging]

[Change in Law: Not applicable]

- 26. Foreign Exchange (FX) Rate Linked Interest Provisions:** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify]] only]] [for the purposes of determining the "Rate of Interest" specified in item [16(ix)]] [For the purpose of determining the "RI FX Level" specified in item [16(ix)]] [Not applicable]

*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]

- (i) Base Currency: [specify][For Reference Item[(k)]: *insert*]
- (ii) Subject Currency/Currencies: [specify][For Reference Item[(k)]: *insert*] [and EM Foreign Exchange Rate Provisions apply to such Subject Currency]
- (iii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable][See table [above][below]]
- (iv) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]. [The Averaging Dates are [specify].] [See paragraph [specify] above][See table [above] [below]]
- (v) Interest Payment Date(s): [specify] [See table [above][below]] [*Insert table*] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (vi) [Coupon Valuation [Date(s)][Period(s)]: [specify][See table [above][below] [or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]
- (vii) [Observation Date(s)][Observation Period]: [specify][Not applicable][See table [above][below]]

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- (viii) 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) Relevant Screen Page: [specify][Not applicable]
- (b) Price Source: [specify]
- (c) Valuation Time: [specify][As per Foreign Exchange (FX) Rate Linked Security Condition 6]
- (d) Disruption Events: [Price Source Disruption]  
 [Illiquidity Disruption]  
 [Dual Exchange Rate]  
 [General Inconvertibility]  
 [General Non-Transferability]  
 [Material Change in Circumstances]  
 [Nationalisation]  
 [Not applicable]  
*(Specify in respect of each Subject Currency where Non-EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different Disruption Events (or components thereof) also apply thereto).*
- (e) Specified Maximum Days of Disruption: [specify][Five][Scheduled Trading Days][Not applicable]
- (ix) 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 Security 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]

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- (b) EM Disruption [Price Source Disruption]  
Events:  
[Illiquidity Disruption]  
[Dual Exchange Rate]  
[General Inconvertibility]  
[General Non-Transferability]  
[Material Change in Circumstance]  
[Nationalisation]  
[Price Materiality, where:  
EM Price Materiality Percentage: *[specify]*[3] per cent.  
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 [EM Calculation Agent Determination]  
Fallbacks:  
[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)*

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- (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) 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]* [Business Days] [where Settlement Day Centre(s) means *[specify]*]
- (g) EM Number of Postponement Settlement Days: [[Two]*[specify]*] [Business Days][ Settlement Days] *[specify]*
- (x) Additional Disruption Events: [Not applicable][As per the Foreign Exchange (FX) Rate Linked Conditions] [The following Additional Disruption Events apply to the [Notes]/[Certificates]:]

*(Specify each of the following which applies)*

[Hedging Disruption][Increased Cost of Hedging]

[Change in Law: Not applicable]

*(insert where Change in Law does not apply)*

27. **Reference Interest:** **Item Rate Linked** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] *[specify]* [to and including] *[specify]* only][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item 16(ix)]

*(In respect of Credit Linked Securities)* [, [not] subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]

[The [Floating][Fixed] Rate Security Provisions shall apply. For the purposes of determining the Reference Item Rate on the basis of elections in this paragraph]

*(If more than one Reference Item Rate is to be determined, include the following language: "Reference Item Rate [specify] is as follows:" and repeat items (i) to (vi)) below for each such Reference Item Rate)*

- (i) Screen Rate Determination: [Applicable][Not applicable]
- (a) Reference Item Rate: *[specify period]* [month] [year] [EURIBOR] [SONIA] [SOFR] [€STR] [CMS Rate with a Designated Maturity of *[insert years]*][*specify* Government Bond Yield Rate]*[specify]*



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TEC Rate] [with a Designated Maturity of [*insert years*]]  
[*specify other*]

(b) Interest Determination Date(s): [*specify*]

(c) Specified Time: [*specify*]

(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) ISDA Determination: [Applicable][Not applicable]

(a) ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]

(b) Floating Rate Option: [*specify*]

(c) Designated Maturity: [*specify*]

(d) Reset Date: [*specify*]

(iii) Reference Spread: [Reference Item Rate 1 minus Reference Item Rate 2][Not applicable]

[See paragraph [*specify*][above][below]

*(If a Reference Spread applies for each Interest Period, the Reference Spread shall be specified separately for each Interest Period.)*

(iv) [Coupon Valuation [Date(s)][Period(s)]: [*specify*][or such later date as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]

(v) Range Accrual Cut-Off Date: [*specify*] [See paragraph [*specify*][above][below][Not applicable]

(vi) 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 TARGET Settlement Day][Reference Rate Business Day (as defined in General Condition 4(b)(iv)(2))][a "**U.S. Government Securities Business Day**", being any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) 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.] [*specify*]

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- 28. EUA Contract Linked Interest Provisions:** [Applicable][Not applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) EUA Contract/EUA Contracts/Basket of EUA Contracts [specify EUA Contract/EUA Contracts][The [futures] contract specified in item (viii) below]  
[Relevant Registry: *specify*]
  - (ii) Pricing Date(s) *specify*[Not applicable]
  - (iii) Initial Pricing Date *specify*[Not applicable]
  - (iv) Final Pricing Date *specify*[Not applicable]
  - (v) Coupon Valuation Date(s) *specify*[Not applicable]
  - (vi) Interest Payment Dates *specify*[Not applicable]
  - (vii) Trade Date *specify*
  - (viii) 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 []]<sup>69</sup>
  - (ix) EUA Contract Business Day [EUA Contract Linked Condition [1] applies]*specify*
  - (x) Delivery Date *specify*[Not applicable]
  - (xi) Nearby Month *specify*[Not applicable]
  - (xii) Specified Price *specify*[Not applicable]
  - (xiii) Exchange *specify*[Not applicable]
  - (xiv) Valuation Time [Continuous monitoring *specify other*] and the relevant time on *insert relevant date(s)*.]*specify*
  - (xv) Specified Maximum Days of Disruption *specify* [EUA Contract Business Days]<sup>70</sup> /[As per Conditions]
  - (xvi) Weighting [The Weighting to be applied to each item comprising the Basket of EUA Contracts is *specify*]/[Not applicable]
  - (xvii) Rolling Futures Contract [Notes]/[Certificates] [Yes/No]  
  
[Dislocation Event: [Applicable]/[Not applicable]]  
  
Dislocation Level: *specify*/[As per Conditions]
  - (xviii) Futures Rollover [Date/Period] *specify*[Not applicable]

<sup>69</sup> Delete if using automated EUA Contract Reference Prices

<sup>70</sup> [Only applicable in respect of EUA contract linked notes linked to a single EUA contract]

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**29. Combination Interest:** [Applicable][Not applicable]

*(Applicable in relation to Interest linked to a combination of types of Reference Items)*

*(If applicable, complete relevant prompts from paragraphs 16 to 28)*

**PROVISIONS RELATING TO REDEMPTION [AND PROVISIONS RELATING TO CREDIT LINKED] [NOTES]/[CERTIFICATES]**

**30. Final Redemption Amount:** [Redemption at par][Calculation Amount \* [specify] per cent.][Calculation Amount \* Final Payout][, subject to [specify][the application of the Settlement Exchange Rate Provisions[in the specified circumstances set out in the Final Payout Formula only]]][specify]

**31. Final Payout:** [Applicable][Not applicable]

*(If applicable, insert a Final Payout Formula(e) from Payout Condition 2.2 and relevant definitions from Payout Condition 5)*

**32. 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' in relation to Accumulated Coupon)*

(i) Automatic Redemption Event: Early [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 [for [every][any] Reference Item in the Basket] is: [greater than][greater than or equal to][less than][less than or equal to] the Automatic Early Redemption Trigger][within][outside] [the Automatic Early Redemption Range] *(repeat as necessary)*

(ii) AER Value: *[insert relevant value definition and where applicable relevant definitions from Payout Condition 5.1 and 5.2]*

(iii) Automatic Redemption Amount: Early The Automatic Early Redemption Amount shall be determined in accordance with the following formula:

*(Insert relevant formula from payout annex)*

(iv) Automatic Redemption Trigger: Early [specify][per cent.][See table [above][below]][Insert table]

(v) Automatic Redemption Range: Early 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] [See table [above][below]]

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(vi) AER Percentage: *[specify]* per cent. [Not applicable] [See table above][below]]

*(insert where ST Automatic Early Redemption applies)*

(vii) Automatic Early Redemption Date(s): *[specify]* [The date falling *[specify]* Business Days following [each][the] Automatic Early Redemption Valuation [Date][Period] in respect of which an Automatic Early Redemption Event has occurred] [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]] [See table [above][below]]

(viii) AER Additional Rate: [AER Rate][*Insert relevant provisions from Payout Condition 5.1*][Not applicable]

[AER Rate DCF][*Insert relevant provisions from Conditions*]

[AER Rate MT][*Insert relevant provisions from Conditions*]

[See table [above][below]]

(ix) [(i)] Automatic Early Redemption Valuation Date(s): *[specify]* [Each *[specify]* [Scheduled Trading Day] falling within the [relevant] Automatic Early Redemption Valuation Period] [See table [above][below]]

*(repeat as necessary)*

(x) [(ii)] Automatic Early Redemption Valuation Period(s): [[from (i)]=*[specify]* to *[specify]* [Each][The] period from [and including][but excluding]*[specify]*, to [and including][but excluding]*[specify]*] [See table [above][below]]

*(repeat as necessary)*

(xi) Automatic Early Redemption Valuation Time: *[specify]* [Scheduled Closing Time][Any time [on the relevant Automatic Early Redemption Valuation Date][during the Automatic Early Redemption Valuation Period]

(xii) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [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]

**33. Issuer Call Option:** [Applicable][Not applicable]

(i) Optional Redemption Date(s): *[specify]* [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]]

(ii) Optional Redemption Valuation Date(s): *[specify]* [Not applicable]

(iii) Optional Redemption Amount: [[*[specify]*] per Calculation Amount] [In relation to each [Note]/[Certificate]][its pro rata share of]*[specify]* [The

**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

Optional Redemption Amount shall be determined in accordance with the following formula:

*(Insert relevant formula from Payout Annex)*

*(Insert relevant Optional Redemption Amount in respect of each relevant Optional Redemption Date. These may be set out in a table or annexed to the Pricing Supplement)*

- (iv) If redeemable in part:
  - (a) Minimum Redemption Amount: [specify][Not applicable]
  - (b) Higher Redemption Amount: [specify][Not applicable]

- (v) Notice periods: Minimum period: [specify]  
Maximum period: [specify]  
[Not applicable]

*(When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*

**34. Securityholder Put Option:** [Applicable][Not applicable]

- (i) Optional Redemption Date(s): [specify] [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout Conditions]

- (ii) Optional Redemption Valuation Date(s): [specify][Not applicable]

- (iii) Optional Redemption Amount(s): [[specify] [per Calculation Amount]][The Optional Redemption Amount shall be determined in accordance with the following formula:

*(Insert relevant formula from Payout Annex)*

- (iv) Notice periods: Minimum period: [specify][Not applicable]  
Maximum period: [specify][Not applicable]

*(When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 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 Agent)*

**35. Early Redemption Amount payable in cases of a Redemption for tax** [[specify] per Calculation Amount][As set out in General Condition 6(f)]

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reasons (General Condition 6(b), a Redemption for Illegality (General Condition 6(c) [or],[,] a redemption following an event of default (General Condition 9) [or],[,] following an early redemption in all other cases pursuant to the Conditions [or a failure to pay a Part Payment Amount on the relevant due date (General Condition 6(k))]:

36. **Index Linked Redemption:** [Applicable][Not applicable][- terms specified under paragraph [21 above] will also apply for Index Linked Redemption unless specified otherwise in this paragraph [36]]
- (i) [Index][Basket of Indices]: [The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][specify]])] will apply:] [Not applicable] [See table below] [Insert table]
- [For [k]=1][specify][insert description and, if relevant, details of where investors can obtain information about the Index](repeat as necessary)
- [The (specify Index) is [not] a [Single-Exchange] [or] [Multi-Exchange Index] (repeat as necessary)]
- [Weighting: [Not applicable] [[specify] [Each such Weighting shall be subject to adjustment in accordance with the Index Linked Conditions]]
- (ii) [Exchange(s)] [Pricing Source]: and Index Sponsor: (a) [the relevant [Exchange[s]][Pricing Source [s] [is][are]specify] [there are no relevant [Exchanges][Pricing Sources]][specify] ; and
- (b) the relevant Index Sponsor is [specify]
- [See table [above][below]]
- (include Pricing Source if non Multi-Exchange/Single Exchange is selected above).
- (iii) [Related Exchange][Related Pricing Source]: [specify][All Exchanges][Not applicable] [All Related Pricing Sources] (include Related Pricing Source if the Index is a non Single-Exchange or Multi-Exchange Index).
- (iv) Screen Page: [specify][Not applicable] [See table [above][below]]
- (v) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable] [See table [above][below]]
- (vi) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [The Averaging Dates are [specify].] [See table [above][below]]

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[In the event that an Averaging Date is a Disrupted Day, [Omission][Postponement][Modified Postponement] will apply]

- (vii) Redemption Valuation Date(s)/Period(s): [specify][Not applicable] [See table [above] [below]]
- (viii) Valuation Time: [Scheduled Closing Time][Any time [on the relevant Redemption Valuation Date][during the Redemption Valuation Period]] [[specify][As per the Index Linked Conditions]
- (ix) [Observation Date(s)][Observation Period]: [specify][Not applicable][See table [above] [below]]
- (x) [Exchange Business Day][Index Business Day]: [(All Indices Basis)][(Per Index Basis)][(Single Index Basis)][(Cross Asset Basis)] (*include Index Business Day if the Index is a non Multi-Exchange/Single Exchange Index*):
- (xi) Scheduled Trading Day: [(All Indices Basis)][(Per Index Basis)][(Single Index Basis)][(Cross Asset Basis)] (*must match election made for Exchange Business Day/ Index Business Day*)
- (xii) Index Correction Period: [As set out in Index Linked Condition 7][specify]
- (xiii) Specified Maximum Days of Disruption: [specify][eight][Scheduled Trading Days][Not applicable]
- (xiv) Additional Disruption Events: [Not applicable][As per the Index Linked Conditions][The following Additional Disruption Events apply to the [Notes]/[Certificates]:]
- (Specify each of the following which applies)*
- [Hedging Disruption]
- [Increased Cost of Hedging]
- [Increased Cost of Component Borrow]
- [Loss of Component Borrow]
- [Change in Law: Not applicable]
- [Hedging Disruption: Not applicable]
- [The Maximum Component Loan Rate in respect of [specify] is [specify](*only applicable if Loss of Component Borrow is applicable*)]
- [The Initial Component Loan rate in respect of [specify]] is [specify] (*N.B. only applicable if Increased Cost of Component Borrow is applicable*)

- 37. Equity Linked Redemption:** [Applicable] [- terms specified under paragraph [22 above] will also apply for Equity Linked Redemption unless specified otherwise in this paragraph [37]] [Not applicable]

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- (i) [Share(s)]/[Basket Shares]: of [The following Reference Item(s)[(k)] [(from [k] = 1 to [[k]][specify])] will apply:] [See table [above] [below]] [*Insert table*]]
- [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 Equity Linked Conditions]]
- (ii) Share Currency: [specify] [See table [above] [below]]
- (iii) ISIN of Share(s): [specify] [See table [above] [below]]
- (iv) Screen Page: [specify] [See table [above] [below]]
- (v) Exchange: [specify] [See table [above] [below]]
- (vi) Related Exchange(s): [specify][All Exchanges][Not applicable]
- (vii) Depository Receipt provisions: [Applicable][Not applicable] [For Reference Item k=[specify][and k=[specify]]
- (If not applicable, delete the sub-paragraphs of this paragraph)*
- (a) Details of share: [specify name and ISIN code of the share to which the relevant Depository Receipts relate]
- (b) Share Exchange: [specify]
- (viii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable][See table [above][below]]
- (ix) Averaging: [Not applicable][Averaging applies to the [Notes]/[Certificates].][The Averaging Dates are [specify].][See table [above][below]]
- [In the event that an Averaging Date is a Disrupted Day, [Omission][Postponement][Modified Postponement] will apply]
- (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 Redemption Valuation Date][during the Redemption Valuation Period]] [[specify][As per the Equity Linked Conditions]
- (xii) [Observation Date(s)][Observation Period]: [specify][Not applicable][See table [above][below]]
- (xiii) Exchange Business Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]



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- (xiv) Scheduled Trading Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]
- (xv) Share Correction Period: [As set out in Equity Linked Condition 8][*specify*]
- (xvi) Specified Maximum Days of Disruption: [*specify*][eight][Scheduled Trading Days][Not applicable]
- (xvii) Extraordinary Events: [As per the Equity Linked Conditions][In addition to De-Listing, Insolvency, Merger Event and Nationalisation, the following Extraordinary Events apply to the [Notes]/[Certificates]]:
- [Listing Change]
- [Listing Suspension]
- [Illiquidity]
- [Tender Offer: Not applicable]
- (xviii) Additional Disruption Events: [Not applicable][As per the Equity Linked Conditions][The following Additional Disruption Events apply to the [Notes]/[Certificates]]:
- (Specify each of the following which applies)*
- [Hedging Disruption]
- [Insolvency Filing]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Loss of Stock Borrow]
- [Stop-Loss Event]
- [Stop-Loss Event Percentage: [*specify*] per cent.]
- [Change in Law: Not applicable]
- [The Maximum Stock Loan Rate in respect of [*specify* in relation to each relevant 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 Share] is [*specify*]](*Only applicable if Increased Cost of Stock Borrow is applicable*)
- 38. ETF Linked Redemption:** [Applicable] [- terms specified under paragraph [23 above] will also apply for ETF Linked Redemption unless specified otherwise in this paragraph [38]] [Not applicable]
- (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*]

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[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]
- (iv) Screen Page: [specify]
- (v) Exchange(s): [specify] [See table [above]][[below]] [Not applicable]
- (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 [applies] to the [Notes]/[Certificates]]. [The Averaging Dates are [specify].] [See table [above]][[below]]  
  
[In the event that an Averaging Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply]
- (ix) Redemption Valuation Date(s)/ Period(s): [specify][Not applicable][See table [above]][[below]]
- (x) Valuation Time: [Scheduled Closing Time][Any time [on the relevant Redemption Valuation Date][during the Redemption Valuation Period]] [[specify][As per ETF Linked Condition 6]
- (xi) [Observation Date(s)][[Observation Period]: [specify][Not applicable][see table above]][[below]]
- (xii) Exchange Business Day: [(All ETF Shares Basis)] [(Per ETF Share Basis)] [(Single ETF Share Basis)] [(Cross Asset Basis)]
- (xiii) Scheduled Trading Day: [(All ETF Shares Basis)] [(Per ETF Share Basis)] [(Single ETF Share Basis)] [(Cross Asset Basis)]
- (xiv) ETF Share Correction Period: [As set out in ETF Linked Condition 6][specify]
- (xv) Specified Maximum Days of Disruption: [specify][eight][Scheduled Trading Days][Not applicable]
- (xvi) Extraordinary ETF Events: [As set out in ETF Linked Condition 2(b)] [specify]
- (xvii) Additional Extraordinary ETF Events: [Not applicable][As per the ETF Linked Conditions][The following Additional Disruption Events apply to the [Notes]/[Certificates]]:

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*(Specify each of the following which applies)*

[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

[Stop-Loss Event]

[Stop-Loss Event Percentage: *[specify]* per cent.]

[Failure to Deliver: Not applicable]

[Change in Law: Not applicable]

[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]

### 39. Fund Linked Redemption:

[Applicable] [- terms specified under paragraph [24 above] will also apply for Fund Linked Redemption unless specified otherwise in this paragraph [39]] [Not applicable]

#### (i) Fund(s)/Fund Basket:

[The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][specify])] will apply:] [See table [above][below]] [*Insert table*]

[For [k]=1][specify][*insert description*][(see paragraph [specify])](*repeat as necessary*)

[The NAV per Fund Share will be published on *[specify]*]

[Weighting: [[Not applicable]] [*specify*]] [Each such Weighting shall be subject to adjustment in accordance with the Fund Linked Conditions]]

#### (ii) Fund Shares:

*[specify]* [See table [above][below]][a unit of the relevant Fund]

#### (iii) Averaging:

[Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [The Averaging Dates are *[specify]*.] [See paragraph *[specify]* above][See table [above][below]]

[In the event that an Averaging Date is a [Fund Non-Valuation Date][Omission][Postponement][Modified Postponement] will apply]

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- (iv) [Observation Date(s)][Observation Period]: [specify][Not applicable][see table above][below]]
- (v) Redemption Valuation Date(s)/ Period(s): [specify][Not applicable][See table [above][below]]
- (vi) Fund Business Day: [specify][(All Fund Share Basis)][(Per Fund Share Basis)][(Single Fund Share Basis)] [As per the Fund Linked Conditions]
- (vii) Initial Calculation Dates:
- (a) Initial Calculation Date: [specify][Not applicable]
- (b) Initial Calculation Period: [specify][Not applicable]
- (c) Initial Calculation Days: [specify][Not applicable]
- (viii) Final Calculation Date: [specify][Not applicable]
- (ix) Calculation Date(s): [specify][Not applicable]
- (x) Extraordinary Events: [As set out in Fund Linked Condition 1] [specify]
- (a) NAV Barrier: [specify][Not applicable]
- (b) NAV Trigger Percentage: [specify][As per the Fund Linked Condition 6][specify][Not applicable]
- (c) NAV Trigger Period: [As per the Fund Linked Conditions][specify]
- (d) Basket Trigger Level: [specify][As set out in Fund Linked Condition 6] [Not applicable]
- (e) Number of NAV Publication Days: [specify] [As set out in Fund Linked Condition 6][Not applicable]
- (xi) Additional Extraordinary Fund Events: [Not applicable][As per the Fund Linked Conditions][The following Additional Extraordinary Fund Events apply to the [Notes]/[Certificates]]:
- (Specify each of the following which applies)*
- [Increased Cost of Hedging]
- [Change in Law: Not applicable]
- [Hedging Disruption: Not applicable]
- (xii) Delayed Payment Cut-off Date: [As set out in Fund Linked Condition 3][specify][Not applicable]

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- 40. Inflation Linked Redemption:** [Applicable] [- terms specified under paragraph [25 above] will also apply for Inflation Linked Redemption unless specified otherwise in this paragraph [40]] [Not applicable]
- (i) [Index][Indices]: [specify] [Reference Item[s]][(k)]
- (ii) Screen page/Exchange/CODE: [specify]
- (iii) Index Sponsor: [specify]
- (iv) Cut-Off Date: [As per the Inflation Linked Conditions][specify]
- (v) Related Bond: [specify][Fallback Bond][Not applicable]
- (vi) Fallback Bond: [Applicable][Not applicable]
- (vii) Related Bond Redemption Event: [As set out in Inflation Linked Condition 4][specify]
- (viii) Reference Month: [specify][Not applicable]
- (ix) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable]
- (x) Determination Date(s): [specify]
- (xi) Additional Redemption Event: [Not applicable][As per the Inflation Linked Conditions][The following Additional Disruption Events apply to the [Notes]/[Certificates]:
- (Specify each of the following which applies)*
- [Hedging Disruption]
- [Increased Cost of Hedging]
- 41. Credit Interest/Redemption: Linked** [Applicable:
- (a) Credit Linked Interest: [Applicable][Not applicable] [in respect of [Long Exposure][and][Short Exposure]]
- (Specify not applicable for Credit Linked Securities which are Zero Coupon Credit Linked Securities or if Interest Amount is not subject to Credit provisions and repeat as necessary for Long/Short Credit Linked Securities)*
- (If Credit Linked Interest is specified as applicable for Single Reference Entity Credit Linked Securities, First-to-Default Credit Linked Securities, Nth-to-Default Credit Linked Securities or Long/Short Credit Linked Securities (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]]

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- (b) Credit Linked Redemption: [Applicable][Not applicable] [in respect of [Long Exposure][and][Short Exposure]]

*(Specify not applicable for Credit Linked Securities 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]/[Certificates]: The [Notes]/[Certificates] are [Single Reference Entity][First-to-Default] [Nth-to-Default] Credit Linked [Notes]/[Certificates] [and the Relevant Number is [specify] (for Nth-to-Default Credit Linked Securities)] [Non-Tranched Linear Basket Credit Linked [Notes]/[Certificates] where Credit Payment [on Maturity] [As You Go] applies] [Tranched Linear Basket Credit Linked [Notes]/[Certificates]] [iTraxx Non-Tranched Index Credit Linked [Notes]/[Certificates] where Credit Payment [on Maturity] [As You Go] applies] [CDX Non-Tranched Index Credit Linked [Notes]/[Certificates] where Credit Payment [on Maturity] [As You Go] applies] [iTraxx Tranched Index Credit Linked [Notes]/[Certificates]] [CDX Tranched Index Credit Linked [Notes]/[Certificates]] [Basket Tranched Index Credit Linked [Notes]/[Certificates]][Long/Short Credit Linked [Notes]/[Certificates]]
- (a) [Credit Event Amount: [specify amount] (only use for Linear Basket Credit Linked Securities or Index Credit Linked Securities 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 6 of the Payout Conditions]
- ((a) and (b) are only applicable for Non-Tranched Linear Basket Credit Linked Securities or Non-Tranched Index Credit Linked Securities 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 Securities, if not the same for Long Exposure and Short Exposure, specify for each separately or repeat as necessary for Basket Tranched Index Credit Linked Securities)
- (d) [In respect of [Long Exposure][and][Short Exposure]][in respect of Basket Tranched Index Component k=[ ]:] Index Annex: [Markit iTraxx®

FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

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 Securities are not Index Credit Linked Securities or if the Securities are Long/Short Credit Linked Securities and the Long Exposure and the Short Exposure do not reference an Index or repeat as necessary for Basket Tranched Index Credit Linked Securities or Long/Short Credit Linked Securities)*

(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 Securities are not Index Credit Linked Securities or if the Securities are Long/Short Credit Linked Securities and the Long Exposure and the Short Exposure do not reference an Index or repeat as necessary for Basket Tranched Index Credit Linked Securities or Long/Short Credit Linked Securities)*

(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 Securities, if not the same for Long Exposure and Short Exposure, specify for each separately or repeat as necessary for Basket Tranched Index Credit Linked Securities)*

(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 Securities or Index Credit Linked Securities or Long/Short Credit Linked Securities)*  
[Not applicable] *(specify in case of physically settled securities or 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 nominal amount)]*

*(NB The Protected Amount may be applicable in case of Single Reference Entity Credit Linked Securities, First-to-Default Credit Linked Securities, Nth-to-Default Credit Linked Securities, Linear Basket Credit Linked Securities Index Credit Linked Securities and Long/Short Credit Linked Securities 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)*

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- (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 6 of the Payout Conditions]] (*Delete this line item for Physically Settled Securities or if Credit linked Redemption is not applicable*) (*Apply for Long /Short Credit Linked Securities*)
- [(b) Maturity Credit Redemption: [Applicable][Not applicable]] (*Delete this line item (b) for Linear Basket Credit Linked Securities or Index Credit Linked Securities or Long/Short Credit Linked Securities or if Credit Linked Redemption is not applicable*)
- (vii) Settlement Method: [(see further item(s) [(xxviii)] [to] [(xlix)] below)] [In respect of [Long Exposure][and][Short Exposure]:] [Auction Settlement][Cash Settlement][Physical Delivery]
- [Not applicable]: [Zero/Set Recovery [Notes]/[Certificates]] [Tranched Linear Basket Credit Linked [Notes]/[Certificates]] [Tranched Index Credit Linked [Notes]/[Certificates]] where Zero Recovery is applicable] [Basket Tranched Index Credit Linked [Notes]/[Certificates]] 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 Securities, 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 Physical Settlement Matrix] (*For Long/Short Credit Linked Securities, 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 Securities, 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 Securities shall be made to reflect subsequent*



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*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 Securities or, in the case of Long/Short Credit Linked Securities 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) Physical Settlement Matrix: [Applicable [in respect of Long Exposure and Short Exposure], [for which purpose the Date of the Physical Settlement Matrix is [specify]]][Not applicable] [in respect of Long Exposure and Short Exposure]] (*For Long/Short Credit Linked Securities, 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 (xiii) applies. (e.g.: 'Standard European Corporate'.))

*(For Basket Tranched Index Credit Linked Securities insert the following for each Index and repeat as necessary) [In respect of Basket Tranched Index Component k= [ ]]*

*(For iTraxx Index Credit Linked Securities or for Long/Short Credit Linked Securities 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 Securities or for Long/Short Credit Linked Securities 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 Securities, Single Reference Entity Credit Linked Securities and/or where a Credit Multiplier applies: As defined in Credit Linked Condition 13] (*For Non-Tranched Index Credit Linked Securities and Non-Tranched Linear Basket Credit Linked Securities which are Instalment Securities, then please specify that the RENA will be equal to:*) [Means in respect of each Reference Entity, (i) the product of the aggregate outstanding nominal 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".]*

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[For Long/Short Credit Linked Securities: 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 when the Final Terms are signed, insert one of the following:)*  
*(For Long/Short Credit Linked Securities 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 when the Final Terms are signed, insert:)*

[Standard Reference Obligation: Applicable

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Seniority Level: [Senior Level][Subordinated Level][As set out in Credit Linked Condition 13]

*[For Index Credit Linked Securities or Long/Short Credit Linked Securities 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]:] [As per the Physical Settlement Matrix][Applicable][Not applicable]

*(For Long/Short Credit Linked Securities, 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 Physical Settlement Matrix] *(if Physical Settlement Matrix 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 Securities, if not the same for Long Exposure and Short Exposure, specify for each separately)*

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- (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 Securities, 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 Securities, 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 Securities, if not the same for Long Exposure and Short Exposure, specify for each separately)*
- (xviii) Obligation(s): [In respect of [Long Exposure][and][Short Exposure]:]
- (a) Obligation Category: [In respect of [Long Exposure][and][Short Exposure]:][As per the Physical Settlement Matrix][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 Physical Settlement Matrix][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 Securities, 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]

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- (xxi) Merger Event: Credit Linked Condition 12: [Applicable][Not applicable]  
*(For Long/Short Credit Linked Securities, same must apply to both)*
- [If applicable: [Merger Event Redemption Date:[specify]]
- [Merger Event Redemption Amount: [specify]]
- (xxii) Provisions relating to Monoline Insurer Reference Entities: [In respect of [Long Exposure][and][Short Exposure]:] [Credit Linked Condition 16: [Applicable][Not applicable]][Credit Linked Condition 20 is Applicable][As per the Physical Settlement Matrix] *(For Long/Short Credit Linked Securities, if not the same for Long Exposure and Short Exposure, specify for each separately)*
- (xxiii) Provisions relating to LPN Reference Entities: [In respect of [Long Exposure][and][Short Exposure]:] [Credit Linked Condition 18: [Applicable][Not applicable]][Credit Linked Condition 20 is Applicable][As per the Physical Settlement Matrix] *(For Long/Short Credit Linked Securities, 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] [Credit Linked Condition 20 is Applicable] *(For Long/Short Credit Linked Securities, 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] [Credit Linked Condition 20 is Applicable] *(For Long/Short Credit Linked Securities, if not the same for Long Exposure and Short Exposure, specify for each separately)*

### **Terms relating to Cash Settlement:**

*(delete section and renumber if not applicable as Settlement Method or Fallback Settlement Method) (For Long/Short Credit Linked Securities repeat as necessary if different)*

[[Long][Short] Exposure:]

- (xxvi) Valuation Date: [Single Valuation Date: [As per Credit Linked Condition 13]
- [Multiple Valuation Dates: [specify] Business Days; and each [specify] Business Days thereafter; Number of Valuation Dates: [specify]]
- (xxvii) Valuation Time: [As per Credit Linked Condition 13]
- (xxviii) Indicative Quotations: [Applicable][Not applicable]
- (xxix) Quotation Method: [Bid][Offer][Mid-market][As per Credit Linked Condition 13]
- (xxx) Quotation Amount: [specify][Representative Amount][Credit Linked Conditions apply]

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- (xxxix) Minimum Quotation Amount: *[specify]* [As set out in Credit Linked Condition 13]
- (xxxix) Quotation Dealers: *[specify]*[As set out in Credit Linked Condition 13]
- (xxxix) Quotations: [Include Accrued Interest][Exclude Accrued Interest]
- (xxxix) 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 Securities repeat as necessary if different)*

[[Long][Short] Exposure:]

- (xxxv) Fallback Settlement Method: [Cash Settlement][Physical Delivery]

### ***Terms relating to Physical Delivery***

*(delete section and renumber if not applicable as Settlement Method or Fallback Settlement Method but note may be needed for Auction elections in which case do not delete)*

- (xxxvi) Physical Settlement Period: *[specify]* Business Days][Not applicable][As per Physical Settlement Matrix]
- (xxxvii) Accrued Interest on Entitlement: [Include Accrued Interest][Exclude Accrued Interest][Not applicable]
- (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 Physical Settlement Matrix][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] [Qualifying Participation Seller: *[insert]*] [Transferable] [Listed] *[specify]*] [Maximum

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Maturity: [*specify*] years] [Accelerated or Matured] [Not Bearer][As per the Physical Settlement Matrix] [Not applicable] [Domestic Currency: [As set out in Credit Linked Condition 13] [Not Applicable]][Specify]

(xl) Sovereign No Asset Package Delivery: [Applicable][Not applicable] [As per Physical Settlement Matrix]

(xli) Additional Deliverable Obligation(s): [*specify*] [Not applicable]

(a) Excluded Deliverable Obligation(s): [*specify*] [Not applicable]

(b) Indicative Quotations: [Applicable][Not applicable]

(xlii) Reference Obligation Only Termination Amount: [*specify*][Not applicable]

*(To be specified for the purposes of Credit Linked Condition 21 for Reference Obligation Only Securities relating to a single Reference Entity issued pursuant to Annex 8.)*

***Terms relating to Zero/Set Recovery [Notes]/[Certificates]***

*(delete section and renumber if not applicable)*

[[Long][Short] Exposure:]

(xliii) 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]/[Certificates]] [Terms related to Tranched Linear Basket Exposure]***

*(delete section and renumber if not applicable)*

[[Long][Short] Exposure:]

(xliv) H: [*Insert number of Reference Entities that are equal to the higher tranche level*]

(xlv) L: [*Insert number of Reference Entities that are equal to the lower tranche level*]

*(For Long/Short Credit Linked Securities 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]/[Certificates] [Terms related to Tranched Index Exposure]:***

*(delete section and renumber if not applicable)*

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[[Long][Short] Exposure:]

- (xlvii) Attachment Point: [specify]
- (xlviii) Exhaustion Point: [specify]
- (xlviii) Determination of Aggregate Loss Percentage: [Zero Recovery][FP Recovery]

*(For Long/Short Credit Linked Securities where the Long Exposure and/or Short Exposure references a Tranching Index Exposure, repeat as necessary)*

***[Terms relating to Basket Tranching Index Credit Linked [Notes]/[Certificates] [Terms related to Basket Tranching Index Exposure]:***

*(Repeat in respect of each Basket Tranching Index Component or use Basket Tranching Index Component Numbering as appropriate)*

*(delete section and renumber if not applicable)*

[[Long][Short] Exposure:]

- (xlix) Basket Tranching Index Components: The following Basket Tranching 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 41(i)(d) and (e) above)*
- (l) Attachment Point: For Basket Tranching Index Component [k]=1:[specify]  
For Basket Tranching Index Component [k]=[specify]: [specify]
- (li) Exhaustion Point: For Basket Tranching Index Component [k]=1:[specify]  
For Basket Tranching Index Component [k]=[specify]: [specify]
- (lii) Component Weighting: For Basket Tranching Index Component [k]=1:[specify]  
For Basket Tranching Index Component [k]=[specify]: [specify]
- (liii) Determination of Aggregate Loss Percentage: For Basket Tranching Index Component [k]=[ ] [Zero Recovery][FP Recovery]

*(For Long/Short Credit Linked Securities where the Long Exposure and/or Short*



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*Exposure references a Basket Tranched Index Exposure, repeat as necessary)*

### **Terms relating to Long/Short Credit Linked [Notes]/[Certificates]:**

- (liv) 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]
- (lv) 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]
- (lvi) Long Nominal Exposure Percentage: *[specify]*
- (lvii) Short Nominal Exposure Percentage: *[specify]*
- (lviii) LLM: *[specify]* [Not applicable]
- (lix) SLM: *[specify]* [Not applicable]
- (lx) [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*)
- 42. Foreign Exchange (FX) Rate Linked Redemption:** [Applicable] [- terms specified under paragraph [26 above] will also apply for Foreign Exchange (FX) Rate Linked Redemption unless specified otherwise in this paragraph [42]] [Not applicable]
- (In respect of Credit Linked Securities)* [, subject to the provisions of paragraph [41] Credit Linked Interest/Redemption: and the Credit Linked Conditions]
- (i) Base Currency: *[specify]*[For Reference Item[(k)]: *[insert]*]
- (ii) Subject Currency/Currencies: *[specify]*[For Reference Item[(k)]: *[insert]*] [and EM Foreign Exchange Rate Provisions apply to such Subject Currency]
- (iii) [Strike Date] [Strike Period and Strike Days]: *[specify]*[Not applicable] *[specify applicable Strike Days in the period if applicable]*
- (iv) Averaging: [Not applicable][Averaging [applies] to the [Notes]/[Certificates]]. [The Averaging Dates are *[specify]*.] [See paragraph *[specify]* above][see table below]
- (v) [Redemption Valuation Date(s)][Redemption Valuation Period(s)]: *[specify]*[Not applicable]

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- (vi) [Observation Date(s)][Observation Period]: [specify][Not applicable][See table above]
- (vii) 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) Relevant Screen Page: [specify][Not applicable]
- (b) Price Source: [specify]
- (c) Valuation Time: [specify]
- (d) Disruption Events: [Price Source Disruption]  
 [Illiquidity Disruption]  
 [Dual Exchange Rate]  
 [General Inconvertibility]  
 [General Non-Transferability]  
 [Material Change in Circumstance]  
 [Nationalisation]  
 [Not applicable]  
*(Specify in respect of each Subject Currency where Non-EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different Disruption Events (or components thereof) also apply thereto)*
- (e) [Specified Maximum Days of Disruption:] [specify][Five][Scheduled Trading Days][Not applicable]
- (viii) 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 Security Condition 6 [and [specify the relevant Subject Currency where more than one Subject Currency]:  
 EM FX Price Source: [specify]  
 EM Valuation Time: [specify]

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EM Scheduled Trading Day Jurisdiction: *[specify]*

(b) EM Disruption [Price Source Disruption]  
Events:

[Illiquidity Disruption]

[Dual Exchange Rate]

[General Inconvertibility]

[General Non-Transferability]

[Material Change in Circumstance]

[Nationalisation]

[Price Materiality, where:

EM Price Materiality Percentage: *[specify]* [3] per cent.

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 [EM Calculation Agent Determination]  
Fallbacks:

[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*

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*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) 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] [Business Days] [where Settlement Day Centre(s) means [specify]]
- (g) EM Number of Postponement Settlement Days: [[Two][specify]] [Business Days][ Settlement Days] [specify]
- (ix) Additional Disruption Events: [Not applicable][As per the Foreign Exchange (FX) Rate Linked Conditions] [The following Additional Disruption Events apply to the [Notes]/[Certificates]:] *(Specify each of the following which applies)*  
 [[Hedging Disruption] [Increased Cost of Hedging]  
 [Change in Law: Not applicable]  
*(insert where Change in Law does not apply)*
- (x) Delayed Redemption on the Occurrence of a Disruption Event: [Applicable][Not applicable]
- 43. Reference Item Rate Linked Redemption:** [Applicable] [- terms specified under paragraph [27 above] will also apply for Reference Item Rate Linked Redemption unless specified otherwise in this paragraph [43]] [Not applicable]  
 [The [Floating][Fixed] Rate Security Provisions shall apply for the purpose of determining the Reference Item Rate on the basis of elections in this paragraph.]  
*(If more than one Reference Rate is to be determined, include the following language: "Reference Rate [specify] is as follows:" and repeat items (i) to (vi) below for each such Reference Item Rate)*
- (i) Screen-Rate Determination: [Applicable][Not applicable]
- (a) Reference Item Rate: [specify period][month][year][EURIBOR] [SONIA] [SOFR] [€STR] [CMS Rate with a Designated Maturity of [insert

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years]][specify Government Bond Yield Rate][specify TEC Rate][ with a Designated Maturity of [insert years]]

(b) Valuation Date(s): [specify]

*(e.g. the second day on which the T2 System is open prior to the start of each Interest Period if EURIBOR). Where the Rate of Interest is being used other than for a Floating Rate Security, 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 Securities*

(c) Valuation Time: [specify]

*(which will be 11:00 am, Brussels time, in the case of EURIBOR)*

(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) ISDA Determination: [Applicable][Not applicable]

(a) ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]

(b) Floating Rate Option: [specify]

(c) Designated Maturity: [specify]

(d) Reset Date: [specify]

(iii) Reference Spread: [Reference Item Rate 1 minus Reference Item Rate 2 [Not applicable]

[See paragraph [specify][above][below]

(iv) Redemption Valuation Date(s)/Period(s): [specify][Not applicable]

(v) Range Accrual Cut-Off Date: [specify][See paragraph [specify][above][below]

(vi) Business Days: 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 TARGET Settlement Day][Reference Rate Business Day (as defined in General Condition 4(b)(iv)(2))][a "**U.S. Government Securities Business Day**", being any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) 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.] [specify]

**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

- 44. EUA Contract Linked Redemption:** [Applicable] [- terms specified under paragraph [28 above] will also apply for EUA Contract Linked Redemption unless specified otherwise in this paragraph [44]] [Not applicable]
- (i) EUA Contract/EUA Contracts/Basket of EUA Contracts: [specify EUA Contract/EUA Contracts][The [futures] contract specified in item (viii) below]  
[Relevant Registry: *specify*]]
- (ii) Pricing Date(s): *specify*[Not applicable]
- (iii) Initial Pricing Date: *specify*[Not applicable]
- (iv) Final Pricing Date: *specify*[Not applicable] [EUA Contract Linked Condition 7 applies]
- (v) Coupon Valuation Date(s): *specify*[Not applicable]
- (vi) Redemption Valuation Date: *specify*[Not applicable]
- (vii) Trade Date: *specify*
- (viii) 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 []]<sup>71</sup>
- (ix) EUA Contract Business Day: [EUA Contract Linked Condition [1] applies]*specify*
- (x) Delivery Date: *specify*[Not applicable]
- (xi) Nearby Month: *specify*[Not applicable]
- (xii) Specified Price: *specify*[Not applicable]
- (xiii) Exchange: *specify*[Not applicable]
- (xiv) Valuation Time: [Continuous monitoring *specify other*] and the relevant time on *insert relevant date(s)*./*specify*
- (xv) Specified Maximum Days of Disruption: *specify* [[*specify*] EUA Contract Business Days]<sup>72</sup> /[As per Conditions]
- (xvi) Weighting: [The Weighting to be applied to each item comprising the Basket of EUA Contracts is *specify*]/[Not applicable]
- (xvii) Rolling Futures Contract [Notes]/[Certificates]: [Yes/No]  
  
[Dislocation Event: [Applicable]/[Not applicable]]  
  
Dislocation Level: *specify*/[As per Conditions]

<sup>71</sup> Delete if using automated EUA Contract Reference Prices

<sup>72</sup> [Only applicable in respect of EUA contract linked notes linked to a single EUA contract]

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

- (xviii) Futures Rollover [specify][Not applicable]  
[Date/Period]:
- (xix) EUA Contract Early [Applicable][Not Applicable]  
Redemption Amount:  
*(If not applicable, delete the remaining sub-paragraph of this paragraph)*  
The EUA Contract Early Redemption Amount per Calculation Amount will be [determined in accordance with EUA Contract Linked Condition 7]/[insert amount]  
[EUA Contract 1: [specify relevant EUA forward contract]]  
Strike Price in respect of EUA Contract 1: [specify price if known for purposes of  $F_0$  or otherwise delete if the fall back provisions of  $F_0$  are to apply]  
EUA Contract 2: [specify relevant EUA spot contract]]  
Strike Price in respect of EUA Contract 2: [specify price if known for purposes of  $S_0$  or otherwise delete if the fall back provisions of  $S_0$  are to apply]
- 45. Combination Redemption:** [Applicable] [- terms specified under paragraph [29 above] will also apply for Combination Redemption unless specified otherwise in this paragraph [45]] [Not applicable]  
*(Applicable in relation to Reference Item Securities linked to a combination of types of Reference Items)*  
*(If applicable, complete relevant prompts from paragraphs [36] to [44 above])*
- 46. Provisions applicable to Instalment [Notes]/[Certificates]:** [Applicable][Not applicable]
- (i) Instalment Amounts: [specify] [per Calculation Amount]  
[(a) Calculation Amount \* Instalment Factor \* Instalment Payout]  
(b) [Instalment Payout: *Insert relevant redemption formula from payout annex*]  
(c) [Instalment Factor: means [specify]]  
[The Credit Linked Conditions are [not] applicable to the [first, second, etc] Instalment Amount(s)][Note: include where the Securities are Credit Linked Instalment Securities but where the Instalment Amounts are not subject to the Credit Linked provisions]  
*(repeat as necessary)*
- (ii) Instalment Dates: [specify]

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

- 47. Provisions applicable to Physical Delivery:** [Applicable][in accordance with Credit Linked Conditions and paragraph 41 above] [where the Issuer has exercised its option to vary settlement pursuant to the application of Variation of Settlement per paragraph 49 below][Not applicable]
- (If not applicable or the Securities are Credit Linked Securities to which Credit Linked Redemption is applicable, delete (i) this paragraph in its entirety and change the numbering accordingly or (ii) specify "Not applicable" and delete the remaining subparagraphs)*
- (i) Entitlement Amount: [Insert formula, relevant value(s) and other related definitions from Payout Condition 4][A nominal amount of the Relevant Asset equal to [specify]] [An amount per Calculation Amount equal to [specify]]
- (ii) Relevant Asset(s): [specify]
- (for bonds, include the following as applicable:)*
- [ISIN: [specify]]
- [Issuer: [specify]]
- [Maturity: [specify]]
- [Coupon: [specify]]
- (iii) Unwind Costs: [Applicable:[specify]][Standard Unwind Costs][Not applicable]
- (iv) Cut-off Date: [specify][As specified in General Condition 5(b)]
- (v) Settlement Business Day(s): [specify]
- (vi) Delivery Agent: [Banco Bilbao Vizcaya Argentaria, S.A.][Dealer][specify] of [specify address]
- (vii) Assessed Value Payment Amount: [Applicable][Not applicable]
- (viii) Failure to Deliver due to Illiquidity: [Applicable][Not applicable]
- 48. Provisions applicable to Partly Paid [Notes]/[Certificates]:** [Applicable in accordance with General Condition 6(k)] [Not applicable]

[(The [Notes]/[Certificates] will be subscribed at the Part Payment Amount(s) and on the Part Payment Date(s) specified in paragraph 4 above to the account specified to the Securityholders for such purpose by the Paying Agent on behalf of the Issuer. Securityholders shall make available to the Paying Agent the funds [Five] Business Days prior to the dates specified in paragraph 4 above.)]

*(Applicable in relation to Partly Paid Securities)*



## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

**49. Variation of Settlement:** [The Issuer has the option to vary settlement in respect of the [Notes]/[Certificates] as set out in General Condition 5(b)(ii) [The minimum period of notice is *specify*][and][the maximum period of notice is *specify*][Not applicable]

**50. Payment Disruption Event:** [Applicable][Not applicable]

### GENERAL PROVISIONS APPLICABLE TO THE [NOTES]/[CERTIFICATES]

**51. Form of [Notes]/[Certificates]:** [Bearer [Notes]/[Certificates]:  
[Temporary Bearer Global Security exchangeable for a Permanent Bearer Global Security which is exchangeable for definitive Bearer [Notes]/[Certificates] [on 60 days' notice given at any time/only upon an Exchange Event [including/excluding] the exchange event described in paragraph (iii) of the definition in the Permanent Global Security]]<sup>73</sup>

[Temporary Global Security exchangeable for definitive [Notes]/[Certificates] on and after the Exchange Date]<sup>74</sup>

[Permanent Bearer Global Security exchangeable for definitive [Notes]/[Certificates] [on 60 days' notice given at any time/only upon an Exchange Event [including/excluding] the exchange event described in paragraph (iii) of the definition in the Permanent Global Security]]<sup>75</sup>

[Registered [Notes]/[Certificates]:

[Regulation S Global Security *specify nominal amount* registered in the name of a nominee for [DTC/ a common depository for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))]] [Rule 144A Global Security *specify nominal amount* registered in the name of a nominee for DTC/ a common depository for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))]] [Definitive IAI Registered [Notes]/[Certificates] *specify nominal amounts*]] [Registered [Notes]/[Certificates] in definitive form *specify nominal amounts*]] [3(a)(2) Global Security *specify nominal amount* registered in the name of a nominee for [DTC/ a common depository for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))]]

[CREST Depository Instruments:

<sup>73</sup> In relation to any Tranche of Securities which are expressed to be issued in denominations of EUR100,000 and integral multiples of EUR 1,000 the Global Security will not be exchangeable at the option of the holder.

<sup>74</sup> In relation to any Tranche of Securities which are expressed to be issued in denominations of EUR100,000 and integral multiples of EUR 1,000 the Global Security will not be exchangeable at the option of the holder.

<sup>75</sup> In relation to any Tranche of Securities which are expressed to be issued in denominations of EUR100,000 and integral multiples of EUR 1,000 the Global Security will not be exchangeable at the option of the holder.

**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

CREST Depository Interests ("**CREST Depository Interests**") representing the [Notes]/[Certificates] may also be issued in accordance with the usual procedures of Euroclear UK & International Limited ("**CREST**").]

52. **New Global [Note]/[Certificate]:**<sup>76</sup> [Yes][No] (*delete in case of registered Notes/Certificates*)
53. [Governing law:] [*specify governing law of the Securities and details on applicable jurisdiction*] (*Note that this paragraph 53 should only be included in the Pricing Supplement if English law is not applicable.*)
54. (i) Additional Financial [Not applicable][*give details*] (*Note that this paragraph relates to the place of payment and not interest period end dates. All relevant financial centre(s) (including the location of the relevant agent(s)) should be included other than Target*)  
Centre(s):
- (ii) Additional Business [Not applicable] [*specify*]  
Centre(s):
55. **Talons for future Coupons or Receipts to be attached to definitive [Notes]/[Certificates] (and dates on which such Talons mature):** [Yes as the [Notes]/[Certificates] have more than 27 Coupon payments, Talons may be required if, on exchange into definitive form, more than 27 Coupons are still to be made][Not applicable]
56. **Redenomination, renominatisation and reconventioning provisions:** [Not applicable][The provisions in General Condition 8 apply]  
  
*[Only applicable for Securities denominated in European currency except for Euro]*
57. **Prohibition of Sales to EEA Retail Investors:** [Applicable][Not applicable]  
  
*(If the Securities clearly do not constitute "packaged" products, "Not applicable" should be specified. If the Securities may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified)*
58. **Prohibition of Sales to UK Retail Investors:** [Applicable][Not applicable]  
  
*(If the Securities clearly do not constitute "packaged" products or the Securities do constitute "packaged" products and a key information document will be prepared in the UK, "Not applicable" should be specified. If the Securities may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
59. **Sales outside EEA and UK only:** [Applicable][Not applicable]

<sup>76</sup> You should only elect "yes" opposite "New Global Security" if you have elected "yes" to the section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility" and the securities are issued in bearer form.

**FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]**

**60. [Additional Selling Restrictions]**<sup>77</sup> [The [Notes]/[Certificates] are not intended to be offered, distributed or otherwise made available to any investor classified as retail investor in the jurisdiction where the [Notes]/[Certificates] are to be offered or otherwise made available][*give details*]

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: \_\_\_\_\_

By: \_\_\_\_\_

Duly authorised

Duly authorised

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<sup>77</sup> Delete if there a no Additional Selling Restrictions

# FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

## PART B - OTHER INFORMATION

### 1. Listing and Admission to Trading

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the [Notes]/[Certificates] to be listed on [the official list of] [Vienna MTF of the Vienna Stock Exchange] [the Nordic MTF [Sweden] [Finland] [Norway] [Denmark] of the Nordic Growth Market (NGM)] [*specify other*] [and] [admitted to trading on [Vienna MTF of the Vienna Stock Exchange] [the Nordic MTF [Sweden] [Finland] [Norway] [Denmark] of the Nordic Growth Market (NGM)] [*specify other*] with effect from [the Issue Date] [*specify other*]]. (*insert specific language required by Stock Exchange/Listing Authority*)

### 2. Ratings

Ratings: [The [Notes]/[Certificates] have not been rated.]

[The [Notes]/[Certificates] to be issued [[have been][are expected to be]] rated:]

[S&P Global: \**specify*]

[Moody's: \**specify*]

[Other\*]: [*specify*]

### 3. Interests of Natural and Legal Persons Involved in the Issue

*(Description of any interest, including conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. This may be satisfied by the inclusion of the following statement:)*

(i) Save for any fee paid to the Dealer (if applicable, such fee shall be as set out in paragraph 4 below) [and/or any fee or other inducement paid to the distributor (if any)], so far as the Issuer is aware no person involved in the offer of the [Notes]/[Certificates] has an interest material to the offer. [For specific and detailed information on the nature and quantity of the fee or inducement paid to the distributor (if any) the investor should contact the distributor.]

(ii) Dealer commission [*specify*]/[No]

### 4. [Reasons for the Offer, ] <sup>78</sup> Estimated Net Proceeds

(i) [Reasons for the Offer: [See "Use of Proceeds" in the Base Prospectus]

[The Securities are [Green Securities][Social Securities][Sustainable Securities] and the net proceeds from the issuance of the Securities are intended to be used for ["green"/[and/or]"/social"/[and/or]"/sustainability"] purposes as described in the "Use of Proceeds" section of this Base Prospectus.] [The net proceeds of the issue of the Securities will be used by the Guarantor to finance and/or

<sup>78</sup> Delete in case the Reason for the Offer are not to be "green", "social" or "sustainability" purposes, or for the "maintenance of a Sustainable Portfolio".

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

refinance, in part or in full, new and/or existing [description of the relevant project to be inserted]. [ ]<sup>79</sup>

[Any delay or failure by the Issuer or Guarantor in allocating or dealing with net proceeds of the Securities or otherwise performing as described under "Use of Proceeds" in the Base Prospectus and Part B of these Issue Terms will not constitute an Event of Default under the Securities and will not give rise to any other claim of a holder of the Securities]

[●] (Specify if reasons for offer is different from what is disclosed in the Base Prospectus)

(ii) Estimated net proceeds [specify]

### 5. Operational Information

(i) ISIN Code: [specify]

(ii) Common Code: [specify]

(iii) CUSIP: [specify][Not applicable]

(iv) Other Code(s): [specify][Not applicable]

(a) [Valoren Code: [specify][Not applicable]]

(b) [CFI:<sup>80</sup> [specify][Not applicable]]

(c) [FISN: [specify][Not applicable]]

(v) Any clearing system(s) other than Euroclear, Clearstream Luxembourg and the DTC approved by the Issuer and the Principal Paying Agent and the relevant identification number(s): [Not applicable][give name(s)][The [Notes]/[Certificates] will also be eligible for CREST via the issue of CREST Depository Interests representing the [Notes]/[Certificates]]

(vi) Delivery: [Delivery [against]][free of] payment]

(vii) [Additional Paying Agent(s) [specify][Not applicable]  
[U.S. Paying Agent](if any):

(viii) Intended to be held in a manner which would allow Eurosystem eligibility [Yes. Note that the designation "yes" simply means that the [Notes]/[Certificates] are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper,] [include this text for registered Securities] and does not necessarily mean that the [Notes]/[Certificates] will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

<sup>79</sup> Delete as appropriate.

<sup>80</sup> Only to be included if required by the relevant stock exchange for reference data reporting purposes.

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

[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]/[Certificates] are capable of meeting them the [Notes]/[Certificates] may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered securities*]. Note that this does not necessarily mean that the [Notes]/[Certificates] will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

*(NB if "yes" selected the bearer Securities must be issued in NGS form)*

### 6. DISTRIBUTION

**6.1** Method of distribution: [Syndicated][Non-syndicated] (*if non-syndicated delete paragraph 6.2*)

**6.2** (i) If syndicated, names [and addresses] of Managers [and underwriting commitments/quota s (material features): [Not applicable][*give names [and addresses] of each entity acting as underwriter [and its respective underwriting commitments]*]

*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers. Where not all of the issue is underwritten, please include information about portion not covered)*

(ii) Date/Description of Subscription Agreement: [*insert details*][Not applicable]

(iii) Stabilisation Manager(s) (if any): [Not applicable][*give name*]

**6.3** If non-syndicated, name [and address] of relevant Dealer: [Not applicable][*give name [and address]*]

[No underwriting commitment is undertaken by the Distributor.]

[U.S. Selling Restrictions: [The [Notes]/[Certificates] are only for offer and sale outside the United States in offshore transactions to persons that are not U.S. persons in reliance on Regulation S under the Securities Act and may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person.

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

Each initial purchaser of the [Notes]/[Certificates] and each subsequent purchaser or transferee of the [Notes]/[Certificates] shall be deemed to have agreed with the issuer or the seller of such [Notes]/[Certificates] that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, such [Notes]/[Certificates] so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person and (ii) it is not purchasing any [Notes]/[Certificates] for the account or benefit of any U.S. person.]

*(include the preceding two paragraphs for issuance of Bearer Securities pursuant to Regulation S)*

[No [Notes]/[Certificates] may be offered, sold, pledged, or otherwise transferred except (i) to the Issuer or any subsidiary thereof, (ii) pursuant to a registration statement that has become effective under the Securities Act of 1933, as amended (the "**Securities Act**"), (iii) to a "Qualified Institutional Buyer" (within the meaning of Rule 144A under the Securities Act ("**Rule 144A**")) in compliance with Rule 144A, who is also a "qualified purchaser" within the meaning of Section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended (the "**1940 Act**") and the rules and regulations thereunder ("**QP**"), (iv) to a person that is not a U.S. person in an offshore transaction complying with the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act or (v) pursuant to an exemption from registration under the Securities Act (if available).]

*(include the preceding paragraph for issuance of Registered Global Securities by BBVA Global Markets B.V. pursuant to Rule 144A)*

[No [Notes]/[Certificates] may be offered, sold, pledged, or otherwise transferred except (i) to the Issuer or any subsidiary thereof, (ii) pursuant to a registration statement that has become effective under the Securities Act of 1933, as amended (the "**Securities Act**"), (iii) to a "Qualified Institutional Buyer" (within the meaning of Rule 144A under the Securities Act ("**Rule 144A**")) in compliance with Rule 144A, (iv) to a person that is not a U.S. person in an offshore transaction complying with the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act or (v) pursuant to an exemption from registration under the Securities Act (if available).]

*(include the preceding paragraph for issuance of Registered Global Securities by BBVA Global Securities B.V. pursuant to Rule 144A)*

[The Notes and the guarantee thereof will be offered pursuant to an exemption from registration provided by Section 3(a)(2) of the Securities Act. The [Notes] and the guarantee thereof are not required to be, and have not been,

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

registered under the Securities Act or with any governmental authority.]

*(include the preceding paragraph for issuances of 3(a)(2) Notes)*

Reg. S Compliance Category [2]; [TEFRA D][TEFRA C][TEFRA not applicable] (NB: *Securities which will be represented by CREST Depository Interests to be TEFRA C*)

- |            |                                  |       |  |
|------------|----------------------------------|-------|--|
| <b>6.4</b> | [U.S. Withholding Considerations | Tax   | As of the date of this Pricing Supplement, the [Notes]/[Certificates] are "U.S. equity linked Securities" subject to withholding under Section 871(m) of the U.S. Internal Revenue Code of 1986.] <sup>81</sup>  |
| <b>6.5</b> | U.S. "Original Discount" Legend: | Issue | [Not applicable] [FOR PURPOSES OF ORIGINAL ISSUE DISCOUNT RULES UNDER THE UNITED STATES INTERNAL REVENUE CODE OF 1986, THIS [NOTE]/[CERTIFICATE] HAS ORIGINAL ISSUE DISCOUNT OF [currency][amount] PER EACH [currency][amount] OF NOMINAL AMOUNT OF THIS [NOTE]/[CERTIFICATE]; THE ISSUE PRICE OF THIS [NOTE]/[CERTIFICATE] IS [currency][amount]; THE ISSUE DATE IS [date]; AND THE YIELD TO MATURITY (COMPOUNDED [semi-annually]) IS [yield].] |

*(include the preceding legend if the Securities are to be issued pursuant to Rule 144A or Section 3(a)(2) of the Securities Act, and are issued with an "original issue discount" for U.S. federal income tax purposes).*

### 7. [Index/Other Disclaimer]<sup>82</sup>

[The [Notes]/[Certificates] are not sponsored, recommended, endorsed, sold or promoted by the Index or the Index Sponsor. The Index Sponsor does not make any representations, whether express or implied, regarding the results to be obtained from using their Index or the level at which an Index may stand at any particular time or any particular date or otherwise, nor its suitability. Further, the Index Sponsor will not have any liability (whether in negligence or otherwise) for any inaccuracy in the data on which the Index is based, for any mistakes, errors, or omissions in the calculation and/or dissemination of the Index, or for the manner in which it is applied in the [Notes]/[Certificates] or the offering thereof. The Issuer shall not have any liability for any act of failure to act by the Index Sponsor in connection with the calculation adjustment or maintenance of the Index. None of the Issuer or its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

*(Insert unless the relevant Index has a bespoke disclaimer, in which case, substitute for such bespoke disclaimer)*

[IHS Markit Index Disclaimer

<sup>81</sup> Delete this Section 6.4 if the applicable Securities are not subject to withholding under Section 871(m).

<sup>82</sup> Delete this section 7 if not required



## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

The Index Annex which is specified in the Pricing Supplement in relation to the [Notes]/[Certificates] (for the purposes of this disclaimer only, a "**Credit Index**"), is the property of Markit Indices Limited (the "**Index Sponsor**") and has been licensed for use in connection with the [Notes]/[Certificates]. Each of the Securityholders acknowledges and agrees that the [Notes]/[Certificates] are not sponsored, endorsed, or promoted by the Index Sponsor. The Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of the merchantability or fitness for a particular purpose or use), with respect to the Credit Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to the quality, accuracy and/or completeness of the Credit Index or any data included therein, the results obtained from the use of the Credit Index and/or the composition of the Credit Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Credit Index at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Credit Index, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein. The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling the [Notes]/[Certificates], the ability of the Credit Index to track relevant markets' performances, or otherwise relating to the Credit Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Credit Index. No party purchasing or selling the [Notes]/[Certificates], nor the Index Sponsor shall have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Credit Index. "**iTraxx®**", "**Markit iTraxx® Europe**" and any other Index using the title "**Markit iTraxx® Europe**" are service marks of Markit Indices Limited and have been licensed for use by the Issuer.]

### 8. [U.S. Taxation]<sup>83</sup>

[Specify] We intend to treat the [Notes]/[Certificates] as [INSERT RELEVANT TAX TREATMENT] for U.S. federal income tax purposes. For a discussion of certain U.S. federal income tax consequences of holding and disposing of the [Notes]/[Certificates], a U.S. Holder (as defined in the Base Prospectus) should review carefully the sections entitled "*Taxation—United States Federal Taxation—Tax Consequences to U.S. Holders—*[INSERT RELEVANT CROSS REFERENCE(S)]" and "*Taxation—United States Federal Taxation—Tax Consequences to U.S. Holders—General Considerations for U.S. Holders*" in the Base Prospectus. A Non-U.S. Holder (as defined in the Base Prospectus) should review carefully the section entitled "*Taxation—United States Federal Taxation—Tax Consequences to Non-U.S. Holders*" in the Base Prospectus.

[The comparable yield and projected payment schedule with respect to a Note can be obtained by contacting [BBVA] at [INSERT EMAIL ADDRESS AND/OR PHONE NUMBER]]<sup>84</sup>

[Based on the treatment set forth under "*Taxation—United States Federal Taxation—Tax Consequences to U.S. Holders—Securities Treated as Put Rights and Deposits*," we have determined that the Yield on the Deposit is [XXXX] per cent. per annum, paid [monthly], and the remaining portion of the coupon payments on the [Notes]/[Certificates] is attributable to the Put Premium.]<sup>85</sup>

[Specify][We have not obtained any tax opinion regarding the treatment of the [Notes]/[Certificates] for U.S. federal income tax purposes and there can be no assurance that the Internal Revenue Service or a court will agree with our intended treatment. References in "*Taxation—United States Federal Taxation*" regarding how the [Notes]/[Certificates] "should" be treated assume that our intended treatment is respected, and should not be read to imply a particular level of comfort regarding the intended tax treatment. U.S. Holders and Non-U.S. Holders should consult their tax advisers regarding all aspects of the U.S. federal, state, local and non-U.S. tax consequences of an investment in the [Notes]/[Certificates] (including possible alternative treatments).

<sup>83</sup> Insert Section 8 only in the case of 3(a)(2) Notes.

<sup>84</sup> Include only for 3(a)(2) Notes that are Contingent Payment Securities and Foreign Currency Contingent Payment Securities.

<sup>85</sup> Include only for 3(a)(2) Notes that are non-principal protected Securities that pay fixed coupons and do not provide for upside.

## FORM OF PRICING SUPPLEMENT FOR EXEMPT [NOTES]/[CERTIFICATES]

[The U.S. federal income tax consequences of an investment in the Securities are complex. Additionally, for certain Securities, there are no direct legal authorities as to the proper treatment of the Securities for U.S. federal income tax purposes, and, therefore, significant aspects of the U.S. federal income tax treatment of such Securities are uncertain. Please read the discussion under "*Taxation—United States Federal Taxation.*" Potential investors should consult their tax advisers on the U.S. federal income tax consequences of an investment in the Securities.]

[[The Issuer is only offering to and selling to the Dealer(s) pursuant to and in accordance with the terms of the [Programme Agreement]. All sales to persons other than the Dealer(s) will be made by the Dealer(s) or persons to whom they sell, and/or otherwise make arrangements with, including the Financial Intermediaries. The Issuer shall not be liable for any offers, sales or purchase of [Notes]/[Certificates] by the Dealer(s) or Financial Intermediaries in accordance with the arrangements in place between any such Dealer or any such Financial Intermediary and its customers.]

## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

### FORM OF PRICING SUPPLEMENT FOR 3(a)(2) NOTES

#### PRICING SUPPLEMENT FOR 3(a)(2) NOTES

Set out below is the form of Pricing Supplement for 3(a)(2) Notes which may be completed for each Tranche of 3(a)(2) Notes issued under the Programme.<sup>86</sup>

#### NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF THE NOTES

[[Date]]

Issue of [Aggregate Nominal Amount of [Tranche] [Title of 3(a)(2) Notes] (the "Notes") issued by **BBVA GLOBAL SECURITIES B.V.** (as "Issuer") guaranteed by **BANCO BILBAO VIZCAYA ARGENTARIA, S.A., NEW YORK BRANCH** (as "Guarantor") under the €10,000,000,000 Structured Medium Term Securities Programme]

**UNITED STATES OF AMERICA:** [The Notes and the guarantee thereof are 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. 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. Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Notes or determined that this Pricing Supplement is truthful or complete. Any representation to the contrary is a criminal offense. Under no circumstances shall this Pricing Supplement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these Notes, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification under the securities laws of any such jurisdiction.]

#### PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions of the Notes (and, together with the applicable Annex(es), the "**Conditions**") set forth in the Base Listing Particulars dated June 23, 2023 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a Base Listing Particulars (the "**Base Listing Particulars**").][This document constitutes the Pricing Supplement for the Notes and must be read in conjunction with the Base Listing Particulars.][dated June 23, 2023 [and the supplement[s] to it dated [date] [and [date] [(the "**Base Listing Particulars**") published on the website of the Guarantor [<https://www.bbva.com/en/>]][include other link] All references in the Base Listing Particulars and the General Conditions to the Securities shall mean the Notes]

*Include whichever of the following apply. 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. Italics denote directions for completing the Pricing Supplement. Where the context so permits, Terms in this Pricing Supplement may be attributed a numerical or letter suffix value when included hereon. Without limitation, the suffix can be denoted as "j", "k", "m", "q", "n", "t" or "i" and the term may be completed on the basis of the number or numbers represented by j, k, m, q, n, t or i, as chosen at the time of an issue of Notes. 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 explained and may be presented as a table, if necessary, in the Pricing Supplement. Where the Pricing Supplement specifies that a table may be inserted, such table will set out amounts, entities, dates, items, rates, value levels, triggers, figures and other information which completes the definitions that appear in the relevant subparagraphs of the Pricing Supplement, the Terms and Conditions of the Securities and the applicable Annex(es) to the Terms and Conditions of the Securities. Any units expressed in percentage can be shorted by the symbol "%". 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 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. Type and size of letter can be discretionally changed.<sup>87</sup>*

<sup>86</sup> Delete when completing the Pricing Supplement.

<sup>87</sup> Remove guidance notes in italics when preparing Pricing Supplement.

## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

1. (i) Issuer: BBVA Global Securities B.V. (NIF: N0074943B)
- (ii) Guarantor: Banco Bilbao Vizcaya Argentaria, S.A. (NIF: A48265169), acting through its New York Branch
- (iii) ISIN Code: *[specify]*
- (iv) CUSIP: *[specify]*
- (v) Common Code: *[specify]*
2. (i) Series Number: *[specify]*
- (ii) Tranche Number: *[specify] (delete if Tranche 1)*
- (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] [Not applicable]
- (iv) Applicable Annex(es): [Not applicable]
- [Annex 1: Payout Conditions] [Annex 2: Index Linked Conditions] [Annex 3: Equity Linked Conditions] [Annex 4: ETF Linked Conditions] [Annex 5: Fund Linked Conditions] [Annex 6: Inflation Linked Conditions] [Annex 7: Foreign Exchange (FX) Rate Linked Security Conditions]
- (More than one Annex may apply.) (delete this paragraph if not applicable)*
3. **Specified Currency:** *[specify]*
4. **Aggregate Nominal Amount:**
- (i) Series: *[specify]*
- (ii) Tranche: *[specify] (delete if Tranche 1)*
5. **Issue Price:** *[specify]* [per cent. of the Aggregate Nominal Amount] [plus accrued interest from *[insert date]* (if applicable)] [payable as set out in paragraph 4(i) above]
6. (i) Specified Denomination(s): *[specify]*
- (ii) Minimum Tradable Amount: *[specify]*[Not applicable]
- (iii) Calculation Amount: *[specify]* (Insert the following in the case of Instalment Notes) [(the "**Original Calculation Amount**")][minus, for the purposes of any calculation by reference to the Calculation Amount on any day, the sum of the Instalment Amounts paid prior to the relevant day][which shall be reduced by *[specify amount]* after each Instalment Date] [save for the purposes of calculation of any [Interest Amount][Final Redemption Amount][Early Redemption Amount][Automatic Early Redemption Amount][Optional Redemption Amount][Entitlement Amount]

## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

[[payable][deliverable] on [specify]][for which purpose the Original Calculation Amount will apply] [Not applicable]]

*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

7. (i) Trade Date: [specify]
- (ii) Issue Date: [specify]
- (iii) Interest Commencement Date: [specify][Issue Date][Not applicable] *(If not applicable, delete)*

*(An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*

8. **Maturity Date:** [The Interest Payment Date falling on or nearest to [specify]] [specify] [(the "**Scheduled Maturity Date**") [or if that is not a Business Day the immediately [succeeding][preceding] Business Day [unless it would thereby fall into the next calendar month, in which event it will be brought forward to the immediately preceding Business Day] [or such [later] date for redemption determined as provided in the [[Index Linked][Equity Linked][ETF Linked][Fund Linked][Inflation Linked] [FX Linked] Conditions

9. **Interest Basis:** [Not applicable][The Notes shall not pay interest]

*(Where applicable specify one or more of the following)*  
[per cent.] [per annum] [Fixed Rate] [Interest Leverage Multiplier: [specify]]

[EURIBOR][SONIA][SOFR][€STR][specify CMS Rate][specify]

+/-[specify] per cent.] Floating Rate] [Interest Leverage Multiplier: [specify]]

[Specified Interest Amount] (See paragraph [specify] below) [Zero Coupon]

*(If Reference Item Linked Interest is the interest basis, specify one or more of the following)*

[Index Linked Interest] [Equity Linked Interest] [ETF Linked Interest] [Fund Linked Interest] [Inflation Linked Interest] [Foreign Exchange (FX) Rate Linked Interest] [Reference Item Rate Linked Interest] [Combination Interest][Interest Leverage Multiplier: [specify]]

(See paragraph [specify] [and (specify) below]

**FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES**

**10. Redemption Basis:** [Redemption at [par][specify][(see paragraph [specify] [(Final Redemption Amount)][and][specify] below)]

*(If Reference Item linked Redemption is the redemption basis, specify one or more of the following)*

[Index Linked Redemption] [Equity Linked Redemption] [ETF Linked Redemption] [Fund Linked Redemption] [Inflation Linked Redemption] [Foreign Exchange (FX) Rate Linked Redemption] [Reference Item Rate Linked Redemption] [Combination Redemption] [Instalment] [(See paragraph [42 below])]

**11. Reference Item(s):** [specify] [insert table] [See paragraph [specify] [Index][Basket of Indices][Share][Basket of Shares] [Index] [Indices] [ETF][ETF Basket][Fund][Fund Basket][Subject Currency][Subject Currencies] Reference Item Rate][Reference Spread] below] *(Repeat if necessary)*

[Not applicable]

**12. Put/Call Options:** [No]

[Securityholder Put Option] [Issuer Call Option] [(see paragraph[s] [specify] below]

**13. Knock-in Event:** [Not applicable][Applicable: Knock-in Value [for [every][any] Reference Item in the Basket] is [greater than][greater than or equal to][less than][less than or equal to] the Knock-in[Barrier][[within][outside] [the Knock-in Range]

[The Reference Item Rate [1][2] is [greater][less] than [or equal to] the Knock-in Barrier] *(Insert for Reference Item Rate Linked Notes)*

(i) Knock-in Value: [insert definition from Payout Condition 5.1]

(ii) Knock-in Barrier: [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, barrier etc] [Not applicable]

(iv) Knock-in Determination Day(s): [specify][Each Scheduled Trading Day in the Knock-in Determination Period][Not applicable]

(v) Knock in Determination Period: [specify][Not applicable]

(vi) Knock-in Period Beginning Date: [specify][Not applicable]

(vii) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Applicable][Not applicable]

## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

- (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]
- 14. Knock-out Event:** [Not applicable][Applicable: The Knock-out Value [for [every][any] Reference Item in the Basket] is [(i)][greater than][greater than or equal to][less than][less than or equal to] [the Knock-out [Barrier] [within][outside] the Knock-out Range]
- [The Reference Item Rate [1][2] is [greater][less] than [or equal to] the Knock-out Barrier] (*Insert for Reference Item Rate Linked Notes*)
- (i) Knock-out Value: *[insert definition from Payout Condition 5.1]*
- (ii) Knock-out Barrier: *[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*]] [Each Scheduled Trading Day in the Knock-out Determination Period][Not applicable]
- (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]

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15. Interest:** [Applicable][Not applicable]

**FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES**

- (i) Interest Period End Date(s): *[specify]*[As per General Condition 4[(a)][(b)]]
- (ii) Business Day Convention for Interest Period End Date(s): [Adjusted in accordance with [Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention][Floating Rate Convention]] [Not applicable (unadjusted)]
- (if unadjusted specify not applicable. If adjusted specify same Business Day Convention as for Interest Payment Dates. Unless otherwise agreed, the Business Day Convention where the Reference Rate is SONIA, SOFR or €STR should be specified as Modified Following Business Day Convention)*
- (iii) Interest Payment Date(s): *[specify]*[As defined in the relevant Interest Basis provisions below] [(i) Each scheduled Interest Payment Date set out in the table below or, in each case; (ii) the Automatic Early Redemption Date immediately following the occurrence of an Automatic Early Redemption Event, whichever is the earlier][Upon the occurrence of an Automatic Early Redemption Event, interest shall cease to accrue and no further interest will be payable after the Automatic Early Redemption Date.]
- (iv) Business Day Convention for Interest Payment Date(s): [Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention][Floating Rate Convention]
- (If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (v) Minimum Interest Rate: *[specify]*[per cent.][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)*
- (vi) Maximum Interest Rate: *[specify]*[per cent.][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.)*
- (vii) Day Count Fraction: [30/360][Actual/Actual [(ICMA)][(ISDA)]] [Actual/365 [(Fixed)][(Sterling)]] [Actual/360] [30/360/] [360/360] [Bond Basis] [30E/360 [(ISDA)]] [Eurobond Basis] [1/1] [1] [Not applicable]
- (Where Actual/Actual ICMA is applicable, insert Determination Date(s) below)*
- (Repeat for each Interest Basis as necessary)*



## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

*(Where the Reference Rate is (i) SONIA, specify Actual/365(Fixed); and (ii) SOFR or €STR, specify Actual/360)*

(viii) Determination Date(s):  *[[specify][in each year]]*  *[Not applicable]*

*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In which case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*

(ix) Rate of Interest:  *[In respect of [the] [each] Interest Payment Date[s] [(from [specify] to [specify])][ falling [on][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 [as][in accordance with the following formula(s)]:*

*(The above formulation may be repeated as necessary for each relevant interest type below)*

*[Fixed Rate]*  *[Floating Rate]*

*(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 5. Any variable of a formula that makes reference to a definition, or to another formula may be replaced and substituted directly by these elements as many times as necessary to facilitate the comprehension)*

*[Option FX: Applicable] (specify as applicable for each Rate of Interest where FX option is to apply)*

*(If the Rate or Interest is calculated by reference to Reference Items, Valuation Dates, etc. or is otherwise calculated differently in respect of each Interest Payment Date, options may be repeated and numerical suffixes may be used to clarify which Reference Item, Rate of Interest, Valuation Date etc. applies in respect of the corresponding Interest Payment Date)*

### 16. Fixed Rate Note Provisions:

*[Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify]] only]]*  *[Not applicable]*

*(If more than one fixed rate is to be determined repeat items (i) to (iii) 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)*

(i) Rate(s) of Interest:  *[[specify][per cent. [per annum] payable [annually][semi-annually][quarterly][monthly] in arrears on [the] [each] Interest Payment Date[s]]*  *[Not applicable]*

*(Amend appropriately in the case of irregular coupons)*

(ii) Fixed Coupon Amount(s):  *[[specify] per Calculation Amount]*  *[Not applicable]*

**FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES**

(iii) Broken Amount(s): *[[specify] per Calculation Amount, payable on [the][each] Interest Payment Date[s] falling [in][on][specify]][Not applicable]*

**17. Floating Rate Note Provisions:** *[Applicable[, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify] only]][Not applicable] [for purposes only of determining the "Rate" element of the Rate of Interest specified in item [specify] (insert where "Rate of Interest (x) - Range Accrual" applies under item [specify] (ix))*

*(If more than one floating rate is to be determined, repeat items [specify] to [specify] for each such rate and, if Digital Coupon One Condition of 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) Specified Period(s): *[specify length of period] [Not applicable]*

(ii) Manner in which the Rate of Interest and Interest Amount is to be determined: *[Screen Rate Determination][ISDA Determination] (further particulars specified below)*

(iii) Screen Rate Determination: *[Applicable][Not applicable]*

*(If applicable, for floating rate Notes not referencing SONIA, SOFR or €STR include (a) to [(d) below] below and delete the other sub-paragraphs)*

*(If applicable, for floating rate Notes referencing SONIA, SOFR or €STR include (a) below to [(TBD)] (excluding (c) below, delete otherwise)*

(a) Reference Rate: *[specify period] [month] [year] [EURIBOR] [SONIA] [SOFR] [€STR] [CMS Rate with a Designated Maturity of [insert years]][specify Government Bond Yield Rate][specify TEC Rate] [with a Designated Maturity of [insert years]] [specify other]*

(b) Interest Determination Date(s): *[specify] [[specify] [prior to the [The][first] day of each Interest Period]] [The [second][specify] [Business Day][specify] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day][specify] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to General Condition 5 (Payments, Physical Delivery and Exchange of Talons)) – use for Payment Delay only]*

(c) Specified Time: *[specify][Not applicable] (Not applicable, for SONIA, SOFR or €STR)*

(d) Relevant Screen Page: *[specify][The SOFR Screen Page][ECB Website] [New York Federal Reserve's Website]*

## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

*(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)*

- (e) RFR Index Determination: [Applicable][Not applicable]
- (f) Determination Method: [Compounded Daily Rate – include if RFR Index Determination is specified as applicable, or if this is the chosen determination method where RFR Index Determination is specified as Not applicable][Weighted Average Rate]
- (g) Observation Method: [Observation Shift][Lag][Lock-Out][Payment Delay]
- (h) Observation Shift Option [*Specify only where Observation Shift is applicable*]: [Standard Shift][IDD Shift][Not applicable]
- (i) Y: ["Y":] means [360] (*likely to be specified for USD and Euro*) [365] (*likely to be specified for GBP*)[*specify*] [Not applicable]
- (j) "p": [*specify*] (*only if Observation Shift (Standard Shift) or Lag are applicable*)[Not applicable]
- (k) Effective Interest Payment Dates: [In respect of each Interest Period other than the final Interest Period, the date falling [two][*specify*] [Business Days][*specify*] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Notes. [Not applicable] (*include Not applicable if Payment Delay is not specified as the Observation Method*)
- (l) Rate Cut-off Date: [*specify*] Reference Rate Business Day(s) immediately prior to the Interest Determination Date] [as per General Condition 4(b)(iv)(2)(D)] [Not applicable] (*include where Lock-Out or Payment Delay is specified as the Observation Method*)
- (m) [SOFR Replacement Alternatives Priority: [As per General Condition 4(b)(iv)(4)][*specify*][Not applicable] (*Include where the Reference Rate is SOFR*)
- (iv) ISDA Determination: [Applicable][Not applicable]
- (a) ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
- (b) Floating Rate Option: [*specify*] [EUR-EURIBOR-Reuters (*if 2006 ISDA Definitions apply*) / EUR- EURIBOR (*if 2021 ISDA Definitions apply*) / EUR-EuroSTR / EUR- EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / USD-SOFR / USD-SOFR Compounded Index / USD-SOFR ICE Swap Rate]

*(if the Floating Rate Option is a Compounded Index specify not applicable in (e) and (f) and complete (g) below)*

**FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES**

- (c) Designated Maturity: [specify][Not applicable]  
*(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
- (d) Reset Date: [specify] [as specified in the ISDA Definitions][the first day of the relevant Interest Period]
- (e) Compounding: [Applicable]/[Not applicable]  
 Compounding Method: [OIS Compounding] [Compounding with Lookback  
 Lookback: [Five][specify] Applicable Business Days]  
 [Compounding with Observation Period Shift  
 Observation Period Shift: [specify] Observation Period Shift Business Days  
 Observation Period Shift Additional Business Days: [specify]/[Not applicable]]  
 [Compounding with Lockout  
 Lockout: [specify] Lockout Period Business Days  
 Lockout Period Business Days: [Applicable Business Days][specify]]  
 [Daily Capped applicable] Rate and/or Daily Floored Rate: [Applicable][Not applicable]  
 [Daily Capped Rate: [specify] per cent.]  
 [Daily Floored Rate: [specify] per cent.]
- (f) Averaging: [Applicable]/[Not applicable]  
 Averaging Method: [Overnight Averaging] [Averaging with Lookback  
 [Five][specify] Applicable Business Days] [Averaging with Observation Period Shift  
 Observation Period Shift: [Five][specify] Observation Period Shift Business Days  
 Observation Period Shift Additional Business Days: [specify]/[Not applicable]]  
 [Averaging with Lockout:  
 Lockout: [Five][specify] Lockout Period Business Days  
 Lockout Period Business Days: [Applicable Business Days][specify]]  
 [Daily Capped applicable] Rate and/or Daily Floored Rate: [Applicable][Not applicable]

**FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES**

- [Daily Capped Rate: *[specify]* per cent.]
- [Daily Floored Rate: *[specify]* per cent.]
- (g) Index Provisions: [Applicable][Not applicable]
- Index Method: Compounded Index Method with Observation Period Shift  
 Observation Period Shift: [Five][*specify*] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: *[specify]*/[Not applicable]
- [Standard Index Method][Compounded Index Method]
- (h) Interest Determination Date(s): *[specify]*
- (v) Payment Delay: [Applicable][Not applicable]
- [Effective Interest Payment Date: In respect of each Interest Period other than the final Interest Period, the date falling [two][*specify*] [Business Days][*specify*] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Notes (*include if Payment Delay is specified as applicable for Floating Rate Option when OIS Compounding or Overnight Averaging is the applicable calculation method and for Floating Rate Option Index if Index Method is Standard Index Method or Compounded Index Method*)
- (vi) Linear Interpolation: [Not applicable][Applicable - the Rate of Interest for the [long][short] [first][last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (vii) Margin(s): [[+/-][*specify*][per cent][per annum][Not applicable]
- (If a Margin applies for each Interest Period, the Margin shall be specified separately for each Interest Period)*
- 18. Specified Interest Amount Note Provisions:** [Applicable][Not applicable]
- (i) Specified Interest Amount(s): [In respect of [the][each] [following] Specified Interest Payment Date[s] [from and including [*specify*] to and including [*specify*]], [*specify*] per Calculation Amount][See table [above][below]](*Insert table*)
- (repeat as necessary)*
- (ii) Specified Interest Payment Date(s): *[specify]*[[Each][The] Interest Payment Date falling on or nearest to] [*specify*][from and including [the Interest Payment Date falling on or nearest to] [*specify*] to and including [the Interest Payment Date falling on or nearest

**FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES**

		to][ <i>specify</i> ]], as adjusted in accordance with the Business Day Convention] [See table [above][below]]( <i>Insert table</i> )
(iii)	Specified Interest Amount Multiplier:	[Not applicable] [ <i>specify</i> ]
(iv)	Business Day Convention	[ <i>specify</i> ] ( <i>only include if necessary</i> )
<b>19.</b>	<b>Zero Coupon Note Provisions:</b>	[Applicable][Not applicable]
	Accrual Yield:	[ <i>specify</i> ] per cent. [per annum] [30/360][ <i>specify</i> ]
<b>20.</b>	<b>Index Linked Interest Provisions:</b>	[Applicable] [in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [ <i>specify</i> ] [to and including [ <i>specify</i> ] only][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item [ <i>specify</i> ]
(i)	[Index][Basket of Indices]:	[The following Reference Item(s)][(k)] [(from [k] = 1 to [[k][ <i>specify</i> ])] will apply:] [Not applicable] [See table [above] [below]] [ <i>Insert table</i> ]  [For [k]=1][ <i>specify</i> ][ <i>insert description and, if relevant details of where investors can obtain information about the Index</i> ][(see paragraph [ <i>specify</i> ])]( <i>repeat as necessary</i> )  [The ( <i>specify Index</i> ) is [not] a [Single-Exchange] [or] [Multi-Exchange Index] ( <i>repeat as necessary</i> )]  [Weighting: [[Not applicable]] [[ <i>specify</i> ] [Each such Weighting shall be subject to adjustment in accordance with the Index Linked Conditions]]
(ii)	[Exchange(s)] [Pricing Source]; and Index Sponsor]:	(a) the relevant [Exchange[s]][Pricing Source [s] [is][are] <i>specify</i> ] [there are no relevant [Exchanges][Pricing Sources]][ <i>specify</i> ]; and  (b) the relevant Index Sponsor is [ <i>specify</i> ].] [See table [above][below]]  ( <i>include Pricing Source if non Multi-Exchange/Single Exchange is selected above</i> ).
(iii)	[Related Exchange][Related Pricing Source]:	[ <i>specify</i> ][All Exchanges] [All Related Pricing Sources] [Not applicable] ( <i>include Related Pricing Source if the Index is a non Single-Exchange or Multi-Exchange Index</i> ).
(iv)	Screen Page:	[ <i>specify</i> ][See table [above][below]]
(v)	[Strike Date] [Strike Period and Strike Days]:	[ <i>specify</i> ][Not applicable] [ <i>specify applicable Strike Days in the period if applicable</i> ] [See table [above][below]]
(vi)	Averaging:	[Not applicable][Averaging [applies] to the Notes]. [The Averaging Dates are [ <i>specify</i> ].] [See paragraph [ <i>specify</i> ] above][See table [above] [below]]  [In the event that an Averaging Date is a Disrupted Day Omission][Postponement][Modified Postponement] will apply.]

**FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES**

- (vii) Interest Payment Date(s): *[specify]* [See table [above][below]] *[Insert table]*
- (viii) [Coupon Valuation *[specify]* [See table [above][below]]  
[Date(s)][Period(s)]:
- (ix) Coupon Valuation Time: [Scheduled Closing Time][Any time [on the relevant Coupon Valuation Date][during the Coupon Valuation Period] *[specify]* [As per the Index Linked Conditions]
- (x) [Observation Date(s)][Observation Period(s)]: *[specify]* [Not applicable][See table [above][below]]
- (xi) [Exchange Business Day][Index Business Day]: [All Indices Basis][Per Index Basis][Single Index Basis][Cross Asset Basis] *(include Index Business Day if non Multi-Exchange/Single Exchange is selected above)*
- (xii) Scheduled Trading Day: [All Indices Basis][Per Index Basis][Single Index Basis][Cross Asset Basis] *(must match election made for Exchange Business Day/ Index Business Day)*
- (xiii) Index Correction Period: [As set out in Index Linked Condition 7] *[specify]*
- (xiv) Specified Maximum Days of Disruption: *[specify]* [eight][Scheduled Trading Days][Not applicable]
- (xv) Additional Disruption Events: [Not applicable][As per the Index Linked Conditions] [The following Additional Disruption Events apply to the Notes]
- (Specify each of the following which applies)*
- [Hedging Disruption]
- [Increased Cost of Hedging]
- [Increased Cost of Component Borrow]
- [Loss of Component Borrow]
- [Change in Law: Not applicable]
- [Hedging Disruption: Not applicable]
- [The Maximum Component Loan Rate in respect of *[specify]* is *[specify]*] *(Only applicable if Loss of Component Borrow is applicable)*
- [The Initial Component Loan Rate in respect of *[specify]* is *[specify]*] *(Only applicable if Increased Cost of Component Borrow is applicable)*
- 21. Equity Linked Interest Provisions:** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] *[specify]* [to and including *[specify]*] only]] [Not applicable] [for the purposes of determining the "Rate of Interest" specified in item *[specify]*

## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

- (i) [Share(s)]/[Basket of Shares]: The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][specify]])] will apply:] [See table [above] [below]]  
[Insert table]
- [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 Equity Linked Conditions]]
- (ii) Share Currency: [specify] [See table [above][below]]
- (iii) ISIN of Share(s): [specify] [See table [above][below]]
- (iv) Screen Page: [specify] [See table [above][below]]
- (v) Exchange(s): [specify] [See table [above][below]]
- (vi) Related Exchange(s): [specify][All Exchanges]
- (vii) Depository Receipt provisions: [Applicable][Not applicable][For Reference Item k=[specify][and k=[specify]]
- (a) Details of share: [specify name and ISIN code of the share to which the relevant Depository Receipts relate]
- (b) Share Exchange: [specify]
- (viii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable] [See table [above][below]]
- (ix) Averaging: [Not applicable][Averaging applies to the Notes. 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]
- (x) Interest Payment Date(s): [specify] [ See table [above][below]] [Insert table]
- (xi) [Coupon Valuation Date(s)][Period(s)]: [specify][See table [above][below]]
- (xii) Coupon Valuation Time: [Scheduled Closing Time][Any time [on the relevant Coupon Valuation Date][during the Coupon Valuation Period]] [[specify]][As per the Equity Linked Conditions]
- (xiii) [Observation Date(s)][Observation Period(s)]: [specify][Not applicable][See table [above][below]]
- (xiv) Exchange Business Day: [All Shares Basis][Per Share Basis][Single Share Basis][Cross Asset Basis]
- (xv) Scheduled Trading Day: [All Shares Basis][Per Share Basis][Single Share Basis][Cross Asset Basis]



## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

*(Must match election for Exchange Business Day)*

- (xvi) Share Correction Period: [As set out in Equity Linked Condition 8][*specify*]
- (xvii) Specified Maximum Days of Disruption: [*specify*][eight][Scheduled Trading Days][Not applicable]
- (xviii) Extraordinary Events: [As per the Equity Linked Conditions][In addition to De-Listing, Insolvency, Merger Event, Tender Offer unless Tender Offer (specified below as not applicable) and Nationalisation, the following Extraordinary Events apply to the Notes:

*(specify each of the following which applies)*

[Listing Change]

[Listing Suspension]

[Illiquidity]

[Tender Offer: Not applicable]

- (xix) Additional Disruption Events: [Not applicable][As per the Equity Linked Conditions][The following Additional Disruption Events apply to the Notes]

*(Specify each of the following which applies)*

[Hedging Disruption]

[Insolvency Filing]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Loss of Stock Borrow]

[Stop-Loss Event]

[Stop-Loss Event Percentage: [*specify*] per cent.]

[Change in Law: Not applicable]

[The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant 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 Share*] is [*specify*] (*Only applicable if Increased Cost of Stock Borrow is applicable*)]

### 22. ETF Linked Interest Provisions:

[Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [*specify*] [to and including [*specify*]] only]][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item [*specify*].

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- (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*]
- [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]]
- (iv) Screen Page: [specify] [See table [above][below]]
- (v) Exchange(s): [specify] [See table [above][below]]
- (vi) Related Exchange(s): [specify][All Exchanges]
- (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 [applies] to the Notes]. [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) Interest Payment Dates(s): [specify] [See table [above][below]] [*insert table*]
- (x) [Coupon Valuation [Date(s)][Period(s)]]: [specify] [See table [above][below]]
- (xi) Coupon Valuation Time: [Scheduled Closing Time][Any time [on the relevant Coupon Valuation Date][during the Coupon Valuation Period]] [[specify],[As per the ETF Linked Conditions]
- (xii) [Observation Date(s)][Observation Period(s)]: [specify][Not applicable][See table [above][below]]
- (xiii) Exchange Business Day: [All ETF Shares Basis][[Per ETF Shares Basis]][Single ETF Share Basis][Cross Asset Basis]
- (xiv) Scheduled Trading Day: [(All ETF Share Basis)][Per ETF Share Basis]][Single ETF Share Basis]][Cross Asset Basis]
- (xv) ETF Share Correction Period: [As set out in the ETF Linked Condition 6][specify]
- (xvi) Specified Maximum Days of Disruption: [Not applicable][specify][eight][Scheduled Trading Days]
- (xvii) Extraordinary ETF Events: [As set out in ETF Linked Condition 2(b)] [specify]

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(xviii) 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]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

[Stop-Loss Event]

[Stop-Loss Event Percentage: *[specify]* per cent.]

[Change in Law: Not applicable]

[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]

**23. Fund Linked Interest Provisions:**

[Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] *[specify]* [to and including *[specify]*] only]] [Not applicable] [for the purposes of determining the "Rate of Interest" specified in item *[specify]*(ix)]

(i) Fund(s)/Fund Basket(s): The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][*specify*]])] will apply: [See table [above][below]] *[Insert table]*

[For [k]=1][*specify*][*insert description*][(see paragraph *[specify]*)](*repeat as necessary*)

[The NAV per Fund Share will be published on *[specify]*]

[Weighting: [[Not applicable]] [*specify*] [Each such Weighting shall be subject to adjustment in accordance with the [Fund Linked Conditions]]

(ii) Fund Shares: *[specify]*[a unit of the relevant Fund] [See table [above][below]]

(iii) Averaging: [Not applicable][Averaging [applies] to the Notes]. [The Averaging Dates are *[specify]*.] [See paragraph *[specify]* above][See table [above][below]]

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[In the event that an Averaging Date is a Fund Non-Valuation Date, [Omission][Postponement][Modified Postponement] will apply]

- (iv) Interest Payment Date(s): *[specify]* [See table [above][below]] *[insert table]*
- (v) [Coupon Valuation *[specify]* [See table [above][below]]  
[Date(s)][Period(s)]:
- (vi) [Observation *[specify]*[Not applicable][See table [above][below]]  
Date(s)][Observation  
Period(s)]:
- (vii) Fund Business Day: *[specify]*[(All Fund Share Basis)][(Per Fund Share  
Basis)][(Single Fund Share Basis)] [As per the Fund  
Linked Conditions]
- (viii) Initial Calculation Dates:
  - (a) Initial Calculation *[specify]* [Not applicable]  
Day:
  - (b) Initial Calculation *[specify]* [Not applicable]  
Date:
  - (c) Initial Calculation *[specify]* [Not applicable]  
Period:
- (ix) Final Calculation Date: *[specify]* [Not applicable]
- (x) Calculation Date(s): *[specify]* [Not applicable]
- (xi) Extraordinary Fund Events: [As set out in Fund Linked Condition 1] *[specify]*
  - (a) NAV Barrier: *[specify]*[Not applicable]
  - (b) NAV Trigger *[specify]*[As set out in Fund Linked Condition 6] [Not  
Percentage: applicable]
  - (c) NAV Trigger *[specify]*[As set out in Fund Linked Condition 6] [Not  
Period: applicable]
  - (d) Number of NAV *[specify]*[As set out in Fund Linked Condition 6] [Not  
Publication Days: applicable]
  - (e) Basket Trigger *[specify]*[As set out in Fund Linked Condition 6] [Not  
Level: applicable]
- (xii) Additional Extraordinary *[Not applicable]*[As per the Fund Linked Conditions][The  
Fund Events: following Additional Extraordinary Fund Events apply to  
the Notes]:

*(Specify each of the following which applies)*

[Increased Cost of Hedging]

[Change in Law: Not applicable]

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Hedging Disruption: Not applicable]

(xiii) Delayed Payment Cut-Off Date: [As set out in Fund Linked Condition 3][specify]

**24. Inflation Linked Interest Provisions:** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify]] only]][Not applicable][for the purposes of determining the "Rate of Interest" specified in item [specify](ix)]

*(If more than one Inflation Rate is to be determined, repeat items (i) to (ix) 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) [Index][Indices][Basket of each Inflation Index] of [specify] [Reference Item[s]][(k)] *(Set out each Index level and insert "in respect of [specify date]" following each Index level)*

(ii) Screen Page/Exchange/ CODE: [specify]

(iii) Index Sponsor: [specify]

(iv) Cut-Off Date: [As per the Inflation Linked Conditions][specify]

(v) Related Bond: [specify][Fallback Bond][Not applicable]

(vi) Fallback Bond: [Applicable][Not applicable]

(vii) Related Bond Redemption Event: [Applicable][Not applicable]

(viii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable]

(ix) Reference Month: [specify][Not applicable]

(x) Determination Date [specify][Not applicable]

(xi) Additional Disruption Events: [Not applicable][As per the Inflation Linked Conditions][The following Additional Disruption Events apply to the Notes

*(Specify each of the following which applies)*

[Hedging Disruption]

[Increased Cost of Hedging]

[Change in Law: Not applicable]

**25. Foreign Exchange (FX) Rate Linked Interest Provisions:** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including [specify]] only]] [for the purposes of determining the "Rate of Interest" specified in

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- item *[specify]* [For the purpose of determining the "RI FX Level" specified in item *[specify]*(ix)] [Not applicable]
- (i) Base Currency: *[specify]*[For Reference Item[(k)]: *[insert]*]
- (ii) Subject Currency/Currencies: *[specify]*[For Reference Item[(k)]: *[insert]*] [and EM Foreign Exchange Rate Provisions apply to such Subject Currency]
- (iii) [Strike Date] [Strike Period and Strike Days]: *[specify]*[Not applicable] *[specify applicable Strike Days in the period if applicable]*[See table [above][below]]
- (iv) Averaging: [Not applicable][Averaging [applies] to the Notes]. [The Averaging Dates are *[specify]*.] [See paragraph *[specify]* above][See table [above] [below]
- (v) Interest Payment Date(s): *[specify]* [See table [above][below]] *[Insert table]*
- (vi) [Coupon Valuation [Date(s)][Period(s)]]: *[specify]*[See table [above][below]
- (vii) [Observation Date(s)][Observation Period]: *[specify]*[Not applicable][See table [above][below]]
- (viii) 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) Relevant Screen Page: *[specify]*[Not applicable]
- (b) Price Source: *[specify]*
- (c) Valuation Time: *[specify]*[As per Foreign Exchange (FX) Rate Linked Security Condition 6]
- (d) Disruption Events: [Price Source Disruption]
- [Illiquidity Disruption]
- [Dual Exchange Rate]
- [General Inconvertibility]
- [General Non-Transferability]
- [Material Change in Circumstances]
- [Nationalisation]
- [Not applicable]
- (Specify in respect of each Subject Currency where Non-EM Foreign Exchange (FX) Rate Provisions apply to more than*

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*one such Subject Currency and different Disruption Events (or components thereof) also apply thereto).*

- (e) Specified Maximum Days of Disruption: [specify][Five][Scheduled Trading Days][Not applicable]
- (ix) 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 Security 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]

- (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] per cent.

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:

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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) 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]*[Business Days] [where Settlement Day Centre(s) means *[specify]*]

(g) EM Number of Postponement Settlement Days: [[Two]*[specify]*] [Business Days][Settlement Days] *[specify]*

(x) Additional Disruption Events: [Not applicable][As per the Foreign Exchange (FX) Rate Linked Conditions] [The following Additional Disruption Events apply to the Notes:]

*(Specify each of the following which applies)*

[Hedging Disruption][Increased Cost of Hedging]

[Trade Date means *[specify]*]

[Change in Law: Not applicable]

*(insert where Change in Law does not apply)*



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**26. Reference Interest:** **Item Rate Linked** [Applicable [, in respect of [the][each] Interest Payment Date[s] falling [on][during the period from and including] [specify] [to and including] [specify] only][Not applicable] [for the purposes of determining the "Rate of Interest" specified in item [specify](ix)]

[The [Floating][Fixed] Rate Security Provisions shall apply. For the purposes of determining the Reference Item Rate on the basis of elections in this paragraph]

*(If more than one Reference Item Rate is to be determined, include the following language: "Reference Item Rate [specify] is as follows:" and repeat items (i) to (vi) below for each such Reference Item Rate)*

- (i) Screen Rate Determination: [Applicable][Not applicable]
  - (a) Reference Item Rate: [specify period] [month] [year] [EURIBOR] [SONIA] [SOFR] [€STR] [CMS Rate with a Designated Maturity of [insert years]][specify Government Bond Yield Rate][specify TEC Rate] [with a Designated Maturity of [insert years]] [specify other]
  - (b) Interest Determination Date(s): [specify]
  - (c) Specified Time: [specify]
  - (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) ISDA Determination: [Applicable][Not applicable]
  - (a) ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
  - (b) Floating Rate Option: [specify]
  - (c) Designated Maturity: [specify]
  - (d) Reset Date: [specify]
- (iii) Reference Spread: [Reference Item Rate 1 minus Reference Item Rate 2][Not applicable]

[See paragraph [specify][above][below]]

*(If a Reference Spread applies for each Interest Period, the Reference Spread shall be specified separately for each Interest Period.)*

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- (iv) [Coupon Valuation [specify]  
[Date(s)][Period(s)]:
- (v) Range Accrual Cut-Off Date: [specify] [See paragraph [specify][above][below][Not applicable]
- (vi) 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 TARGET Settlement Day][Reference Rate Business Day (as defined in General Condition 4(b)(iv)(2))][a "**U.S. Government Securities Business Day**", being any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) 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.][specify]
27. **Combination Interest:** [Applicable][Not applicable]
- (Applicable in relation to Interest linked to a combination of types of Reference Items)*
- (If applicable, complete relevant prompts from paragraphs [] to [])*

### PROVISIONS RELATING TO REDEMPTION

28. **Final Redemption Amount:** [Redemption at par][Calculation Amount \* [specify] per cent.][Calculation Amount \* Final Payout][, subject to [specify][and][specify]
29. **Final Payout:** [Applicable][Not applicable]
- (If applicable, insert a Final Payout Formula(a9 from Payout Condition 2.2 and relevant definitions from Payout Condition 5.*
30. **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' in relation to Accumulated Coupon)*
- (i) Automatic Early Redemption Event: [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 [for [every][any] Reference Item in the Basket] is: [greater than][greater than or equal to][less than][less than or equal to] the Automatic Early Redemption Trigger][within][outside] [the Automatic Early Redemption Range]
- (repeat as necessary)*

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- (ii) AER Value: *[insert relevant value definition and where applicable relevant definitions from Payout Condition 5.1 and 5.2]*
- (iii) Automatic Early Redemption Amount: The Automatic Early Redemption Amount shall be determined in accordance with the following formula:  
  
*(Insert relevant formula from payout annex. Any variable of a formula that makes reference to a definition, or to another formula may be replaced and substituted directly by these elements as many times as necessary to facilitate the comprehension)*
- (iv) Automatic Early Redemption Trigger: *[specify][per cent.] [See table [above][below]][Insert table]*
- (v) Automatic Early Redemption 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]* [See table *[above][below]*]
- (vi) AER Percentage: *[specify]* per cent.*[Not applicable]* [See table *[above][below]*]  
  
*(insert where ST Automatic Early Redemption applies)*
- (vii) Automatic Early Redemption Date(s): *[specify][The date falling [specify] Business Days following [each][the] Automatic Early Redemption Valuation [Date][Period] in respect of which an Automatic Early Redemption Event has occurred]* [See table *[above][below]*]
- (viii) AER Additional Rate: *[AER Rate][Insert relevant provisions from Payout Condition 5.1][Not applicable]*  
  
*[AER Rate DCF][Insert relevant provisions from Conditions]*  
  
*[AER Rate MT][Insert relevant provisions from Conditions]*  
  
*[See table [above][below]]*
- (ix) [(i)] Automatic Early Redemption Valuation Date(s): *[specify]* *[Each [specify] [Scheduled Trading Day] falling within the [relevant] Automatic Early Redemption Valuation Period]* [See table *[above][below]*]  
  
*(repeat as necessary)*
- (x) [(ii)] Automatic Early Redemption Valuation Period(s): *[[from (i)]=[specify] to [specify] [Each][The] period from [and including][but excluding][specify], to [and including][but excluding][specify]* [See table *[above][below]*]  
  
*(repeat as necessary)*
- (xi) Automatic Early Redemption Valuation Time: *[specify][Scheduled Closing Time][Any time [on the relevant Automatic Early Redemption Valuation*

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- Date][during the Automatic Early Redemption Valuation Period]
- (xii) Averaging: [Not applicable][Averaging [applies] to the Notes]. [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]
- 31. Issuer Call Option:** [Applicable][Not applicable]
- (i) Optional Redemption Date(s): [specify]
- (ii) Optional Redemption Valuation Date(s): [specify][Not applicable]
- (iii) Optional Redemption Amount: [[specify] per Calculation Amount] [In relation to each Note its pro rata share of][specify] [The Optional Redemption Amount shall be determined in accordance with the following formula:
- (Insert relevant formula from Payout Annex)]*
- (Insert relevant Optional Redemption Amount in respect of each relevant Optional Redemption Date. These may be set out in a table or annexed to the Pricing Supplement)*
- (iv) If redeemable in part:
- (a) Minimum Redemption Amount: [specify][Not applicable]
- (b) Higher Redemption Amount: [specify][Not applicable]
- (v) Notice periods: Minimum period: [specify]
- Maximum period: [specify]
- [Not applicable]
- (When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*
- 32. Securityholder Put Option:** [Applicable][Not applicable]
- (If not applicable, delete the paragraph)*
- (i) Optional Redemption Date(s): [specify]

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- (ii) Optional Redemption Valuation Date(s): *[specify]*[Not applicable]
- (iii) Optional Redemption Amount(s): *[[specify] [per Calculation Amount]*[The Optional Redemption Amount shall be determined in accordance with the following formula:  
  
*(Insert relevant formula from Payout Annex)]*
- (iv) Notice periods: Minimum period: *[specify]*[Not applicable]  
  
Maximum period: *[specify]*[Not applicable]  
  
*(When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 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 Agent)*
33. **Early Redemption Amount payable in cases of a Redemption for tax reasons (General Condition 6(b), a Redemption for Illegality (General Condition 6(c) [or][,] a redemption following an event of default (General Condition 9) [or][,] following an early redemption in all other cases pursuant to the Conditions [or a failure to pay a Part Payment Amount on the relevant due date (General Condition 6(k))]:** *[[specify] per Calculation Amount]*[As set out in General Condition 6(f)]
34. **Index Linked Redemption:** *[Applicable]*[Not applicable][*- terms specified under paragraph [20 above] will also apply for Index Linked Redemption unless specified otherwise in this paragraph [34]*]
- (i) *[Index]*[Basket of Indices]: *[The following Reference Item(s)(k) [(from [k] = 1 to [[k][specify]])] will apply:]* [Not applicable] [See table below] *[Insert table]*  
  
*[For [k]=1][specify][insert description and, if relevant, details of where investors can obtain information about the Index](repeat as necessary)*  
  
*[The (specify Index) is [not] a [Single-Exchange] [or] [Multi-Exchange Index] (repeat as necessary)]*  
  
*[Weighting: [Not applicable] [[specify] [Each such Weighting shall be subject to adjustment in accordance with the Index Linked Conditions]]*
- (ii) *[Exchange(s)] [Pricing Source]; and Index Sponsor]:* (a) *[the relevant [Exchange(s)][Pricing Source] [is][are]specify] [there are no relevant [Exchanges][Pricing Sources]][specify]; and*  
  
(b) *the relevant Index Sponsor is [specify]*

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[See table [above][below]] (*include Pricing Source if non Multi-Exchange/Single Exchange is selected above*).

- (iii) [Related Exchange][Related Pricing Source]: [specify][All Exchanges] [All Related Pricing Sources][Not applicable] (*include Related Pricing Source if the Index is a non Single-Exchange or Multi-Exchange Index*).
- (iv) Screen Page: [specify][Not applicable] [See table [above][below]]
- (v) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [*specify applicable Strike Days in the period if applicable*] [See table [above][below]]
- (vi) Averaging: [Not applicable][Averaging [applies] to the Notes]. [The Averaging Dates are [specify].] [See table [above][below]]
- [In the event that an Averaging Date is a Disrupted Day, [Omission][Postponement][Modified Postponement] will apply]
- (vii) Redemption Valuation Date(s)/Period(s): [specify][Not applicable] [See table [above] [below]]
- (viii) Valuation Time: [Scheduled Closing Time][Any time [on the relevant Redemption Valuation Date][during the Redemption Valuation Period]] [[specify] [As per the Index Linked Conditions]]
- (ix) [Observation Date(s)][Observation Period]: [specify][Not applicable][See table [above] [below]]
- (x) [Exchange Business Day][Index Business Day]: [All Indices Basis][Per Index Basis][Single Index Basis][Cross Asset Basis]
- (*include Index Business Day if the Index is a non Multi-Exchange/Single Exchange Index*):
- (xi) Scheduled Trading Day: [All Indices Basis][Per Index Basis][Single Index Basis][Cross Asset Basis]
- (*must match election made for Exchange Business Day/ Index Business Day*)
- (xii) Index Correction Period: [As set out in Index Linked Condition 7][specify]
- (xiii) Specified Maximum Days of Disruption: [specify][eight][Scheduled Trading Days][Not applicable]
- (xiv) Additional Disruption Events: [Not applicable][As per the Index Linked Conditions] [The following Additional Disruption Events apply to the Notes:]
- (*Specify each of the following which applies*)
- [Hedging Disruption]

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[Increased Cost of Hedging]

[Increased Cost of Component Borrow]

[Loss of Component Borrow]

[Change in Law: Not applicable]

[Hedging Disruption: Not applicable]

[The Maximum Component Loan Rate in respect of [specify] is [specify](only applicable if Loss of Component Borrow is applicable)]

[The Initial Component Loan rate in respect of [specify]] is [specify] (N.B. only applicable if Increased Cost of Component Borrow is applicable)

**35. Equity Linked Redemption:**

[Applicable] [- terms specified under paragraph [21 above] will also apply for Equity Linked Redemption unless specified otherwise in this paragraph [35]] [Not applicable]

(i) [Share(s)]/ [Basket] of Shares: [The following Reference Item(s)[(k)] [(from [k] = 1 to [(k)[specify]]) will apply:] [See table [above] [below]] [Insert table]]

[For [k]=1][specify][insert description](repeat as necessary)

[Weighting: [Not applicable] [specify] [Each such Weighting shall be subject to adjustment in accordance with the Equity Linked Conditions]]]

(ii) Share Currency: [specify] [See table [above] [below]]

(iii) ISIN of Share(s): [specify] [See table [above] [below]]

(iv) Screen Page: [specify] [See table [above] [below]]

(v) Exchange: [specify] [See table [above] [below]]

(vi) Related Exchange(s): [specify][All Exchanges][Not applicable]

(vii) Depository Receipt provisions: [Applicable][Not applicable] [For Reference Item k=[specify][and k=[specify]

(If not applicable, delete this paragraph)

(a) Details of share: [specify name and ISIN code of the share to which the relevant Depository Receipts relate]

(b) Share Exchange: [specify]

(viii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable][See table [above][below]]

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- (ix) Averaging: [Not applicable][Averaging applies to the Notes.][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]
- (x) Redemption Valuation *[specify]*[Not applicable][See table [above][below]]  
Date(s)/Period(s):
- (xi) Valuation Time: [Scheduled Closing Time][Any time [on the relevant Redemption Valuation Date][during the Redemption Valuation Period]] [*[specify]*][As per the Equity Linked Conditions]
- (xii) [Observation Date(s)][Observation Period]: *[specify]*[Not applicable][See table [above][below]]
- (xiii) Exchange Business Day: [All Shares Basis][Per Share Basis][Single Share Basis][Cross Asset Basis]
- (xiv) Scheduled Trading Day: [All Shares Basis][Per Share Basis][Single Share Basis][Cross Asset Basis]
- (xv) Share Correction Period: [As set out in Equity Linked Condition 8*[specify]*]
- (xvi) Specified Maximum Days of Disruption: *[specify]*[eight][Scheduled Trading Days][Not applicable]
- (xvii) Extraordinary Events: [As per the Equity Linked Conditions] [See paragraph *[specify]* above] [In addition to De- Listing, Insolvency, Merger Event and Nationalisation, the following Extraordinary Events apply to the Notes]:
- [Listing Change]
- [Listing Suspension]
- [Illiquidity]
- [Tender Offer: Not applicable]
- (xviii) Additional Disruption Events: [Not applicable][As per the Equity Linked Conditions] [See paragraph *[specify]* above] [The following Additional Disruption Events apply to the Notes]:
- (Specify each of the following which applies)*
- [Hedging Disruption]
- [Insolvency Filing]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]



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[Loss of Stock Borrow]

[Stop-Loss Event]

[Stop-Loss Event Percentage: *[specify]* per cent.]

[Change in Law: Not applicable]

[Failure to Deliver: Not applicable]

[The Maximum Stock Loan Rate in respect of *[specify]* in relation to each relevant 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 Share] is *[specify]* (*Only applicable if Increased Cost of Stock Borrow is applicable*)

**36. ETF Linked Redemption:**

[Applicable] [- terms specified under paragraph [22 above] will also apply for ETF Linked Redemption unless specified otherwise in this paragraph [36]] [Not applicable]

(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*]

[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]*

(iv) Screen Page: *[specify]*

(v) Exchange(s): *[specify]* [See table [above][below]] [Not applicable]

(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 [applies] to the [Notes]. [The Averaging Dates are *[specify]*.] [See table [above][below]]

[In the event that an Averaging Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply]

(ix) Redemption Valuation Date(s)/ Period(s): *[specify]*[Not applicable][See table [above][below]]

(x) Valuation Time: [Scheduled Closing Time][Any time [on the relevant Redemption Valuation Date][during the Redemption

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- Valuation Period]] *[[specify]* As per ETF Linked Condition 6]
- (xi) [Observation Date(s)][Observation Period]: *[[specify]]*[Not applicable][see table above][below]]
- (xii) Exchange Business Day: [All ETF Shares Basis] [Per ETF Share Basis] [Single ETF Share Basis] [Cross Asset Basis]]
- (xiii) Scheduled Trading Day: *[[All ETF Shares Basis] [Per ETF Share Basis] [Single ETF Share Basis] [Cross Asset Basis]]*
- (xiv) ETF Share Correction Period: [As set out in ETF Linked Condition 6]*[[specify]]*
- (xv) Specified Maximum Days of Disruption: *[[specify]]*[eight][Scheduled Trading Days][Not applicable]]
- (xvi) Extraordinary ETF Events: [As set out in ETF Linked Condition 2(b)] *[[specify]]*
- (xvii) Additional Extraordinary ETF Events: [Not applicable][As per the ETF Linked Conditions]
- [The following Additional Disruption Events apply to the Notes]:
- (Specify each of the following which applies)*
- [Hedging Disruption]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Insolvency Filing]
- [Stop-Loss Event]
- [Stop-Loss Event Percentage: *[[specify]]* per cent.]
- [Failure to Deliver: Not applicable]
- [Change in Law: Not applicable]
- [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]
- 37. Fund Linked Redemption:** [Applicable] [- terms specified under paragraph [23 above] will also apply for Fund Linked Redemption unless specified otherwise in this paragraph [37]] [Not applicable]

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- (i) Fund(s)/Fund Basket: [The following Reference Item(s)[(k)] [(from [k] = 1 to [(k)[specify])] will apply:] [See table [above][below]] [Insert table]
- [For [k]=1][specify][insert description][(see paragraph [specify])](repeat as necessary)
- [The NAV per Fund Share will be published on [specify]]
- [Weighting: [[Not applicable]] [[specify]] [Each such Weighting shall be subject to adjustment in accordance with the Fund Linked Conditions]]
- (ii) Fund Shares: [specify] [See table [above][below]] [a unit of the relevant Fund]
- (iii) Averaging: [Not applicable][Averaging [applies] to the Notes]. [The Averaging Dates are [specify].] [See paragraph [specify] above][See table [above][below]]
- [In the event that an Averaging Date is a [Fund Non-Valuation Date][Omission][Postponement][Modified Postponement] will apply]
- (iv) [Observation Date(s)][Observation Period]: [specify][Not applicable][see table above][below]]
- (v) Redemption Valuation Date(s)/ Period(s): [specify][Not applicable][See table [above][below]]
- (vi) Fund Business Day: [specify][(All Fund Share Basis)][(Per Fund Share Basis)][(Single Fund Share Basis)] [As per the Fund Linked Conditions]
- (vii) Initial Calculation Dates:
- (a) Initial Calculation Date: [specify][Not applicable]
- (b) Initial Calculation Period: [specify][Not applicable]
- (c) Initial Calculation Days: [specify][Not applicable]
- (viii) Final Calculation Date: [specify][Not applicable]
- (ix) Calculation Date(s): [specify][Not applicable]
- (x) Extraordinary Events: [As set out in Fund Linked Condition 1] [specify]
- (a) NAV Barrier: [specify][Not applicable]
- (b) NAV Trigger Percentage: [specify][As per the Fund Linked Condition 6][specify][Not applicable]

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- (c) NAV Trigger Period: [As per the Fund Linked Conditions][*specify*]
- (d) Basket Trigger Level: [*specify*][As set out in Fund Linked Condition 6] [Not applicable]
- (e) Number of NAV Publication Days: [*specify*] [As set out in Fund Linked Condition 6][Not applicable]
- (xi) Additional Extraordinary Fund Events: [Not applicable][As per the Fund Linked Conditions][The following Additional Extraordinary Fund Events apply to the Notes]:  
  
*(Specify each of the following which applies)*  
  
[Increased Cost of Hedging]  
  
[Change in Law: Not applicable]  
  
[Hedging Disruption: Not applicable]
- (xii) Delayed Payment Cut-off Date: [As set out in Fund Linked Condition 3][*specify*][Not applicable]

**38. Inflation Linked Redemption:**

[Applicable] [- terms specified under paragraph [24 above] will also apply for Inflation Linked Redemption unless specified otherwise in this paragraph [38]] [Not applicable]

- (i) [Index][Indices]: [*specify*] [Reference Item[s][k]]
- (ii) Screen page/Exchange/CODE: [*specify*]
- (iii) Index Sponsor: [*specify*]
- (iv) Cut-Off Date: [As per the Inflation Linked Conditions][*specify*]
- (v) Related Bond: [*specify*][Fallback Bond][Not applicable]
- (vi) Fallback Bond: [Applicable][Not applicable]
- (vii) Related Bond Redemption Event: [As set out in Inflation Linked Condition 4][*specify*]
- (viii) Reference Month: [*specify*][Not applicable]
- (ix) [Strike Date] [Strike Period and Strike Days]: [*specify*][Not applicable] [*specify applicable Strike Days in the period if applicable*]
- (x) Determination Date(s): [*specify*]
- (xi) Additional Redemption Event: [Not applicable][As per the Inflation Linked Conditions][The following Additional Disruption Events apply to the Notes]:  
  
*(Specify each of the following which applies)*  
  
[Hedging Disruption]

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[Increased Cost of Hedging]

**39. Foreign Exchange (FX) Rate Linked Redemption:** [Applicable] [- terms specified under paragraph [25 above] will also apply for Foreign Exchange (FX) Rate Linked Redemption unless specified otherwise in this paragraph [39]] [Not applicable]

(i) Base Currency: [specify][For Reference Item[(k)]: *insert*]]

(ii) Subject Currency/Currencies: [specify][For Reference Item[(k)]: *insert*]] [and EM Foreign Exchange Rate Provisions apply to such Subject Currency]

(iii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [*specify applicable Strike Days in the period if applicable*]

(iv) Averaging: [Not applicable][Averaging [applies] to the Notes]. [The Averaging Dates are *specify*.] [See paragraph *specify* above][see table below]

(v) [Redemption Valuation Date(s)][Redemption Valuation Period(s)]: [specify][Not applicable]

(vi) [Observation Date(s)][Observation Period]: [specify][Not applicable][See table above]

(vii) 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) Relevant Screen Page: [specify][Not applicable]

(b) Price Source: [specify]

(c) Valuation Time: [specify]

(d) Disruption Events: [Price Source Disruption]

[Illiquidity Disruption]

[Dual Exchange Rate]

[General Inconvertibility]

[General Non-Transferability]

[Material Change in Circumstance]

[Nationalisation]

[Not applicable]

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*(Specify in respect of each Subject Currency where Non-EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different Disruption Events (or components thereof) also apply thereto)*

- (e) [Specified Maximum Days of Disruption:] [specify][Five][Scheduled Trading Days][Not applicable]
- (viii) 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 Security 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]

- (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] per cent.

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)*

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- (c) EM Disruption [EM Calculation Agent Determination]  
 Fallbacks:  
 [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) 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*][Business Days][where SER Settlement Day Centre(s) means *[specify]*]
- (g) EM Number of Postponement Settlement Days: [[Two][*specify*]] [Business Days][Settlement Days] *[specify]*
- (ix) Additional Disruption Events: [Not applicable][As per the Foreign Exchange (FX) Rate Linked Conditions] [The following Additional Disruption Events apply to the [Notes]:]  
*(Specify each of the following which applies)*  
 [[Hedging Disruption]  
 [Increased Cost of Hedging]

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[Trade Date means *specify*]

[Change in Law: Not applicable]

*(insert where Change in Law does not apply)*

(x) Delayed Redemption on the Occurrence of a Disruption Event: [Applicable][Not applicable]

**40. Reference Item Rate Linked Redemption:** [Applicable] [- terms specified under paragraph [26 above] will also apply for Reference Item Rate Linked Redemption unless specified otherwise in this paragraph [40]] [Not applicable]

[The [Floating][Fixed] Rate Security Provisions shall apply for the purpose of determining the Reference Item Rate on the basis of elections in this paragraph.]

*(If more than one Reference Rate is to be determined, include the following language: "Reference Rate *specify* is as follows:" and repeat items (i) to (vi) below for each such Reference Item Rate)*

(i) Screen-Rate Determination: [Applicable][Not applicable]

(a) Reference Item Rate: *specify period*[month][year][EURIBOR] [SONIA] [SOFR] [€STR] [CMS Rate with a Designated Maturity of *insert years*][*specify* Government Bond Yield Rate][*specify* TEC Rate][ with a Designated Maturity of *insert years*]

(b) Valuation Date(s): *specify*

*(e.g. the second day on which the T2 System is open prior to the start of each Interest Period if EURIBOR). Where the Rate of Interest is being used other than for a Floating Rate Security, 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) Valuation Time: *specify*

*(which will be 11:00 am, Brussels time, in the case of EURIBOR)*

(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) ISDA Determination: [Applicable][Not applicable]

(a) ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]

(b) Floating Rate Option: *specify*



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- (c) Designated Maturity: *[specify]*
  - (d) Reset Date: *[specify]*
  - (iii) Reference Spread: [Reference Item Rate 1 minus Reference Item Rate 2 [Not applicable] [See paragraph *[specify]*][above][below]
  - (iv) Redemption Valuation Date(s)/Period(s): *[specify]*[Not applicable]
  - (v) Range Accrual Cut-Off Date: *[specify]*[See paragraph *[specify]*][above][below]
  - (vi) Business Days: 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 TARGET Settlement Day][Reference Rate Business Day (as defined in General Condition 4(b)(iv)(2))][a "**U.S. Government Securities Business Day**", being any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) 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.][*specify*]
- 41. Combination Redemption:** [Applicable] [- terms specified under paragraph [27 above] will also apply for Combination Redemption unless specified otherwise in this paragraph [41]] [Not applicable]
- (Applicable in relation to Reference Item Notes linked to a combination of types of Reference Items)*
- (If applicable, complete relevant prompts from paragraphs [] to [] above)*
- 42. Provisions applicable to Instalment Notes:** [Applicable][Not applicable]
- (i) Instalment Amounts: *[specify]* [per Calculation Amount]
    - (a) Calculation Amount \* Instalment Factor \* Instalment Payout]
    - (b) [Instalment Payout: *Insert relevant redemption formula from payout annex*]
    - (c) [Instalment Factor: means *[specify]*] (*repeat as necessary*)
  - (ii) Instalment Dates: *[specify]*
- 43. Payment Disruption Event:** [Applicable][Not applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

### [EUROPEAN ECONOMIC AREA AND UNITED KINGDOM

[The Notes are not intended to be offered to any EEA retail investor in the EEA or any UK retail investor in the UK. 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 EEA retail investor may be unlawful under the PRIIPS Regulation. In addition, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (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 UK retail investor may be unlawful under the UK PRIIPS Regulation. ] [The Notes are not intended to be offered, distributed or sold to any investor in [the European Economic Area ("**EEA**") ] [or] [the United Kingdom ("**UK**")], and no person may offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Listing Particulars as completed by this Pricing Supplement to any investor in [the EEA] [or] [the UK].]<sup>88</sup>

[Neither the Issuer nor the Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]<sup>89</sup>

- 44. Form of Notes:** Registered Notes:  
3(a)(2) Global Security [*specify nominal amount*] registered in the name of a nominee for [DTC][a common depository for Euroclear and Clearstream, Luxembourg]]
- 45. Governing Law:** [New York Law] / [English Law]
- 46. (i) Additional Financial Centre(s):** [Not applicable][*give details*](*Note that this paragraph relates to the place of payment and not interest period end dates. All relevant Financial Centre(s) (including the location of the relevant agent(s)) should be included other than Target*)
- (ii) Additional Business Centre(s):** [Not applicable] [*specify*]
- 47. Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature):** [Yes as the Notes have more than 27 Coupon payments, Talons may be required if, on exchange into definitive form, more than 27 Coupons are still to be made][Not applicable]
- 48. Redenomination, renominalisation and reconventioning provisions:** [Not applicable][The provisions in General Condition 8 apply]  
*[Only applicable for Notes denominated in European currency except for Euro]*
- 49. Prohibition of Sales to EEA Retail Investors:** [Applicable][Not applicable]  
*(If the Notes clearly do not constitute "packaged" products, "Not applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified)*

<sup>88</sup> Insert where the Notes are going to be sold only outside the EEA and the UK.

<sup>89</sup> Insert where no public offer (in accordance with the Prospectus Regulation) is intended in EEA and the UK.

**FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES**

**50. Prohibition of Sales to UK Retail Investors:** [Applicable][Not applicable]

*(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

**51. Sales outside EEA and UK only:** [Applicable][Not applicable]

**52. [Additional Selling Restrictions]<sup>90</sup>** [The Notes are not intended to be offered, distributed or otherwise made available to any investor classified as retail investor in the jurisdiction where the Notes are to be offered or otherwise made available][give details]

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: \_\_\_\_\_

By: \_\_\_\_\_

Duly authorised

Duly authorised

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<sup>90</sup> Delete if there a no Additional Selling Restrictions

**FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES**

**PART B - OTHER INFORMATION**

**1. Listing and Admission to Trading** [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [Vienna MTF of the Vienna Stock Exchange] [and] [admitted to trading on [Vienna MTF of the Vienna Stock Exchange] with effect from [the Issue Date] [specify other]]. (insert specific language required by Stock Exchange/Listing Authority)

**2. Ratings** [The Notes have not been rated.] [The Notes to be issued [[have been][are expected to be]] rated:] [S&P Global:\*[specify]] [Moody's:\*[specify]] [Other\*]: [specify]

**3. Interests of Natural and Legal Persons Involved in the Issue**  
*(Description of any interest, including conflicting interest that is material to the issue/offer, detailing the persons involved and the nature of the interest. This may be satisfied by the inclusion of the following statement:)*

[Save for any fee paid to the Dealer (if applicable, such fee shall be as set out below) [and/or any fee or other inducement paid to the distributor (if any)], so far as the Issuer is aware no person involved in the offer of the Notes has an interest material to the offer. [For specific and detailed information on the nature and quantity of the fee or inducement paid to the distributor (if any) the investor should contact the distributor.][specify]

Dealer commission: [specify]/[No]

**4. Estimated net proceeds [and Plan of Distribution]:** [specify] [[specify] will act as placement agents for the notes. The placement agents will forego fees for sales to fiduciary accounts. The total fees represent the amount that the placement agents receive from sales to accounts other than such fiduciary accounts. The placement agents will receive a fee from [BBVA Securities Inc.] [or one of our affiliates] that will not exceed \$[specify] per [\$1,000] principal amount of notes.][specify][

	<b>Price to Public</b>	<b>Fees and Commissions</b>	<b>Estimated Net Proceeds</b>
<b>Per Note</b>			
<b>Total</b>			

]

**5. Operational Information**

(i) Delivery: [Delivery [against][free of] payment]

(ii) Principal Paying Agent: [Deutsche Bank AG, London Branch][specify]

(iii) Registrar: [The Bank of New York Mellon] [specify]

(iv) Transfer Agent: [The Bank of New York Mellon][specify]

## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

- (v) Calculation Agent: [Banco Bilbao Vizcaya Argentaria, S.A]. [*specify*]
- (vi) U.S. Paying Agent (if any): [The Bank of New York Mellon] [*specify*][Not applicable]
- (vii) Issuer's LEI: Legal Entity Identifier ("LEI"): 7245002K0ECNIA1YTU43

### 6. Distribution

Method of distribution: [Syndicated][Non-syndicated] (*if non-syndicated delete paragraph*)

[If syndicated, names [and addresses] of Managers [and underwriting commitments/quotas (material features): [Not applicable][*give names [and addresses] of each entity acting as underwriter [and its respective underwriting commitments]*]

*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers. Where not all of the issue is underwritten, please include information about portion not covered)*

[Date/Description of Subscription Agreement: [insert details][Not applicable]]

[Stabilisation Manager(s) (if any): [Not applicable][*give name*]]

[If non-syndicated, name [and address] of relevant Dealer: [Not applicable][*give name [and address]*]

[No underwriting commitment is undertaken by the Distributor.]]

U.S. Selling Restrictions: The Notes and the guarantee thereof will be offered pursuant to an exemption from registration provided by Section 3(a)(2) of the Securities Act. The [Notes] and the guarantee thereof are not required to be, and have not been, registered under the Securities Act or with any governmental authority.

U.S. "Original Issue Discount" Legend: [Not applicable] [FOR PURPOSES OF ORIGINAL ISSUE DISCOUNT RULES UNDER THE UNITED STATES INTERNAL REVENUE CODE OF 1986, THIS NOTE HAS ORIGINAL ISSUE DISCOUNT OF

[currency][amount] PER EACH [currency][amount] OF NOMINAL AMOUNT OF THIS NOTE; THE ISSUE PRICE OF THIS NOTE IS

[currency][amount]; THE ISSUE DATE IS [date]; AND THE YIELD TO MATURITY (COMPOUNDED [semi-annually]) IS [yield].]

*(include the preceding legend if the Securities are to be issued pursuant to Rule 144A or Section 3(a)(2) with an*

## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

*"original issue discount" for U.S. federal income tax purposes).*

[The Issuer is only offering to and selling to the Dealer(s) pursuant to and in accordance with the terms of the [Programme Agreement]. All sales to persons other than the Dealer(s) will be made by the Dealer(s) or persons to whom they sell, and/or otherwise make arrangements with, including the Financial Intermediaries. The Issuer shall not be liable for any offers, sales or purchase of Notes by the Dealer(s) or Financial Intermediaries in accordance with the arrangements in place between any such Dealer or any such Financial Intermediary and its customers.]

### 7. **[Information relating to the Reference Item(s)]**

[*Specify*][Below is a description of the Reference Item(s). Unless otherwise stated, all information contained herein regarding the Reference Item(s) is derived from publicly available sources and is provided for informational purposes only. We have not independently verified, and have not confirmed the accuracy or completeness of, such information. Neither the Issuer, the Guarantor nor any of its affiliates assumes any responsibilities for the adequacy or accuracy of information about the Reference Item(s). You should make your own investigation into the Reference Item(s).]

#### **[Information and [Composition] on the Reference Item(s)]**

*(included a brief description of the Reference Item(s) and if a Reference Item is an Index, its corresponding composition method)*

#### **[Index Calculation]**

*(if a Reference Item is an Index, describe its calculation method)*

[License Disclaimer]

*(If a Reference Item is an Index include Index Disclaimer)*

[Historical Performance of the Reference Item(s)]

[*Specify*][The following graph[s] sets forth the daily closing level of the Reference Item[s] from [*specify*] through [*specify*] (*include performance over a period*). We obtained the past performance and background information about the Reference Item[s] from [the corresponding Bloomberg Screen Page as set out in paragraph [*specify*] above][*specify*].]

*[Insert graph] (as many as necessary)*

[We make no representation or warranty as to the accuracy or completeness of the information obtained from [Bloomberg] [*specify*] The historical performance is provided for informational purposes only. You should not take the historical performance of [the][each] Reference Item as an indication of future performance, which may be better or worse than the performance set forth below. The closing level of the Reference Items on [*specify*] was [*specify*].]

### 8. **U.S. Taxation**

[*Specify*][We intend to treat the Notes as [INSERT RELEVANT TAX TREATMENT] for U.S. federal income tax purposes. For a discussion of certain U.S. federal income tax consequences of holding and disposing of the Notes, a U.S. Holder (as defined in the Base Listing Particulars) should review carefully the sections entitled "*Taxation—United States Federal Taxation—Tax Consequences to U.S. Holders—[INSERT RELEVANT CROSS REFERENCE(S)]*" and "*Taxation—United States Federal Taxation—Tax Consequences to U.S. Holders—General Considerations for U.S. Holders*" in the Base Listing Particulars. A Non-U.S. Holder (as defined in the Base Listing Particulars) should review carefully the section entitled "*Taxation—United States Federal Taxation—Tax Consequences to Non-U.S. Holders*" in the Base Listing Particulars.]

## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

[The comparable yield and projected payment schedule with respect to a Note can be obtained by contacting [BBVA] at [INSERT EMAIL ADDRESS AND/OR PHONE NUMBER]]<sup>91</sup>

[Based on the treatment set forth under "*Taxation—United States Federal Taxation—Tax Consequences to U.S. Holders—Securities Treated as Put Rights and Deposits*," we have determined that the Yield on the Deposit is [XXXX] per cent. per annum, paid [monthly], and the remaining portion of the coupon payments on the Notes is attributable to the Put Premium.]<sup>92</sup>

[*specify*][We have not obtained any tax opinion regarding the treatment of the Notes for U.S. federal income tax purposes and there can be no assurance that the Internal Revenue Service or a court will agree with our intended treatment. References in "*Taxation—United States Federal Taxation*" regarding how the Notes "should" be treated assume that our intended treatment is respected, and should not be read to imply a particular level of comfort regarding the intended tax treatment. U.S. and non-U.S. investors should consult their tax advisers regarding all aspects of the U.S. federal, state, local and non-U.S. tax consequences of an investment in the Notes (including possible alternative treatments).]

[The U.S. federal income tax consequences of an investment in the Securities are complex. Additionally, for certain Securities, there are no direct legal authorities as to the proper treatment of the Securities for U.S. federal income tax purposes, and, therefore, significant aspects of the U.S. federal income tax treatment of such Securities are uncertain. Please read the discussion under "*Taxation—United States Federal Taxation*." Potential investors should consult their tax advisers on the U.S. federal income tax consequences of an investment in the Securities.]

### 9. [Hypothetical Examples]

[The examples set forth below are for illustrative purposes only and may not be the actual total returns applicable to a purchaser of the Notes. The numbers appearing in the examples have been rounded for ease of analysis. The actual payment amounts received by investors and the total return on the Notes resulting from this payment will depend on several variables, including (i) the Initial Level of the Underlying Asset and (ii) the Closing Level of the Underlying Asset on each of the

Averaging Dates, all determined by the Calculation Agent. All payments on the Notes are subject to the creditworthiness of the Issuer and Guarantor.] [*specify*] (*Insert Hypothetical Examples*)

Example	Hypothetical Underlying Asset Performance	Hypothetical Final Level	Hypothetical Payment at Maturity	Hypothetical Return on the Notes

### 10. [Selected Risk Considerations]

[The Notes have complex features and investing in the Notes will involve risks not associated with an investment in conventional debt securities or in the components or sub-components of the Index. You should carefully consider the risk factors set forth below as well as the other information contained in this pricing supplement and the Base Listing Particulars [, including the documents they incorporate by reference]. As described in more detail below, the value of the Notes may vary considerably before the Maturity Date due to events that are difficult to predict and are beyond our control. You should reach an investment decision only after you have carefully considered with your advisors the suitability of an investment in the Notes in light of your particular circumstances. Some of these risks are explained in more detail in the "*Risk Factors*" section of the Base Listing Particulars.]

<sup>91</sup> Include only for 3(a)(2) Notes that are Contingent Payment Securities and Foreign Currency Contingent Payment Securities.

<sup>92</sup> Include only for 3(a)(2) Notes that are non-principal protected Securities that pay fixed coupons and do not provide for upside.

## FORM OF PRICING SUPPLEMENT FOR 3(A)(2) NOTES

[Investing in the notes involves a number of risks. Additionally to the risk factors selected from the Base Listing Particulars below, see the "*Risk Factors*" section in the Base Listing Particulars]

### **[Risks Relating to the Securities] [generally]**

*[specify] (Insert a number of this type of risks associated with an investment in the Notes.)*

### **[Risk Relating to Estimated Value and Secondary Market Prices of the Notes]**

*[specify] (Insert a number of this type of risks associated with an investment in the Notes.)*

### **[Risk Relating to Conflict of Interest]**

*[specify] (Insert a number of this type of risks associated with an investment in the Notes.)*

### **[Risk Relating to the [Reference Item]]**

*[specify] (Insert a number of this type of risks associated with an investment in the Notes.)*

### **[Risk Relating to General Credit Characteristics]**

*[specify] (Insert a number of this type of risks associated with an investment in the Notes.)*

### **[Risks Relating to [Spain and] U.S. Federal Income Taxation]**

*[specify] (Insert a number of this type of risks associated with an investment in the Notes.)*



**FORM OF FUNGIBLE TRANCHE PRICING SUPPLEMENT FOR EXEMPT  
[NOTES]/[CERTIFICATES] (BEARER FORM)**

**FORM OF FUNGIBLE TRANCHE PRICING SUPPLEMENT FOR EXEMPT  
[NOTES]/[CERTIFICATES] (BEARER FORM)**

*Set out below is the form of Pricing Supplement for Exempt Securities which may be completed for each Fungible Tranche of Bearer Securities issued under the Programme.<sup>93</sup>*

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR  
THE ISSUE OF THE [NOTES]/[CERTIFICATES] DESCRIBED BELOW**

[Date]

**[BBVA GLOBAL MARKETS 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 residency in Spain)  
(as "Issuer")*

Legal Entity Identifier ("LEI"): 213800L2COK1WB5Q3Z55]<sup>94</sup>

**[BBVA GLOBAL SECURITIES 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 residency in Spain)  
(as "Issuer")*

Legal Entity Identifier ("LEI"): 7245002K0ECNIA1YTU43]<sup>95</sup>

Issue of [Nominal Amount of Tranche] [Title of [Notes]/[Certificates]] (this "**Tranche of [Notes]/[Certificates]**" or the "**[Notes]/[Certificates]**") to be consolidated, become fungible and for a single series with [Nominal Amount of Series] [Title of Notes/Certificates] [ISIN Code:] (the "**Original [Notes]/[Certificates]**")

under the €10,000,000,000  
Structured Medium Term Securities Programme

guaranteed by

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

*(incorporated with limited liability in Spain)  
(as "Guarantor")*

This pricing supplement (the "**Fungible Tranche Pricing Supplement**") has been prepared for the issuance of [Nominal Amount of Tranche] [Title of [Notes]/[Certificates]] which are to be consolidated, become fungible with and form a single Series with the Original [Notes]/[Certificates].

The Pricing Supplement for the first tranche of the Original [Notes]/[Certificates] (the "**Tranche 1 [Notes]/[Certificates]**") annexed hereto shall apply to this Tranche of [Notes]/[Certificates] as if it were set out in full herein, including, for the avoidance of any doubt, all legends, restrictions and other information set out therein which do not form a part of the contractual terms, subject to the amendments thereto that are set out in sections 'Part A – Tranche Specific Contractual Terms' and 'Part B – Other Tranche Specific Information' of this Fungible Tranche Pricing Supplement (the "**Tranche Specific Terms**").

The Tranche Specific Terms hereby amend and replace the equivalent terms in 'Part A – Contractual Terms' and 'Part B – Other Information' respectively in the Pricing Supplement of the Tranche 1 [Notes]/[Certificates] which are otherwise incorporated herein for the purposes of this Tranche of [Notes]/[Certificates]; and in the event of any inconsistency between this Fungible Tranche Pricing Supplement and the Pricing Supplement for the Tranche 1 [Notes]/[Certificates], the provisions of this Fungible Tranche Pricing Supplement shall override such inconsistent provisions of the Pricing Supplement for the Tranche 1 [Notes]/[Certificates].

<sup>93</sup> Delete when completing the fungible tranche Pricing Supplement for further issuances of Exempt Securities in bearer form.

<sup>94</sup> Insert for Notes issued by BBVA Global Markets B.V.

<sup>95</sup> Insert for Notes issued by BBVA Global Securities B.V.

**FORM OF FUNGIBLE TRANCHE PRICING SUPPLEMENT FOR EXEMPT  
[NOTES]/[CERTIFICATES] (BEARER FORM)**

**PART A – TRANCHE SPECIFIC CONTRACTUAL TERMS**

This Fungible Tranche Pricing Supplement constitutes the Pricing Supplement for the Tranche of [Notes]/[Certificates] described herein. This document must be read in conjunction with the Base Listing Particulars dated June 23, 2023 [ as supplemented by the supplement dated [specify]] (the "**Base Listing Particulars**"). Full information on the Issuer, the Guarantor and the offer of the [Notes]/[Certificates] is only available on the basis of the combination of this Fungible Tranche Pricing Supplement and the Base Listing Particulars. Copies of the Base Listing Particulars [as so supplemented] have been published on the website of the Guarantor [(<https://www.bbva.com/en/>)]/[specify hyperlink] and the exchange where the [Notes]/[Certificates] are admitted to listing and trading.

Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions of the [Notes]/[Certificates] (and, together with the applicable Annex(es), the "**Conditions**") set forth in the Base Listing Particulars. All references in the Base Prospectus and the General Conditions to the [Notes]/[Certificates] shall mean the [Notes]/[Certificates].

1. (i) Tranche Number: [specify] (delete if Tranche 1)
- (ii) Date of which the [Notes]/[Certificates] will be consolidated and form a Single Series: The [Notes]/[Certificates] will be consolidated, become fungible and form a single series with the Original [Notes]/[Certificates] on [the Tranche Issue Date][exchange of the Temporary Global Security for interests in the Permanent Global Security, as referred to in paragraph [5] below, which is expected to occur on or about [date] (the "**Consolidation Date**")]
2. Aggregate Nominal Amount:
  - (i) Tranche: [specify] (delete if Tranche 1)
  - (ii) Series: [specify]
3. Issue Price: [specify] per cent. of the Aggregate Nominal Amount of the Tranche
4. (i) Issue Date: [specify]
- (ii) Interest Commencement Date: [specify]  
[No interest shall be payable in respect of any period prior to the Interest Commencement Date]<sup>96</sup>
- (iii) Trade Date: [specify]
5. Form of [Notes]/[Certificates]: Bearer [Notes]/[Certificates]:  
[Temporary Bearer Global Security exchangeable for a Permanent Bearer Global Security which is exchangeable for definitive Bearer [Notes]/[Certificates] only upon an Exchange Event excluding the exchange event described in paragraph (iii) of the definition in the Permanent Global Security]  
[Permanent Bearer Global Security exchangeable for definitive [Notes]/[Certificates] only upon an Exchange Event [including/excluding] the exchange event described in

<sup>96</sup> To include where the Pricing Supplement for the Tranche 1 Notes lists historic Interest Payment Dates.

**FORM OF FUNGIBLE TRANCHE PRICING SUPPLEMENT FOR EXEMPT  
[NOTES]/[CERTIFICATES] (BEARER FORM)**

paragraph (iii) of the definition in the Permanent Global  
Security]

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: \_\_\_\_\_

By: \_\_\_\_\_

Duly authorised

Duly authorised

**FORM OF FUNGIBLE TRANCHE PRICING SUPPLEMENT FOR EXEMPT  
[NOTES]/[CERTIFICATES] (BEARER FORM)**

**PART B – OTHER TRANCHE SPECIFIC INFORMATION**

- 1. Listing and Admission to trading**      Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Tranche of [Notes]/[Certificates] to be listed on [the official list of] [Vienna MTF of the Vienna Stock Exchange] [*specify*] [and] [admitted to trading on [Vienna MTF of the Vienna Stock Exchange] [*specify*] with effect from [the Tranche Issue Date] [*specify*].
- 2. Estimated Net Proceeds**      [*specify*]

(Includes a Dealer Commission of [*specify*] per cent (fee paid to a distributor)
- 3. Operational Information**

  - (i)      ISIN Code:      [*specify*] [up to and excluding the Consolidation Date and from, and including, the Consolidation Date [*specify*]]
  - (ii)      Common Code:      [*specify*] [up to and excluding the Consolidation Date and from, and including, the Consolidation Date [*specify*]]
  - (iii)      Other Code(s):      [*specify*] [up to and excluding the Consolidation Date and from, and including, the Consolidation Date [*specify*]] [Not applicable]
  - (iv)      Delivery:      [Delivery [against][free of] payment]

**FORM OF FUNGIBLE TRANCHE PRICING SUPPLEMENT FOR EXEMPT  
[NOTES]/[CERTIFICATES] (BEARER FORM)**

**ANNEX**

*(Insert the Pricing Supplement for the Tranche 1 Notes together with any additional tranches thereof)*

## USE OF PROCEEDS

### USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Securities will be fully and permanently invested in the Guarantor and will be applied by the Guarantor:

- (i) unless otherwise specified in the applicable Issue Terms, for the general corporate purposes of the Group; or
- (ii) where the applicable Issue Terms state that the securities shall have the condition of "Green Securities", "Social Securities" or "Sustainability Securities", the net proceeds will be used by the Guarantor to finance, refinance or invest in, in whole or in part,:
  - (a) "Green Projects" as described in this "Use of Proceeds" section, in which case the relevant Securities will be identified as "Green Securities" in the applicable Issue Terms ("**Green Securities**");
  - (b) "Social Projects" as described in this "Use of Proceeds" section, in which case the relevant Securities will be identified as "Social Securities" in the applicable Issue Terms ("**Social Securities**");
  - (c) [a combination of "Green Projects" or "Social Projects"], in which case the relevant Securities will be identified as "Sustainability Securities" in the applicable Issue Terms ("**Sustainability Securities**");

Hereinafter, Green Securities, Social Securities and Sustainability Securities, respectively, and, together, "**Sustainable Securities**".

For any Sustainable Securities, an amount equal to the net proceeds from each issue of Sustainable Securities will be allocated by the Guarantor in financing or refinancing, in part or in full, on a portfolio basis, new and/or existing Green Projects and/or Social Projects (each as defined below and further described in the Guarantor's Sustainable Debt Financing Framework) (together, the "**Eligible Projects**"), all in accordance with the Sustainable Debt Financing Framework. In the case of Green Securities, such financing or refinancing shall be exclusively of new and/or existing Green Projects, in part or in full, in the case of Social Securities, such financing or refinancing shall be exclusively of new and/or existing Social Projects, in part or in full, and, in the case of Sustainability Securities, such financing or refinancing shall be exclusively of new and/or existing Green Projects and Social Projects, in part or in full.

Eligible Projects include any type of lending within the Guarantor's balance sheet aligned with the specified use of proceeds for the Sustainable Securities, including lending to clients whose business activities are fully aligned with the "green eligible categories" and/or "social eligible categories" described in the Sustainable Debt Financing Framework.

"**Green Projects**" means loans, investments and projects falling within any of the "green eligible categories" described in the Sustainable Debt Financing Framework of renewable energies, energy efficiency, green buildings, clean transport, sustainable water and wastewater management, pollution prevention and control, and environmentally sustainable management of living natural resources and land use, each as further described in the Sustainable Debt Financing Framework, and, at any time, include any other "green" projects in accordance with any update of the ICMA Green Bond Principles at such time.

The "**ICMA Green Bond Principles**" means the Green Bond Principles published by the International Capital Markets Association as updated from time to time, which as of the date of this Base Prospectus are the Green Bond Principles June 2021 (along with June 2022 Appendix 1) ([https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf)).

The "**Sustainable Debt Financing Framework**" means the BBVA Sustainable Debt Financing Framework (November 2022) published by the Guarantor on its website (<https://shareholdersandinvestors.bbva.com/wp-content/uploads/2022/12/202212-BBVA-Sustainable-Debt-Financing-Framework.pdf>), including as amended, supplemented, restated or otherwise updated on such website from time to time where so specified.

## USE OF PROCEEDS

"**Social Projects**" means loans, investments and projects falling within any of the "social eligible categories" described in the Sustainable Debt Financing Framework of access to essential services (health and education), affordable core infrastructure (telecommunications and mass transit, housing, public works infrastructure, arts infrastructure, infrastructure with a social purpose, and social enterprises and foundations), and socioeconomic advancement and empowerment (financing for individuals qualifying as vulnerable or on low incomes, support for financial inclusion, and entrepreneurship and support for micro-businesses), each as further described in the Sustainable Debt Financing Framework, and, at any time, include any other "social" projects in accordance with any update of the ICMA Social Bond Principles at such time.

The "**ICMA Social Bond Principles**", means the Social Bond Principles published by the International Capital Markets Association as updated from time to time, which as of the date of this Base Prospectus are the Social Bond Principles June 2021 (along with June 2022 Appendix 1) ([https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Social-Bond-Principles\\_June-2022v3-020822.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Social-Bond-Principles_June-2022v3-020822.pdf)).

The proceeds of any Sustainable Securities will not be used to finance excluded and/or prohibited activities within the defence, mining, energy, infrastructure and agribusiness sectors as reflected in BBVA's Environmental & Social Framework, which may be found on its website (<https://shareholdersandinvestors.bbva.com/sustainability-and-responsible-banking/principles-and-policies/>).

The Guarantor will endeavour to allocate the full amount of the net proceeds of any Sustainable Securities on-lent to it by the Issuer in financing or refinancing the relevant Eligible Projects following the issuance of such Sustainable Securities. If this is not possible, pending such allocation, the net proceeds will be applied by the Guarantor on the same basis as for the management of its treasury liquidity portfolio. The Guarantor will further endeavor to apply a percentage of the net proceeds of any Sustainable Securities to financing Green Projects and/or Social Projects, as appropriate, originated in the current year of issue such Sustainable Securities.

In the event that any Eligible Project to which the net proceeds of any Sustainable Securities are allocated ceases to comply with the relevant categories for such Eligible Project to constitute a Green Project or a Social Project, as the case may be, the Guarantor will substitute that Eligible Project within the relevant portfolio for a compliant Eligible Project on a best efforts basis and when reasonably practicable.

For so long as any Sustainable Securities remain outstanding, the Guarantor intends to publish an annual report (the "**Sustainable Report**") on its website (<https://shareholdersandinvestors.bbva.com>) including at least the following information:

- (i) the allocation of the net proceeds from the issue of Green, Social or Sustainability Securities under the Sustainable Debt Financing Framework in each "green" or "social" eligible category;
- (ii) the portion of such net proceeds used for financing or refinancing purposes;
- (iii) the remaining balance of unallocated proceeds from such Green, Social or Sustainability Securities and/or cash equivalents;
- (iv) an indication of which sustainable development goals apply to such "green" or "social" eligible categories;
- (v) relevant estimated environmental or social impacts for each relevant "green" or "social" eligible category and, if possible, actual impact metrics. Case studies of specific Eligible Projects may be provided to illustrate the relevant impact; and
- (vi) the calculation methodologies applied by the Guarantor for the calculation of environmental and social impacts.

Terms used above in relation to the intended content of the Sustainable Report have the meanings given to them in the Sustainable Debt Financing Framework.

The Guarantor has obtained an independent verification assessment from DNV GL Business Assurance Services Limited in respect of the Sustainable Debt Financing Framework. This independent verification assessment is published on the Guarantor's website (<https://shareholdersandinvestors.bbva.com>).

## USE OF PROCEEDS

The Guarantor further intends to obtain an independent verification assessment from an external verifier for each Series of Sustainable Securities it issues and will publish that verification assessment on its website (<https://shareholdersandinvestors.bbva.com>).

In addition, the Guarantor may request, on an annual basis starting one year after the issue of each Series of Sustainable Securities and until maturity (or until redemption in full), a limited assurance report on the allocation of the net proceeds of those Sustainable Securities to Green Projects and/or Social Projects, as the case may be, and the verification of the impact indicators published in the Sustainable Report and that such indicators are prepared in accordance with the calculation methodologies included in the Sustainable Report, which may be provided by its external auditor or another suitably qualified provider and published on its website (<https://shareholdersandinvestors.bbva.com>).

Neither the Sustainable Debt Financing Framework, nor any of the above reports, verification assessments or contents of any of the above websites are incorporated in or form part of this Base Prospectus.



## BOOK-ENTRY CLEARANCE SYSTEMS

### BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. The Issuer and the Guarantor take responsibility for the correct extraction and reproduction of the information in this section concerning the Clearing Systems, but none of the Issuer, the Guarantor nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantor nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Securities held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

#### **DTC**

DTC has advised the Issuer and the Guarantor that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Participants**") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the NYSE MKT LLC, Inc. and the Financial Industry Regulatory Authority, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Registered Securities among Direct Participants on whose behalf it acts with respect to Securities accepted into DTC's book-entry settlement system ("**DTC Securities**") as described below and receives and transmits distributions of principal and interest on DTC Securities. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Securities ("**Owners**") have accounts with respect to the DTC Securities similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Securities through Direct Participants or Indirect Participants will not possess Registered Securities, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Securities.

Purchases of DTC Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Securities on DTC's records. The ownership interest of each actual purchaser of each DTC Security ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Securities, except in the event that use of the book-entry system for the DTC Securities is discontinued.

To facilitate subsequent transfers, all DTC Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by

## **BOOK-ENTRY CLEARANCE SYSTEMS**

arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Securities, DTC will exchange the DTC Securities for definitive Registered Securities, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Security, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Securities to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Securities, will be required to withdraw its Registered Securities from DTC as described below.

### ***Euroclear and Clearstream, Luxembourg***

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system. For further information on Euroclear and Clearstream, Luxembourg relating to the Securities, please see "*Taxation*".

### ***Book-entry Ownership of and Payments in respect of DTC Securities***

The Issuer may apply to DTC in order to have any Tranche of Securities represented by a Registered Global Security accepted in its book-entry settlement system. Upon the issue of any such Registered Global Security, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Security to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Security will be limited to Direct Participants or Indirect Participants, including, in the case of a Regulation S Global Security, the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Security accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC

## BOOK-ENTRY CLEARANCE SYSTEMS

or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in US dollars of principal and interest in respect of a Registered Global Security accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Security. In the case of any payment in a currency other than US dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Security in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into US dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Securities will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Securities to DTC is the responsibility of the Issuer.

### *Transfers of Securities Represented by Registered Global Securities*

Transfers of any interests in Securities represented by a Registered Global Security within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Securities represented by a Registered Global Security to such persons may depend upon the ability to exchange such Securities for Securities in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Securities represented by a Registered Global Security accepted by DTC to pledge such Securities to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Securities may depend upon the ability to exchange such Securities for Securities in definitive form. The ability of any holder of Securities represented by a Registered Global Security accepted by DTC to resell, pledge or otherwise transfer such Securities may be impaired if the proposed transferee of such Securities is not eligible to hold such Securities through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Securities described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Securities have been deposited.

On or after the Issue Date for any Series, transfers of Securities of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Securities of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). Under Rule 15(c)6-1 of the Exchange Act, trades in the U.S. secondary market generally are required to settle in two business days ("**T+2**") (as such term is used for purposes of Rule 15(c) 6-1 of the U.S. Exchange Act), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Securities prior to delivery of such Securities will be required, by virtue of the fact that the securities initially will not settle in T+2, to specify an alternative settlement cycle at the time of such trade to prevent a failed settlement and should consult their own adviser. Purchasers of the Securities who wish to make such trades should consult their own advisors. The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Securities will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC

## BOOK-ENTRY CLEARANCE SYSTEMS

participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Securities among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantor, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Securities represented by Registered Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial interests.

### **Euroclear UK & International Limited**

Following their delivery into a clearing system, interests in Securities may be delivered, held and settled in Euroclear UK & International Limited ("**CREST**") by means of the creation of dematerialised depository interests ("**CREST Depository Interests**") representing the interests in the relevant Securities ("**Underlying Securities**"). The CREST Depository Interests will be issued by CREST Depository Limited or any successor thereto (the "**CREST Depository**") to holders of the CREST Depository Interests and will be constituted and governed by English law. CREST International Nominees Limited or another entity appointed to act as nominee in accordance with the CREST Deed Poll (as defined below) (the "**CREST Nominee**") will hold the legal title to the Underlying Securities and the direct enforcement right in respect of the Underlying Securities.

The CREST Depository Interests will represent indirect interests in the interest of the CREST Nominee in the Underlying Securities. Pursuant to the documents setting out the legal relationship of CREST with its users and participants (the "**CREST Manual**"), Securities held in global form by the common depository may be settled through CREST, and the CREST Depository will issue CREST Depository Interests. The CREST Depository Interests will be independent securities which may be held and transferred through CREST.

Interests in the Underlying Securities will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CREST Depository Interests to the relevant CREST participants.

Each CREST Depository Interest will be treated by the CREST Depository as if it were one Underlying Security, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to holders of CREST Depository Interests any interest or other amounts received by it as holder of the Underlying Securities on trust for such holder. Holders of CREST Depository Interests will also be able to receive from CREST notices of meetings of holders of Underlying Securities and other relevant notices issued by the Issuer.

Transfers of interests in Underlying Securities by a CREST participant to a participant of Euroclear or Clearstream, Luxembourg will be affected by cancellation of the CREST Depository Interests and transfer of an interest in such Securities underlying the CREST Depository Interests to the account of the relevant participant with Euroclear or Clearstream, Luxembourg. The CREST Depository Interests will have the same International Securities Identification Number ("**ISIN**") as the ISIN of the Underlying Securities and will not require a separate listing on the Official List of Euronext Dublin or the Official List of the United Kingdom Listing Authority.

Holders of CREST Depository Interests are referred to Chapter 8 of the CREST International Manual (as contained in the CREST Manual) which contains the form of the CREST Deed Poll to be entered into by the CREST Depository (the "**CREST Deed Poll**"). The rights of the holder of CREST Depository Interests will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer including the CREST Deed Poll executed by the CREST Depository. These rights may be different from those of holders of Securities which are not represented by CREST Depository Interests.

If issued, CREST Depository Interests will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service (the "**CREST International Settlement Links Service**"). The settlement

## BOOK-ENTRY CLEARANCE SYSTEMS

of the CREST Depository Interests by means of the CREST International Settlement Links Service has the following consequences for holders of CREST Depository Interests:

- (i) holders of CREST Depository Interests will not be the legal owners of the Underlying Securities. The CREST Depository Interests are separate legal instruments from the Underlying Securities to which they relate and represent an indirect interest in such Underlying Securities;
- (ii) the Underlying Securities themselves (as distinct from the CREST Depository Interests representing indirect interests in such Underlying Securities) will be held in an account with a custodian. The custodian will hold the Underlying Securities through a clearing system. Rights in the Underlying Securities will be held through custodial and depository links through the appropriate clearing systems. The legal title to the Underlying Securities or to interests in the Underlying Securities will depend on the rules of the clearing system in or through which the Underlying Securities are held;
- (iii) rights under the Underlying Securities cannot be enforced by holders of CREST Depository Interests except indirectly through the intermediary depositories and custodians described above. The enforcement of rights under the Underlying Securities will therefore be subject to the local law of the relevant intermediary. The rights of holders of CREST Depository Interests to the Underlying Securities are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Securities. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Securities in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Securities held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries;
- (iv) the CREST Depository Interests issued to holders of CREST Depository Interests will be constituted and issued pursuant to the CREST Deed Poll. Holders of CREST Depository Interests will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to, the CREST International Manual and the CREST Rules applicable to the CREST International Settlement Links Service (in each case as contained in the CREST Manual) and such holders must comply in full with all obligations imposed on them by such provisions;
- (v) the provisions of the CREST Deed Poll and the CREST Manual (including for the avoidance of doubt the provisions of the CREST International Manual and the CREST Rules) contain indemnities, warranties, representations and undertakings to be given by holders of CREST Depository Interests and limitations on the liability of the issuer of the CREST Depository Interests, being the CREST Depository;
- (vi) holders of CREST Depository Interests may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of holders is drawn to the terms of the CREST Deed Poll and the CREST Manual (including for the avoidance of doubt the provisions of the CREST International Manual and the CREST Rules), copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB or by calling +44 (0) 207 849 0000 or from the CREST website at: <https://www.euroclear.com/en.html>;
- (vii) holders of CREST Depository Interests may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Securities through the CREST International Settlement Links Service;
- (viii) neither the Issuer, the Guarantor, the Dealer nor any Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations; and
- (ix) Securities issued in temporary global form exchangeable for a Permanent Bearer Global Security will not be eligible for CREST settlement as CREST Depository Interests. As such, investors investing in any such Underlying Securities through CREST Depository Interests will only receive the CREST Depository Interests after such Temporary Bearer Global Security is exchanged for a Permanent Bearer Global Security, which could take up to 40 days after the issue of the Securities.

## DESCRIPTION OF BBVA GLOBAL MARKETS B.V.

### DESCRIPTION OF BBVA GLOBAL MARKETS B.V.

#### Responsibility

BBVA Global Markets B.V. assumes responsibility for the information under the heading "*Description of BBVA Global Markets B.V.*" in this Base Prospectus. To the best of the knowledge of BBVA Global Markets B.V., the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### Introduction

BBVA Global Markets B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), was incorporated under the laws of the Netherlands on October 29, 2009 for an unlimited duration and with the purpose of issuing securities under the Programme in accordance with the objects clause contained in Article 3 of the Deed of Incorporation of BBVA Global Markets B.V. dated October 29, 2009 which reads as follows:

"The objects for which the Company is established are to raise finance through the issuance of bonds, notes, warrants, certificates and other debt instruments, and invest the funds raised in any kind of financial assets. For these purposes, the Company may enter into (i) derivative transactions or other hedging agreements, and (ii) other agreements with third parties in connection with the above object."

BBVA Global Markets B.V. has its seat (*zetel*) in Amsterdam, the Netherlands and its principal place of business at Calle Saucedo, 28, Edificio Asia, 28050 Madrid, Spain (tel: +34 913745123). BBVA Global Markets B.V. is registered in the trade register of the Netherlands Chamber of Commerce under number 34363108. BBVA Global Markets B.V. has its place of effective management and centre of principal interests in Spain. The Legal Entity Identifier ("**LEI**") of BBVA Global Markets B.V. is 213800L2COK1WB5Q3Z55.

#### Business

The principal business of BBVA Global Markets B.V. is to raise funds on the capital and money markets to finance the business activities of, and enter into other financial agreements with, the Guarantor and its subsidiaries.

BBVA Global Markets B.V. serves as a financing company for the purposes of the Group and is regularly engaged in different financing transactions within the limits set forth in its deed of incorporation (the "**Deed of Incorporation**"). BBVA Global Markets B.V.'s objective is, among others, to arrange medium and long term financing for the Group. Because of its aforementioned purpose, BBVA Global Markets B.V. does not have any markets in which it competes and, therefore, BBVA Global Markets B.V. cannot make a statement regarding its competitive position in any markets.

BBVA Global Markets B.V. is a financing company that is exempt from the licence requirements to operate as a bank pursuant to the exemption contained in section 3:2 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) (the "**FMSA**"), as long as:

- (i) there is an unconditional guarantee from the Guarantor for the due and punctual payment of all amounts payable to the Holders that form part of the "public" (as defined in the FSMA), and the Guarantor's consolidated equity capital remains positive throughout the term of the guarantee; and
- (ii) at least 95 per cent. of its borrowings consist of loans and/or investments extended to, or made in, other companies and entities belonging to the Group (as defined in section 3:2 of the FMSA).

#### History

BBVA Global Markets B.V. has not previously carried on any business or carried on any activities other than (i) those incidental to its registration, the authorisation and issues of Securities contemplated in this Base Prospectus and the other matters described or contemplated in this Base Prospectus, (ii) the obtaining of all approvals and the effecting of all registrations and filings necessary or desirable for its business activities, and (iii) other securities issues including warrants and other structured notes.

## DESCRIPTION OF BBVA GLOBAL MARKETS B.V.

### Ownership and Capital Structure

The authorised share capital of the BBVA Global Markets B.V. is EUR 90,000 divided into 900 ordinary shares of EUR 100 par value each, fully paid, BBVA Global Markets B.V. is a direct wholly-owned subsidiary of BBVA and does not have any subsidiaries of its own.

### Financial Statements

BBVA Global Markets B.V. has published audited financial statements for the financial years ended December 31, 2022 and December 31, 2021 (the "**BGM Financial Statements**"). BBVA Global Markets B.V.'s Financial Statements were prepared in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code and are incorporated by reference into this Base Prospectus. Other than as described herein there has been no material change in the capitalisation of BBVA Global Markets B.V. No dividends have been paid out by BBVA Global Markets B.V. since its incorporation.

### Income Statement

The table below sets out summary information extracted from profit or loss and other comprehensive income of the the audited financial statements for the financial year ended December 31,2022 of BGM:

Thousands of euros	31.12.2022	31.12.2021*
—Exchange rate differences .....	2	(16)
—Other operating income .....	383	405
—Other operating expenses .....	(383)	(347)
—Gains (losses) on financial assets designated at fair value through profit or loss .....	1,069,995	92,181
—Gains (losses) on financial liabilities designated at fair value through profit or loss...	(1,069,995)	(92,181)
<b>Result of the year before tax</b> .....	<b>2</b>	<b>42</b>
—Income tax .....	(1)	(13)
<b>Result of the year from continued operations</b> .....	<b>1</b>	<b>29</b>
<b>Comprehensive result of the year</b> .....	<b>—</b>	<b>—</b>
<b>Total comprehensive result of the year</b> .....	<b>1</b>	<b>29</b>

(\*) In the audited financial statements for the financial year ended December 31, 2022 of BGM certain reclassifications have been made in the statement of profit or loss or other comprehensive income for the year 2021. For more details we refer to note 2m) of these audited financial statements..

### Statement of Financial Position

The table below sets out summary information extracted from the statement of financial position from the audited financial statements for the financial year ended December 31,2022 of BGM:

Thousands of euros	31.12.2022	31.12.2021
<b>ASSETS:</b>		
<i>Non-current assets</i> .....	3,612,553	4,085,768
<i>Current assets</i> .....	1,203,589	482,272
<b>Total assets</b> .....	<b>4,816,142</b>	<b>4,568,040</b>
<b>LIABILITIES:</b> .....		
<i>Non-current liabilities</i> .....	3,612,231	4,085,446
<i>Current liabilities</i> .....	1,203,664	482,348
<b>Total liabilities</b> .....	<b>4,815,895</b>	<b>4,567,794</b>
<b>SHAREHOLDER'S EQUITY:</b>		
—Issued share capital .....	90	90
—Share premium .....	250	250
—Other reserves .....	(94)	(123)
—Result of the year .....	1	29
<b>Total shareholder's equity</b> .....	<b>247</b>	<b>246</b>
<b>Total liabilities and shareholder's equity</b> .....	<b>4,816,142</b>	<b>4,568,040</b>

(\*) Presented for comparison purposes only.

## DESCRIPTION OF BBVA GLOBAL MARKETS B.V.

As of the date of this Base Prospectus, BBVA Global Markets B.V. has issued notes of the same class as the Securities to be issued under the Programme which may be listed on the following markets: Euronext Dublin, AIAF, Vienna Stock Exchange, and Taipei Stock Exchange.

The auditors of BBVA Global Markets B.V. for the financial year ended December 31, 2022 are Ernst & Young Accountants LLP, whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam, The Netherlands. The registeraccountants of Ernst & Young Accountants LLP are members of the NBA (Koninklijke Nederlandse Beroepsorganisatie van Accountants - the Royal Netherlands Institute of Chartered Accountants). The auditors of BBVA Global Markets B.V. for the financial year ended December 31, 2021 were KPMG Accountants N.V. Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands, who are Chartered Accountants and members of the Royal Netherlands Institute of Chartered Accountants (Koninklijke Nederlandse Beroepsorganisatie van Accountants).

### Management

The Board of Directors of BBVA Global Markets B.V. consists of the following Managing Directors:

<u>Name</u>	<u>Position at BBVA Global Markets B.V.</u>	<u>Present Principal Occupation Outside of BBVA Global Markets B.V.</u>
Marian Coscarón Tomé	Managing Director	Head of Global Securities of BBVA
Christian Højbjerg Mortensen	Managing Director	Global Securities Manager of BBVA

The Managing Directors are employees of BBVA. There are no potential conflicts of interest between any duties of the directors of BBVA Global Markets B.V. and their private interests.

The business address of the Managing Directors is Calle Saucedá, 28, Edificio Asia, 28050 Madrid, Spain.

BBVA Global Markets B.V., 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 BBVA (including, without limitation, compliance, market abuse, risk, accounting, and audit committee).

### Tax Status of BBVA Global Markets B.V.

BBVA Global Markets B.V. has its place of effective management in Spain and is therefore solely tax resident in Spain on the basis of Article 4(4) of the Convention between the Netherlands and Spain for the Avoidance of Double Taxation with respect to Taxes on Income and on Net Wealth in effect on the date of this Base Prospectus.

### Legal Proceedings

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BBVA Global Markets B.V. is aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position or profitability of BBVA Global Markets B.V.



## DESCRIPTION OF BBVA GLOBAL SECURITIES B.V.

### DESCRIPTION OF BBVA GLOBAL SECURITIES B.V.

#### Responsibility

BBVA Global Securities B.V. assumes responsibility for the information under the heading "*Description of BBVA Global Securities B.V.*" in this Base Prospectus. To the best of the knowledge of BBVA Global Securities B.V., the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### Introduction

BBVA Global Securities B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), was incorporated under the laws of the Netherlands on December 7, 2020 for an unlimited duration and with the purpose of issuing securities under the Programme in accordance with the objects clause contained in Article 3 of the Deed of Incorporation of BBVA Global Securities B.V. dated December 7, 2020 which reads as follows:

"The objects for which the Company is established are to raise finance through the issuance of bonds, notes, warrants, certificates and other debt instruments, and invest the funds raised in any kind of financial assets. For these purposes, the Company may enter into (i) derivative transactions or other hedging agreements, and (ii) other agreements with third parties in connection with the above object."

BBVA Global Securities B.V. has its seat (*zetel*) in Amsterdam, the Netherlands and its principal place of business at Calle Saucedo, 28, Edificio Asia, 28050 Madrid, Spain (tel: +34 913745123). BBVA Global Securities B.V. is registered in the trade register of the Netherlands Chamber of Commerce under number 81185774. BBVA Global Securities B.V. has its place of effective management and centre of principal interests in Spain. The Legal Entity Identifier ("**LEI**") of BBVA Global Securities B.V. is 7245002K0ECNIA1YTU43.

#### Business

The principal business of BBVA Global Securities B.V. is to raise funds on the capital and money markets to finance the business activities of, and enter into other financial agreements with, the Guarantor and its subsidiaries.

BBVA Global Securities B.V. serves as a financing company for the purposes of the Group and is regularly engaged in different financing transactions within the limits set forth in its deed of incorporation (the "**Deed of Incorporation**"). BBVA Global Securities B.V.'s objective is, among others, to arrange medium and long term financing for the Group. Because of its aforementioned purpose, BBVA Global Securities B.V. does not have any markets in which it competes and, therefore, BBVA Global Securities B.V. cannot make a statement regarding its competitive position in any markets.

BBVA Global Securities B.V. is a financing company that is exempt from the licence requirements to operate as a bank pursuant to the exemption contained in section 3:2 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) (the "**FMSA**"), as long as:

- (i) there is an unconditional guarantee from the Guarantor for the due and punctual payment of all amounts payable to the Holders that form part of the "public" (as defined in the FSMA), and the Guarantor's consolidated equity capital remains positive throughout the term of the guarantee; and
- (ii) at least 95 per cent. of its borrowings consist of loans and/or investments extended to, or made in, other companies and entities belonging to the Group (as defined in section 3:2 of the FMSA).

#### History

BBVA Global Securities B.V. has not previously carried on any business or carried on any activities other than (i) those incidental to its registration, the authorisation and issues of Securities contemplated in this Base Prospectus and the other matters described or contemplated in this Base Prospectus, (ii) the obtaining of all approvals and the effecting of all registrations and filings necessary or desirable for its business activities, and (iii) other securities issues including warrants and other structured notes.

## DESCRIPTION OF BBVA GLOBAL SECURITIES B.V.

### Ownership and Capital Structure

The authorised share capital of BBVA Global Securities B.V. is €18,000 divided into 180 ordinary shares of €100 each. The total issued and paid up share capital amounts to €18,000 consisting of 180 ordinary shares. BBVA Global Securities B.V. is a direct wholly-owned subsidiary of BBVA and does not have any subsidiaries of its own.

### Financial Statements

BBVA Global Securities B.V. has published audited financial statements for the financial years ended December 31, 2022 and December 31, 2021 (the "**BGS Financial Statements**"). BBVA Global Securities B.V.'s Financial Statements were prepared in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code and are incorporated by reference into this Base Prospectus Other than as described herein there has been no material change in the capitalisation of BBVA Global Securities B.V. No dividends have been paid out by BBVA Global Securities B.V. since its incorporation.

### Income Statement

The table below sets out summary information extracted from the profit or loss and other comprehensive income of the audited financial statements for the financial year ended December 31, 2022 of BGS:

Thousands of euros	31.12.2022	31.12.2021*
—Exchange rate differences .....		-
—Other operating income .....	146	63
—Other operating expenses .....	(146)	(63)
—Gains (losses) on financial assets designated at fair value through profit or loss. .....	(18,726)	(3,106)
—Gains (losses) on financial liabilities designated at fair value through profit or loss	18,726	3,106
<b>Result of the year before tax</b> .....	-	-
—Income tax .....	-	-
<b>Result of the year from continued operations</b> .....	-	-
<b>Comprehensive result of the year</b> .....	-	-
<b>Total comprehensive result of the year</b> .....	<u>-</u>	<u>-</u>

(\*) In the audited financial statements for the financial year ended December 31, 2022 of BGS certain reclassifications have been made in the statement of profit or loss or other comprehensive income for the year 2021. For more details we refer to note 2m) of these audited financial statements.

### Statement of Financial Position

The table below sets out summary information extracted from the statement of financial position from the audited financial statements for the financial year ended December 31, 2022 of BGS:

Thousands of euros	31.12.2022	31.12.2021
<b>ASSETS:</b>		
<i>Non-current assets</i> .....	183,804	58,355
<i>Current assets</i> .....	46,621	9,314
<b>Total assets</b> .....	<u>230,425</u>	<u>67,669</u>
<b>LIABILITIES:</b>		
<i>Non-current liabilities</i> .....	183,804	58,355
<i>Current liabilities</i> .....	46,603	9,296
<b>Total liabilities</b> .....	<u>230,407</u>	<u>67,651</u>
<b>SHAREHOLDER'S EQUITY:</b>		
—Issued share capital .....	18	18
—Result of the year .....	-	-
<b>Total shareholder's equity</b> .....	<u>18</u>	<u>18</u>
<b>Total liabilities and shareholder's equity</b> .....	<u>230,425</u>	<u>67,669</u>

## DESCRIPTION OF BBVA GLOBAL SECURITIES B.V.

As of the date of this Base Prospectus, BBVA Global Securities B.V. has issued notes of the same class as the notes to be issued under the Programme which are listed on Vienna Stock Exchange's multilateral trading facility Vienna MTF.

The auditors of BBVA Global Markets B.V. for the financial year ended December 31, 2022 are Ernst & Young Accountants LLP, whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam, The Netherlands. The registeraccountants of Ernst & Young Accountants LLP are members of the NBA (Koninklijke Nederlandse Beroepsorganisatie van Accountants - the Royal Netherlands Institute of Chartered Accountants). The auditors of BBVA Global Securities B.V. for the financial year ended December 31, 2021 were KPMG Accountants N.V. Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands, who are Chartered Accountants and members of the Royal Netherlands Institute of Chartered Accountants (Koninklijke Nederlandse Beroepsorganisatie van Accountants).

### Management

The Board of Directors of BBVA Global Securities B.V. consists of the following Managing Directors:

<u>Name</u>	<u>Position at BBVA Global Securities B.V.</u>	<u>Present Principal Occupation Outside of BBVA Global Securities B.V.</u>
Juan Garat Pérez	Managing Director	Head of Geographies and Global Cross Border CIB
Víctor Martínez San Martín	Managing Director	Managing Director in BBVA

The Managing Directors are employees of BBVA. There are no potential conflicts of interest between any duties of the directors of BBVA Global Securities B.V. and their private interests.

The business address of the Managing Directors are, for Mr. Garat, Calle Saucedá, 28, Edificio Asia, 28050 Madrid, Spain, and, for Mr. Martínez, 1345 Avenue of the Americas, 44th Floor, New York, NY 10105, United States of America.

BBVA Global Securities B.V., 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 BBVA (including, without limitation, compliance, market abuse, risk, accounting, and audit committee).

### Tax Status of BBVA Global Securities B.V.

BBVA Global Securities B.V. has its place of effective management in Spain and is therefore solely tax resident in Spain on the basis of Article 4(4) of the Convention between the Netherlands and Spain for the Avoidance of Double Taxation with respect to Taxes on Income and on Net Wealth in effect on the date of this Base Prospectus.

### Legal Proceedings

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BBVA Global Securities B.V. is aware) since its date of incorporation which may have or have in such period had a significant effect on the financial position or profitability of BBVA Global Securities B.V.

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

#### Responsibility

The Guarantor assumes responsibility for the information featured under the heading "*Description of Banco Bilbao Vizcaya Argentina, S.A.*" in this Base Prospectus. To the best of the knowledge of the Guarantor, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### History and Development of BBVA

BBVA's predecessor bank, BBV (Banco Bilbao Vizcaya), was incorporated as a public limited company (a sociedad anónima or S.A.) under the Spanish Corporations Law on October 1, 1988. BBVA was formed following the merger of Argentaria into BBV (Banco Bilbao Vizcaya), which was approved by the shareholders of each entity on December 18, 1999 and registered on January 28, 2000. It conducts its business under the commercial name "BBVA". BBVA is registered with the Commercial Registry of Vizcaya (Spain) (volume 2,083, Folium 1, Page BI-17.A, first inscription). It has its registered office at Plaza de San Nicolás 4, Bilbao, Spain, 48005, and has its main place of business at Calle Azul, 4, 28050, Madrid, Spain (telephone number: +34 91 374 6201). BBVA is incorporated for an unlimited term. The Legal Entity Identifier (LEI) of BBVA is K8MS7FD7N5Z2WQ51AZ71. The website of the Bank is <https://www.bbva.com/en/>. The information contained in such web page shall not be deemed to constitute a part of the Base Prospectus.

BBVA's corporate purpose contained in Article 3 of its bylaws is to engage in all kinds of activities, operations, acts, contracts and services within the banking business or directly or indirectly related to it, that are permitted or not prohibited by prevailing provisions and ancillary activities. Its corporate purpose also includes the acquisition, holding, utilisation and divestment of securities, public offerings to buy and sell securities, and any kind of holdings in any company or enterprise.

#### Capital Expenditures

BBVA's principal investments are financial investments in its subsidiaries and affiliates. The main capital expenditures from 2022 to the date of this Base Prospectus were the following:

##### *2023 to date*

In 2023 to date, there were no significant capital expenditures.

##### *2022*

##### *Announcement of the agreement with Neon Payments Limited*

On February 14, 2022, BBVA announced the agreement with the company Neon Payments Limited, a company incorporated and domiciled in the United Kingdom ("**Neon Payments**") for the subscription of 492,692 preference shares, representing approximately 21.7 per cent of its share capital, through a share capital increase and in consideration of approximately USD 300 million (equal to approximately €263 million, using the applicable 1.14 EUR/USD exchange rate as of February 11, 2022).

Neon Payments is the owner of 100 per cent. of the shares of the Brazilian company Neon Pagamentos S.A.

As of February 14, 2022, BBVA was already the indirect owner of approximately 10.2 per cent. of the share capital of Neon Payments through companies in which BBVA owns more than 99 per cent. of the share capital. As of December 31, 2022, BBVA held, directly and indirectly, approximately 29.2 per cent. of the share capital of Neon Payments. Despite owning more than 20 per cent. of the share capital of Neon Payments, BBVA's ability to influence Neon Payments financial and operating decisions policies is very limited, so the investment is recognised under the heading "Non-trading financial assets mandatorily at fair value through profit or loss".

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### *Voluntary takeover offer for the entire share capital of Türkiye Garanti Bankası A.Ş. (Garanti BBVA)*

On November 15, 2021, BBVA announced a VTO addressed to the holders of the 2,106,300,000 shares<sup>97</sup> of Garanti BBVA not controlled by BBVA, representing 50.15 per cent. of Garanti BBVA's total share capital. BBVA submitted for authorisation an application for the VTO to the supervisor of the securities markets in Turkey, the Capital Markets Board (the "CMB") on November 18, 2021.

On March 31, 2022, the CMB approved the offer information document and on the same day BBVA announced the commencement of the VTO acceptance period on April 4, 2022.

On April 25, 2022, BBVA informed of an increase of the cash offer price per Garanti BBVA share, from the initially announced price (12.20 Turkish Lira) to 15.00 Turkish Lira. On May 18, 2022, BBVA announced the finalisation of the offer acceptance period, with the acquisition of 36.12 per cent. of Garanti BBVA's share capital in the VTO. The total amount paid by BBVA was approximately 22,758 million Turkish Lira (equivalent to approximately €1,390 million, using the effective exchange rate of 16.14 Turkish Lira per euro, including the expenses associated with the transaction and net of the collection of the dividends corresponding to the stake acquired).

The transaction has given rise to a capital gain of €924 million (including the impacts after the application of IAS 29). An amount of €3,609 million has been recorded under the heading "Other reserves". Additionally, the "Accumulated other comprehensive income (loss)" corresponding to the 36.12 per cent. acquired from minority interests has been reclassified to the "Accumulated other comprehensive income (loss)" amounting to a loss of €2,685 million. The total derecognition associated with the transaction of the heading "Minority interests" considering "Other items" and "Accumulated other comprehensive income (loss)" amounted to a loss of €2,541 million.

The percentage of the total share capital of Garanti BBVA owned by BBVA (after the completion of the VTO on May 18, 2022) is 85.97 per cent.

### **Capital Divestitures**

BBVA's principal divestitures are financial divestitures in its subsidiaries and affiliates. The main capital divestitures from 2022 to the date of this Base Prospectus were the following:

#### ***2022 and 2023 to date***

In 2022 and 2023 to date, there were no significant capital divestitures.

### **Business Overview**

The Group is a customer-centric global financial services group founded in 1857. Internationally diversified and with strengths in the traditional banking businesses of retail banking, asset management and wholesale banking, the Group is committed to offering a compelling digital proposition focused on the customer experience.

For this purpose, the Group is focused on increasingly offering products online and through mobile channels, improving the functionality of its digital offerings and refining the customer experience, contributing to the delivery of its strategy in a sustainable and inclusive way. BBVA is committed to sustainability, which is impacting the banking business, as part of its daily activities, encompassing not only relations with customers but also internal processes.

### **Operating Segments**

As of March 31, 2023, the structure of the operating segments used by the Group for management purposes remained the same as in 2022.

Set forth below are the Group's current five operating segments:

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<sup>97</sup> All references to "shares" or "share" in the case of Garanti BBVA shall be deemed to be made in respect of lots of 100 shares, which is the trading unit at Borsa Istanbul.

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

- Spain;
- Mexico;
- Turkey;
- South America; and
- Rest of Business.

In addition to the operating segments referred to above, the Group has a Corporate Center which includes those items that have not been allocated to an operating segment. It includes the Group's general management functions, including costs from central units that have a strictly corporate function; management of structural exchange rate positions carried out by the Financial Planning unit; certain proprietary portfolios; certain tax assets and liabilities; certain provisions related to commitments with employees; and goodwill and other intangibles, as well as the financing of such asset portfolios. It also includes the results of the Group's stake in the venture capital fund Propel Venture Partners.

For certain relevant information concerning the preparation and presentation of the financial information included in this Base Prospectus, see "*General Information— Presentation of financial information*".

The breakdown of the Group's total assets by each of BBVA's operating segments and the Corporate Center as of March 31, 2023 and December 31, 2022 was as follows:

	As of March 31, 2023	As of December 31, 2022
	(in millions of euros)	
Spain	441,720	427,116
Mexico	151,955	142,557
Turkey	71,222	66,036
South America	63,063	61,951
Rest of Business	50,407	49,952
<b>Subtotal Assets by Operating Segment</b>	<b>778,367</b>	<b>747,613</b>
Corporate Center and adjustments <sup>(1)</sup>	(38,802)	(35,521)
<b>Total Assets Group</b>	<b>739,564</b>	<b>712,092</b>

(1) Includes balance sheet intra-group adjustments between the Corporate Center and the operating segments.

The following table sets forth information relating to the profit (loss) attributable to the parent company for each operating segment and the Corporate Center for the three months ended March 31, 2023 and 2022. Such information is presented under management criteria; however, there are no differences between the Group income statement and the income statement calculated in accordance with management operating segment reporting criteria.

	Profit / (Loss) Attributable to Parent Company		Per cent. of Profit / (Loss) Attributable to Parent Company	
	Three months ended March 31,			
	2023	2022	2023	2022
	(in millions of euros)		(in percentage)	
Spain	541	598	22.7	38.8
Mexico	1,285	777	54.0	50.4
Turkey	277	(76)	11.7	(4.9)
South America	184	160	7.7	10.4
Rest of Business	92	81	3.9	5.3
<b>Subtotal operating segments</b>	<b>2,378</b>	<b>1,540</b>	<b>100.0</b>	<b>100.0</b>
Corporate Center	(531)	(215)		

DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

	Profit / (Loss) Attributable to Parent Company		Per cent. of Profit / (Loss) Attributable to Parent Company	
	Three months ended March 31,			
	2023	2022	2023	2022
	(in millions of euros)		(in percentage)	
<b>Profit attributable to parent company</b>	<b>1,846</b>	<b>1,325</b>		

The following table sets forth certain summarised information relating to the income of each operating segment and the Corporate Center for the three months ended March 31, 2023 and 2022. Such information is presented under management criteria; however, there are no differences between the Group income statement and the income statement calculated in accordance with management operating segment reporting criteria.

	Operating Segments						Total
	Spain	Mexico	Turkey	South America	Rest of Business	Corporate Center and adjustments	
	(in millions of euros)						
<b>March 2023</b>							
Net interest income / (expense)	1,183	2,589	626	1,190	113	(60)	5,642
Gross income	1,726	3,306	802	1,175	260	(311)	6,958
Operating profit / (loss) before tax	851	1,768	327	405	111	(519)	2,944
<b>Profit / (loss) attributable to parent company</b>	<b>541</b>	<b>1,285</b>	<b>277</b>	<b>184</b>	<b>92</b>	<b>(531)</b>	<b>1,846</b>
<b>March 2022</b>							
Net interest income / (expense)	856	1,748	492	809	75	(37)	3,943
Gross income	1,655	2,232	500	885	202	(79)	5,395
Operating profit (loss) before tax	837	1,067	155	315	105	(255)	2,225
<b>Profit / (loss) attributable to parent company</b>	<b>598</b>	<b>777</b>	<b>(76)</b>	<b>160</b>	<b>81</b>	<b>(215)</b>	<b>1,325</b>

The following tables set forth summarised information relating to the balance sheet of the operating segments and the Corporate Center and adjustments as of March 31, 2023 and December 31, 2022.

	As of March 31, 2023						Total Operating Segments	Corporate Center and Adjustments (1)
	Spain	Mexico	Turkey	South America	Rest of Business			
	(in millions of euros)							
<b>Total Assets</b>	<b>441,720</b>	<b>151,955</b>	<b>71,222</b>	<b>63,063</b>	<b>50,407</b>	<b>778,367</b>	<b>(38,802)</b>	
Cash, cash balances at central	50,952	12,726	8,479	7,646	4,135	83,938	(671)	
Financial assets at fair value (2)	137,432	48,366	5,109	10,559	6,652	208,118	(13,740)	
Financial assets at amortised cost	207,349	84,617	54,240	41,734	39,167	427,106	153	
Loans and advances to customers	172,085	77,277	38,995	39,185	35,946	363,488	(1,170)	
<b>Total Liabilities</b>	<b>427,383</b>	<b>142,611</b>	<b>64,061</b>	<b>57,174</b>	<b>46,225</b>	<b>737,454</b>	<b>(49,361)</b>	
Financial liabilities held for trading	96,927	28,035	2,079	2,390	5,942	135,374	(16,880)	
Financial liabilities at amortised cost - Customer deposits	214,476	80,172	51,234	40,782	10,070	396,733	(853)	
<b>Total Equity</b>	<b>14,337</b>	<b>9,344</b>	<b>7,161</b>	<b>5,889</b>	<b>4,182</b>	<b>40,913</b>	<b>10,559</b>	
<b>Assets under management</b>	<b>90,577</b>	<b>44,408</b>	<b>7,491</b>	<b>17,971</b>	<b>510</b>	<b>160,958</b>		
Mutual funds	67,198	40,991	4,271	6,180	—	118,640		
Pension funds	23,380	—	3,221	11,791	510	38,901		
Other placements	—	3,418	—	—	—	3,418		

(1) Includes balance sheet intra-group adjustments between the Corporate Center and the operating segments.

(2) Financial assets at fair value includes: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income".

	As of December 31, 2022						Total Operating Segments	Corporate Center and Adjustments (1)
	Spain	Mexico	Turkey	South America	Rest of Business			
	(in millions of euros)							
<b>Total Assets</b>	<b>427,116</b>	<b>142,557</b>	<b>66,036</b>	<b>61,951</b>	<b>49,952</b>	<b>747,613</b>	<b>(35,521)</b>	

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

As of December 31, 2022

	Spain	Mexico	Turkey	South America	Rest of Business	Total Operating Segments	Corporate Center and Adjustments (1)
	(in millions of euros)						
Cash, cash balances at central banks and other demand deposits	49,185	13,228	6,061	7,695	4,015	80,184	(428)
Financial assets at fair value (2)	126,413	46,575	5,203	10,739	5,090	194,020	(10,174)
Financial assets at amortised cost	204,528	77,191	51,621	40,448	40,425	414,215	207
Loans and advances to customers	173,971	71,231	37,443	38,437	37,375	358,456	(1,105)
<b>Total Liabilities</b>	<b>413,993</b>	<b>132,726</b>	<b>59,326</b>	<b>56,077</b>	<b>45,604</b>	<b>707,726</b>	<b>(46,150)</b>
Financial liabilities held for trading and designated at fair value through profit or loss	84,619	25,840	2,138	2,813	4,397	119,808	(13,617)
Financial liabilities at amortised cost - Customer deposits	221,019	77,750	46,339	40,042	9,827	394,978	(574)
<b>Total Equity</b>	<b>13,124</b>	<b>9,831</b>	<b>6,711</b>	<b>5,874</b>	<b>4,348</b>	<b>39,887</b>	<b>10,630</b>
<b>Assets under management</b>	<b>86,759</b>	<b>38,196</b>	<b>6,936</b>	<b>17,760</b>	<b>520</b>	<b>150,170</b>	
Mutual funds	63,786	35,614	3,731	5,804	—	108,935	
Pension funds	22,973	—	3,205	11,956	520	38,653	
Other placements	—	2,582	—	—	—	2,582	

(1) Includes balance sheet intra-group adjustments between the Corporate Center and the operating segments.

(2) Financial assets at fair value includes: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income".

### *Standards and interpretations that became effective in 2023 to date*

#### *Entry into force of IFRS 17 – Insurance contracts*

IFRS 17 supersedes IFRS 4 for the recognition, measurement, presentation and disclosure of insurance contracts. The initial application date of IFRS 17 is 1st January, 2023 and the transition date was 1st January, 2022, which is the date on which the differences arising from the valuation between both standards were recorded in the Group's equity.

IFRS 17 introduces substantial changes in the accounting of insurance contracts with the aim of achieving greater homogeneity and increasing comparability among entities. For this reason, the Group has been working in recent years to harmonise criteria within the Group, adapting information and calculation systems, accounting processes and internal controls. See Note 2.1 to the 1Q23 Consolidated Interim Financial Statements).

#### **Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors"**

In February 2021 the IASB issued amendments to this IAS with the aim of improving the quality of the disclosures in relation to the accounting policies applied by the entities with the ultimate aim of providing useful and material information in the financial statements. The amendments to IAS 1 require entities to disclose accounting policies that are material rather than significant accounting policies and provide guidance to help apply the concept of materiality in financial statement disclosures. The amendments to IAS 8 introduce clarifications to distinguish between the concept of accounting estimate and that of accounting policy. The amendments have entered into force on January 1, 2023, with no significant impact on the consolidated financial statements of the Group.

#### **Amendment IAS 12 – Income taxes**

The IASB issued an amendment to IAS 12 to clarify that entities should recognize deferred tax arising on transactions such as leases or decommissioning obligations. The amendment requires entities to recognize a deferred tax asset and liability separately when the temporary differences arising in the recognition of an asset and a liability are the same, not being possible to apply the initial recognition exception provided for in the standard. The purpose of the amendments has been to reduce the diversity in the presentation of information on deferred taxes in said transactions. The modification has entered into force on January 1, 2023, although its early application was allowed, with no significant impact on the consolidated financial statements of the Group.



## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### *Spain*

This operating segment includes all of BBVA's banking and non-banking businesses in Spain, other than those included in the Corporate Center. The primary business units included in this operating segment are:

- **Spanish Retail Network:** including individual customers, private banking, small companies and businesses in the domestic market;
- **Corporate and Business Banking:** which manages small and medium-sized enterprises (SMEs), companies and corporations, and public institutions;
- **Corporate and Investment Banking:** responsible for business with large corporations and multinational groups and the trading floor and distribution business in Spain; and
- **Other units:** which includes the insurance business unit in Spain (BBVA Seguros) as well as the Group's shareholding in Compañía de Seguros y Reaseguros, S.A., the Asset Management unit (which manages Spanish mutual funds and pension funds), lending to real estate developers and foreclosed real estate assets in Spain, as well as certain proprietary portfolios and certain funding and structural interest-rate positions of the euro balance sheet which are not included in the Corporate Center.

Cash, cash balances at central banks and other demand deposits amounted to €50,952 million as of March 31, 2023, a 3.6 per cent. increase compared with the €49,185 million recorded as of December 31, 2022.

Financial assets at fair value of this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") amounted to €137,432 million as of March 31, 2023, an 8.7 per cent. increase from the €126,413 million recorded as of December 31, 2022, mainly as a result of the increase in loans to credit institutions (through reverse repurchase agreements) and the increase in the fair value of trading derivatives due to the positive impact of changes in exchange rates on foreign currency positions recorded under the "Financial assets held for trading" portfolio.

Financial assets at amortised cost of this operating segment as of March 31, 2023 amounted to €207,349 million, a 1.4 per cent. increase compared with the €204,528 million recorded as of December 31, 2022. Within this heading, loans and advances to customers amounted to €172,085 million As of March 31, 2023, a 1.1 per cent. decrease from the €173,971 million recorded as of December 31, 2022, mainly due to the decrease in wholesale lending and the early repayment of loans, which was higher than expected.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of March 31, 2023 amounted to €96,927 million, a 14.5 per cent. increase compared with the €84,619 million recorded as of December 31, 2022, mainly due to an increase in deposits from credit institutions (through repurchase agreements) and, to a lesser extent, an increase in the value of exchange rate derivatives recorded under the "Financial liabilities held for trading" portfolio.

Customer deposits at amortised cost of this operating segment as of March 31, 2023 amounted to €214,476 million, a 3.0 per cent. decrease compared with the €221,019 million recorded as of December 31, 2022, mainly due to the decrease in demand deposits within the retail portfolio. The decrease in demand deposits was due in part to the shift from demand deposits towards higher profitability investments (including mutual funds), in a context where remuneration on deposits continues to be low, the positive effect of year-end compensation (including bonuses) paid by companies at the end of 2022 (which led to an increase in deposits) and the decreased savings capacity of customers as a result of inflation, which was partially offset by an increase in time deposits (as of December 31, 2022, customer deposits at amortised cost included the extraordinary payroll).

Off-balance sheet funds of this operating segment (which includes "Mutual funds" (including customer portfolios) and "Pension funds") as of March 31, 2023 amounted to €90,577 million, a 4.4 per cent. increase compared with the €86,759 million as of December 31, 2022, mainly due to the shift from demand deposits towards higher profitability investments, which resulted in an increase in private banking and mutual funds.

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

This operating segment's non-performing loan ratio (defined as non-performing loans divided by total credit risk and calculated as the sum of impaired loans and advances to customers, impaired guarantees to customers and other impaired commitments divided by the sum of loans and advances to customers, guarantees to customers and other commitments) was 3.9 per cent. as of March 31, 2023 and as of December 31, 2022. This operating segment's non-performing loan coverage ratio (defined as allowance for credit losses divided by non-performing loans and calculated as loss allowances on loans and advances divided by the sum of impaired loans and advances to customers, impaired guarantees to customers and other impaired commitments) was 59 per cent. as of March 31, 2023 and 61 per cent. as of December 31, 2022.

### *Mexico*

The Mexico operating segment includes the banking, insurance and asset management business conducted in Mexico by BBVA Mexico. It also includes BBVA Mexico's agency in Houston.

The Mexican peso appreciated 6.2 per cent. against the euro as of March 31, 2023 compared with December 31, 2022, positively affecting the business activity of the Mexico operating segment as of March 31, 2023 expressed in euros.

Cash, cash balances at central banks and other demand deposits amounted to €12,726 million as of March 31, 2023, a 3.8 per cent. decrease compared with the €13,228 million recorded as of December 31, 2022, which decrease was in cash, in particular, and was partially offset by the appreciation of the Mexican peso.

Financial assets at fair value of this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of March 31, 2023 amounted to €48,366 million, a 3.8 per cent. increase from the €46,575 million recorded as of December 31, 2022, mainly due to the appreciation of the Mexican peso against the euro, which was partially offset by decreases in the value of certain exchange rate derivatives, in particular in the trading portfolio.

Financial assets at amortised cost of this operating segment as of March 31, 2023 amounted to €84,617 million, a 9.6 per cent. increase compared with the €77,191 million recorded as of December 31, 2022. Within this heading, loans and advances to customers of this operating segment as of March 31, 2023 amounted to €77,277 million, an 8.5 per cent. increase compared with the €71,231 million recorded as of December 31, 2022, mainly attributable to the appreciation of the Mexican peso against the euro and the positive performance of the retail portfolio (SMEs loans and consumer loans) and, to a lesser extent, the wholesale portfolio (corporate loans).

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of March 31, 2023 amounted to €28,035 million, an 8.5 per cent. increase compared with the €25,840 million recorded as of December 31, 2022, mainly as a result of the appreciation of the Mexican peso against the euro.

Customer deposits at amortised cost of this operating segment as of March 31, 2023 amounted to €80,172 million, a 3.1 per cent. increase compared with the €77,750 million recorded as of December 31, 2022, primarily due to the appreciation of the Mexican peso against the euro, partially offset by the positive effect of extraordinary payroll payments at the end of 2022.

Off-balance sheet funds of this operating segment (which includes "Mutual funds" (including customer portfolios) and "Other placements") as of March 31, 2023 amounted to €44,408 million, a 16.3 per cent. increase compared with the €38,196 million as of December 31, 2022, mainly as a result of the continuing search by customers for higher profitability investments, which continues to boost mutual funds, supported by an improved product offer that includes funds linked to Environmental, Social and Governance (ESG) factors, and the appreciation of the Mexican peso against the euro.

This operating segment's non-performing loan ratio (as defined in "Spain" below) decreased to 2.3 per cent. as of March 31, 2023 from 2.5 per cent. as of December 31, 2022, due to an increase in lending activity, in particular, SMEs loans and consumer loans, certain write-offs (which led to a decrease in impaired loans) and limited entries. As a result thereof, this operating segment's non-performing loan coverage ratio (as defined herein) increased to 137 per cent. As of March 31, 2023 from 129 per cent. as of December 31, 2022.

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### *Turkey*

This operating segment comprises the activities carried out by Garanti BBVA as an integrated financial services group operating in the banking, insurance and asset management business in Turkey, including corporate, commercial, SME, payment systems, retail, private and investment banking, together with its subsidiaries in pension and life insurance, leasing, factoring, brokerage and asset management, as well as its international subsidiaries in Romania and the Netherlands.

On May 18, 2022, BBVA closed its voluntary takeover bid for the entire share capital of Garanti BBVA, which resulted in BBVA increasing its stake in Garanti BBVA from 49.85 per cent. to 85.97 per cent..

The Turkish lira depreciated 4.3 per cent. against the euro as of March 31, 2023 compared to December 31, 2022, adversely affecting the business activity of the Turkey operating segment as of March 31, 2023 expressed in euros.

Since the second quarter of 2022, the Turkish economy has been considered to be hyperinflationary as defined by IAS 29.

Cash, cash balances at central banks and other demand deposits amounted to €8,479 million as of March 31, 2023, a 39.9 per cent. increase compared with the €6,061 million recorded as of December 31, 2022, mainly due to the increase in cash held at the Central Bank of the Republic of Turkey, with a view, in part, to reinforcing the Group's cash position.

Financial assets at fair value of this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of March 31, 2023 amounted to €5,109 million, a 1.8 per cent. decrease from the €5,203 million recorded as of December 31, 2022, mainly due to the depreciation of the Turkish lira against the euro, which was partially offset by increases in the value of exchange rate derivatives in foreign currency positions.

Financial assets at amortised cost of this operating segment as of March 31, 2023 amounted to €54,240 million a 5.1 per cent. increase compared with the €51,621 million recorded as of December 31, 2022. Within this heading, loans and advances to customers of this operating segment as of March 31, 2023 amounted to €38,995 million, a 4.1 per cent. increase compared with the €37,443 million recorded as of December 31, 2022, mainly due to the increase (in local currency) in Turkish lira-denominated credit card loans, consumer loans and mortgage loans due in part to the measures announced by the Turkish authorities, seeking to stabilize the Turkish lira through the increase of the reserve requirement ratio for Turkish lira-denominated commercial cash loans (see "*Item 4. Information on the Company—Business Overview—Supervision and Regulation—Principal Markets—Turkey*" and "*Item 4. Information on the Company—Competition—Turkey*" in the Form 20-F), partially offset by the depreciation of the Turkish lira against the euro.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of March 31, 2023 amounted to €2,079 million, a 2.7 per cent. decrease compared with the €2,138 million recorded as of December 31, 2022, mainly due to the depreciation of the Turkish lira against the euro.

Customer deposits at amortised cost of this operating segment as of March 31, 2023 amounted to €51,234 million, a 10.6 per cent. increase compared with the €46,339 million recorded as of December 31, 2022, mainly due to the increase in time deposits and, to a lesser extent, demand deposits, both denominated in Turkish lira, as a result in part of the measures announced by the Turkish authorities to protect deposits denominated in Turkish lira from the exchange rate volatility, in order to boost confidence in the local currency, promote the conversion of foreign currency deposits into local currency deposits and prevent further dollarisation of deposits (see "*Item 4. Information on the Company—Business Overview—Supervision and Regulation—Principal Markets—Turkey*" and "*Item 4. Information on the Company—Competition—Turkey*" in the Form 20-F), partially offset by the depreciation of the Turkish lira against the euro.

Off-balance sheet funds of this operating segment (which includes "Mutual funds" and "Pension funds") as of March 31, 2023 amounted to €7,491 million, an 8.0 per cent. increase compared with the €6,936 million as of December 31, 2022, mainly due to increases in mutual funds as a result of the shift towards higher profitability investments, partially offset by the depreciation of the Turkish lira against the euro.

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The non-performing loan ratio (as defined in “Spain” below) of this operating segment decreased to 4.3 per cent. as of March 31, 2023 from 5.1 per cent. as of December 31, 2022, mainly as a result of higher recoveries from the wholesale portfolio, the change in the staging of a large customer from Stage 3 to Stage 2 in the wholesale loan portfolio and increased loan activity, partially offset by the change in the staging of certain loans from Stage 1 to Stage 2, due to the impact of the earthquakes in February 2023 (see Note 6.1 to the 1Q23 Consolidated Interim Financial Statements). As a result thereof, this operating segment's non-performing loan coverage ratio (as defined herein) increased to 99 per cent. as of March 31, 2023 from 90 per cent. as of December 31, 2022.

### *South America*

The South America operating segment includes the Group's banking, finance, insurance and asset management business mainly in Argentina, Chile, Colombia, Peru, Uruguay and Venezuela. It also includes representative offices in Sao Paulo (Brazil) and in Santiago (Chile).

The main business units included in the South America operating segment are:

- **Retail and Corporate Banking:** includes banks in Argentina, Colombia, Peru, Uruguay and Venezuela.
- **Insurance:** includes insurance businesses in Argentina, Colombia and Venezuela.

As of March 31, 2023, the Colombian peso appreciated against the euro by 2.0 per cent. compared to December 31, 2022. On the other hand, the Argentine peso and the Peruvian sol depreciated against the euro by 16.9 per cent. and 0.8 per cent., respectively. Overall, changes in exchange rates have adversely affected the business activity of the South America operating segment as of March 31, 2023, expressed in euros.

As of March 31, 2023 and December 31, 2022, the Argentine and Venezuelan economies were considered to be hyperinflationary as defined by IAS 29. See Note 2.2.19 to the 2022 Consolidated Financial Statements for information on the application of IAS 29 to hyperinflationary economies.

Cash, cash balances at central banks and other demand deposits as of March 31, 2023 amounted to €7,646 million, a 0.6 per cent. decrease compared with the €7,695 million recorded as of December 31, 2022, mainly due to the depreciation of the Argentine peso.

Financial assets at fair value for this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of March 31, 2023 amounted to €10,559 million, a 1.7 per cent. decrease compared with the €10,739 million recorded as of December 31, 2022, mainly due to the depreciation of the Argentine peso, which was partially offset by the increase in sovereign debt securities recorded under "Financial assets at fair value through other comprehensive income".

Financial assets at amortised cost of this operating segment as of March 31, 2023 amounted to €41,734 million, a 3.2 per cent. increase compared with the €40,448 million recorded as of December 31, 2022. Within this heading, loans and advances to customers of this operating segment as of March 31, 2023 amounted to €39,185 million, a 1.9 per cent. increase compared with the €38,437 million recorded as of December 31, 2022, mainly as a result of the increase in the retail portfolio (including credit cards) and, to a lesser extent, in loans to enterprises in local currency, partially offset by the depreciation of the Argentine peso and early repayments in Peru.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of March 31, 2023 amounted to €2,390 million, a 15.1 per cent. decrease compared with the €2,813 million recorded as of December 31, 2022, mainly due to the decrease in deposits from credit institutions (through repurchase agreements) recorded under the "Financial assets held for trading" portfolio, as a result of the negative impact of changes in the valuation of exchange rate derivatives on certain foreign currency positions.

Customer deposits at amortised cost of this operating segment as of March 31, 2023 amounted to €40,782 million, a 1.8 per cent. increase compared with the €40,042 million recorded as of December 31, 2022, mainly as a result of the increase in time deposits in Peru in the retail portfolio and Colombia, partially offset by the depreciation of the Argentine peso. Off-balance sheet funds of this operating segment (which includes "Mutual funds" (including customer portfolios in Colombia and Peru) and "Pension funds") as of March 31, 2023 amounted to €17,971

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

million, a 1.2 per cent. increase compared with the €17,760 million as of December 31, 2022, mainly due to increases in Argentina and Colombia, partially offset by the depreciation of the Argentine peso.

The non-performing loan ratio (as defined in “Spain” below) of this operating segment increased to 4.3 per cent. As of March 31, 2023 from 4.1 per cent. as of December 31, 2022, mainly as a result of the Stage 3 new entries in the retail portfolio, and the update in the definition of credit impaired asset implemented in Chile in 2022. This operating segment's non-performing loan coverage ratio (as defined herein) decreased to 99 per cent. As of March 31, 2023, from 101 per cent. as of December 31, 2022.

### ***Rest of Business***

This operating segment mainly includes the wholesale activity carried out by the Group in Europe (excluding Spain), the United States and (through BBVA branches located therein) Asia.

The U.S. dollar depreciated 1.9 per cent. against the euro as of March 31, 2023 compared to December 31, 2022, adversely affecting the business activity of the Rest of Business operating segment as of March 31, 2023 expressed in euros.

Cash, cash balances at central banks and other demand deposits as of March 31, 2023 amounted to €4,135 million, a 3.0 per cent. increase compared with the €4,015 million recorded as of December 31, 2022.

Financial assets at fair value for this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of March 31, 2023 amounted to €6,652 million, a 30.7 per cent. increase compared with the €5,090 million recorded as of December 31, 2022, mainly due to the increased activity of BBVA Securities Inc., the Group's broker-dealer in the United States, which led to an increase in loans and advances recorded under "Financial assets held for trading".

Financial assets at amortised cost of this operating segment as of March 31, 2023 amounted to €39,167 million, a 3.1 per cent. decrease compared with the €40,425 million recorded as of December 31, 2022. Within this heading, loans and advances to customers of this operating segment as of March 31, 2023 amounted to €35,946 million, a 3.8 per cent. decrease compared with the €37,375 million recorded as of December 31, 2022, mainly due to decreased activity in the branches located in Europe and Asia, partially offset by increased activity in the New York branch.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of March 31, 2023 amounted to €5,942 million, a 35.1 per cent. increase compared with the €4,397 million recorded as of December 31, 2022, mainly due to an increase in the activity of the broker-dealer BBVA Securities Inc.

Customer deposits at amortised cost of this operating segment as of March 31, 2023 amounted to €10,070 million, a 2.5 per cent. increase compared with the €9,827 million recorded as of December 31, 2022, mainly as a result of the increase in time deposits from wholesale customers at the New York branch and in Asia.

Off-balance sheet funds of this operating segment as of March 31, 2023 amounted to €510 million, a 1.9 per cent. decrease compared with the €520 million recorded as of December 31, 2022.

The non-performing loan ratio (as defined in “Spain” below) of this operating segment was 0.5 per cent. as of March 31, 2023 and 0.4 per cent. as of December 31, 2022. This operating segment's non-performing loan coverage ratio (as defined herein) decreased to 101 per cent. As of March 31, 2023, from 131 per cent. as of December 31, 2022.

### **Organisational Structure**

For information on the composition of the Group as of December 31, 2022, see Note 1.1 to the 2022 Consolidated Financial Statements.

The companies comprising the Group are principally domiciled in the following countries: Argentina, Belgium, Chile, Colombia, France, Germany, Italy, Mexico, Netherlands, Peru, Portugal, Romania, Spain, Switzerland,

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Turkey, the United Kingdom, the United States of America and Uruguay. In addition, BBVA has an active presence in Asia.

Below is a simplified organisational chart of BBVA's most significant subsidiaries as of December 31, 2022.

Subsidiary	Country of Incorporation	Activity	BBVA Voting Power	BBVA Ownership	Total Assets (1)
	(in percentages)		(in millions of euros)		
BBVA MEXICO	MEXICO	Bank	100.00	100.00	125,080
GARANTI BBVA (2)	TURKEY	Bank	85.97	85.97	55,725
BBVA PERU	PERU	Bank	92.24(3)	46.12	23,866
BBVA COLOMBIA S.A.	COLOMBIA	Bank	95.47	95.47	17,548
BBVA SEGUROS S.A. DE SEGUROS Y REASEGUROS	SPAIN	Insurance	99.96	99.96	14,663
BANCO BBVA ARGENTINA S.A.	ARGENTINA	Bank	66.55	66.55	10,095
BBVA SEGUROS MÉXICO, S.A. DE C.V., GRUPO FINANCIERO BBVA MEXICO	MEXICO	Insurance	100.00	100.00	8,253
BBVA PENSIONES MEXICO, S.A. DE C.V., GRUPO FINANCIERO BBVA MEXICO	MEXICO	Insurance	100.00	100.00	7,192
GARANTIBANK BBVA INTERNATIONAL N.V. (2) (4)	THE NETHERLANDS	Bank	85.97	100.00	5,078
BANCO BILBAO VIZCAYA ARGENTARIA URUGUAY S.A.	URUGUAY	Bank	100.00	100.00	3,800

- (1) Information for non-EU subsidiaries has been calculated using the prevailing exchange rates on 31st December, 2022.
- (2) On May 18, 2022, BBVA closed its voluntary takeover bid for the entire share capital of Garanti BBVA, which resulted in BBVA increasing its stake in Garanti BBVA from 49.85% to 85.97%. See "*Capital Expenditures – 2022 – Voluntary takeover offer for the entire share capital of Türkiye Garanti Bankası A.Ş. (Garanti BBVA)*".
- (3) Subject to certain exceptions
- (4) BBVA owns 85.97 per cent. of Garanti BBVA, which in turn owns 100 per cent. of GarantiBank International N.V.

### Selected Consolidated Financial Data

The historical financial information set forth below has been selected from, and should be read together with, the Consolidated Financial Statements, which are incorporated by reference herein.

#### Consolidated statement of income data

	For the three months ended 31st March, 2023	For the year ended 31st December,		
		2022	2021	2020
	<i>(in millions of euros)</i>			
Net interest income .....	5,642	19,124	14,686	14,592
Profit (loss) .....	1,994	6,763	5,618	2,060
Profit (loss) attributable to owners of the parent .....	1,846	6,358	4,653	1,305

#### Consolidated balance sheet data

	As of 31st March, 2023	As at 31st December,		
		2022	2021	2020
	<i>(in millions of euros)</i>			
Total assets .....	739,564	712,092	662,885	733,797
Financial assets at amortised cost .....	427,259	414,421	372,676	367,668
Customers' deposits at amortised cost .....	395,880	394,404	349,761	342,661
Debt certificates .....	57,853	58,717	59,159	66,311
Non-controlling interests .....	3,680	3,623	4,853	5,471
Total equity .....	51,471	50,517	48,760	50,020

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### Directors and Senior Management

BBVA is managed by a Board of Directors which, in accordance with its current by-laws (*Estatutos*), must consist of no less than 5 and no more than 15 members. All members of the Board of Directors are elected to serve three-year terms. BBVA's Board of Directors Regulations state that the Board of Directors must try to ensure that there is an ample majority of non-executive directors over the number of executive directors on the Board of Directors.

BBVA's corporate governance system is based on the distribution of functions between the Board of Directors and the following specialised Board Committees: the Executive Committee (*Comisión Delegada Permanente*); the Audit Committee; the Appointments and Corporate Governance Committee; the Remuneration Committee; the Risk and Compliance Committee; and the Technology and Cybersecurity Committee. BBVA's Board of Directors is assisted in fulfilling its responsibilities by the Executive Committee. The Executive Committee will deal with those matters of the Board of Directors that the Board agrees to delegate to it, in accordance with the law, the Bylaws, the Board of Directors' Regulations or its own Regulations approved by the Board of Directors.

### Board of Directors

The Board of Directors of BBVA currently comprises 15 members. The business address of the directors of BBVA is Calle Azul, 4, 28050 Madrid.

BBVA may, from time to time, enter into transactions in the ordinary course of its business, and on an arm's-length basis, with the directors.

BBVA's Board of Directors Regulations include rules which are designed to prevent situations where a potential conflict of interest may arise. These Regulations provide, among other matters, that directors must refrain from participating in deliberations and votes on resolutions or decisions in which they or a related party may have a direct or indirect conflict of interest, unless these are decisions relating to the appointment or removal of positions of the management body. Accordingly, there are no potential conflicts of interest between the private interests or other duties of the directors and their duties to BBVA.

The following table sets forth the names of the members of the Board of Directors as of the date of this Base Prospectus, their date of appointment and re-election, if applicable, their current positions and their present principal outside occupation and employment history.

<u>Name</u>	<u>Birth Year</u>	<u>Current Position</u>	<u>Date Nominated</u>	<u>Date Re-elected</u>	<u>Principal Business Activities and Employment History</u>
Carlos Torres Vila <sup>(1)(6)</sup>	1966	Chair	May 4, 2015	March 18, 2022	Chair of the Board of Directors of BBVA since December 2018. Chair of the Executive Committee and of the Technology and Cybersecurity Committee of the Board of Directors of BBVA. Director at the following Group companies: Grupo Financiero BBVA México, S.A. de C.V. and BBVA México S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México. Chief Executive Officer of BBVA from May 2015 to December 2018. He started at BBVA in September 2008 holding senior management posts such as Head of Digital Banking from March 2014 to May 2015 and Head of Strategy & Corporate Development from January

**DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

<u>Name</u>	<u>Birth Year</u>	<u>Current Position</u>	<u>Date Nominated</u>	<u>Date Re-elected</u>	<u>Principal Business Activities and Employment History</u>
Onur Genç <sup>(1)</sup>	1974	Chief Executive Officer	December 20, 2018	March 18, 2022	2009 to March 2014. He previously held positions of responsibility in other companies, such as Chief Financial Officer and Corporate Director of Strategy and member of the Executive Committee of Endesa, as well as elected partner at McKinsey & Company. Chief Executive Officer of BBVA since December 2018. Director at the following Group companies: Grupo Financiero BBVA México, S.A. de C.V. and BBVA México S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México. President and CEO of BBVA USA and BBVA's Country Manager in the United States from January 2017 to December 2018, Deputy CEO at Garanti BBVA between 2015 and 2017 and Executive Vice President for retail and private banking at Garanti BBVA between 2012 and 2015. He has also held positions of responsibility in different McKinsey & Company offices, having been a Senior Partner and Manager of its Turkish office.
José Miguel Andrés Torrecillas <sup>(1)</sup> <sup>(2) (3) (8)</sup>	1955	Deputy Chair (Independent Director)	March 13, 2015	April 20, 2021	Deputy Chair of the Board of Directors of BBVA since April 2019. Chair of the Audit Committee and of the Appointments and Corporate Governance Committee of the Board of Directors of BBVA. Chair of Ernst & Young Spain from 2004 to 2014, where he was a partner since 1987 and also held a series of senior offices, including Managing Partner of the Banking Group from 1989 to 2004, General Managing Partner for Audit and Advisory Services at Ernst & Young Spain from 2001 to 2004, and Managing Director of the Audit and Advisory practices at Ernst & Young Italy and Portugal from 2008 to 2013. He has been director of Zardoya Otis, S.A. from



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<u>Name</u>	<u>Birth Year</u>	<u>Current Position</u>	<u>Date Nominated</u>	<u>Date Re-elected</u>	<u>Principal Business Activities and Employment History</u>
Jaime Félix Caruana Lacorte <sup>(1) (2) (5)</sup>	1952	Independent Director	March 16, 2018	April 20, 2021	<p>2015 to 2022. He has been a member of various organisations such as the ROAC (Official Registry of Auditors), the REA (Registry of Economic Auditors), the Governing Board of the Spanish Institute of Financial Analysts, Empresa y Sociedad Foundation, Spanish Institute of Chartered Accountants, Advisory Board of the Institute of Internal Auditors; and of the Institute of Chartered Accountants in England &amp; Wales (the ICAEW).</p> <p>Member of the Group of Thirty (G-30), member of the board of trustees of the Spanish Aspen Institute Foundation, President of the International Center for Monetary and Banking Studies' (ICMB) Foundation Board and Member of the China Banking and Insurance Regulatory Commission's (CBIRC) International Advisory Committee. General Manager of the Bank of International Settlements (BIS) between 2009 and 2017, Head of the Monetary and Capital Markets Department and Financial Counselor of the General Manager at the International Monetary Fund (IMF) between 2006 and 2009, Chair of the Basel Committee on Banking Supervision between 2003 and 2006, and Governor of the Bank of Spain and member of the Governing Council of the European Central Bank between 2000 and 2006.</p>
Sonia Lilia Dulá <sup>(2) (5) (*)</sup>	1961	Independent Director	March 17, 2023	Not applicable	<p>Independent director at Huntsman Corporation, Acciona and Acciona Energía, as well as a life member of the Council on Foreign Relations. She has held positions of responsibility in international financial institutions, being responsible for the capital markets area for Latin America at Goldman Sachs (1992-1995) and for the Wealth Banking division for Latin</p>

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<u>Name</u>	<u>Birth Year</u>	<u>Current Position</u>	<u>Date Nominated</u>	<u>Date Re-elected</u>	<u>Principal Business Activities and Employment History</u>
					America (2010-2013) and for the Corporate Banking and Investment area also for Latin America (2013-2018) in Bank of America Merrill Lynch. She also has extensive experience in the telecommunications sector, in which she founded and directed various companies in the sector (1996-2006), such as Telemundo Studios Mexico, Internet Group of Brazil, Obsidiana and Grupo Latino de Radio. Likewise, she has been a member of the board of directors of different entities, such as Bestinver, Grupo Prisa, Millicom or Hemisphere Media.
Raúl Catarino Galamba de Oliveira <sup>(3)</sup> <sup>(5)</sup> <sup>(6)</sup> <sup>(7)</sup>	1964	Independent Director	March 13, 2020	March 17, 2023	Lead Director of BBVA since April 2022. Chair of the Risk and Compliance Committee of the Board of Directors of BBVA. Independent Chair of the Board of Directors of CTT-Correios de Portugal, S.A. and non-executive director of José de Mello Saúde and José de Mello Capital. His career path has been mainly linked to McKinsey & Company, where he was appointed partner in 1995, director of the global practice of financial services in 2000, Managing Partner for Spain and Portugal between 2005 and 2011, Managing Partner of Global Risk practice between 2013 and 2016, member of the Global Shareholders' Council from 2005 to 2011, member of the Global Partner Election and Evaluation Committees between 2001 and 2017, member of the Remuneration Committee from 2005 to 2013 and Chair of the Global Learning Board from 2006 to 2011.
Belén Garijo López <sup>(1)</sup> <sup>(3)</sup> <sup>(4)</sup>	1960	Independent Director	March 16, 2012	April 20, 2021	Chair of the Remuneration Committee of the Board of Directors of BBVA. Chair of the Executive Board and CEO of Merck Group, member of the Board of Directors of L'Oréal and, since 2011, Chair

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<u>Name</u>	<u>Birth Year</u>	<u>Current Position</u>	<u>Date Nominated</u>	<u>Date Re-elected</u>	<u>Principal Business Activities and Employment History</u>
Connie Hedegaard Koksbang <sup>(2)</sup>	1960	Independent Director	March 18, 2022	Not applicable	of the International Senior Executive Committee (ISEC) of PhRMA (Pharmaceutical Research and Manufacturers of America). Previously, she has held various positions of responsibility at Abbott Laboratories (1989–1996), Rhône-Poulenc (1996–1999), Aventis Pharma (1999–2004), Sanofi Aventis (2004–2011) and Merck (since 2011). Independent director at Danfoss A/S and non-executive director at Cadeler A/S. She participates on an ongoing basis in international forums and organisations and in foundations such as member of the Supervisory Board at the European Climate Foundation, Chair of the OECD's Round Table on Sustainable Development, member of the Climate and Environment Advisory Council of the European Investment Bank (EIB), Chair of the Board of Trustees at the KR Foundation, Chair of CONCITO, Chair of the European Commission's Mission Adaptation to Climate Change, including Social Change, Chair of the Board at Aarhus University, and member of the Sustainability Council at Volkswagen and advisor to the Board of Gazelle Wind Power. She has been non-executive director of Nordex SE from 2016 to 2022. She has held various positions in the public sector in Denmark and the European Union, such as EU Commissioner for Climate Action, Danish Minister for Climate and Energy, Minister for Environment, and Minister for Nordic Cooperation.
Lourdes Máiz Carro <sup>(2) (4)</sup>	1959	Independent Director	March 14, 2014	March 17, 2023	Independent director at ACS. Secretary of the Board of Directors and Head of Legal Services at Iberia, Líneas Aéreas de España from 2001 until 2016; as well as Director of several companies, including Renfe, GIF

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<u>Name</u>	<u>Birth Year</u>	<u>Current Position</u>	<u>Date Nominated</u>	<u>Date Re-elected</u>	<u>Principal Business Activities and Employment History</u>
José Maldonado Ramos <sup>(1) (3)</sup>	1952	External Director	January 28, 2000	April 20, 2021	(Gerencia de Infraestructuras Ferroviarias – Railway Infrastructure Administrator, now ADIF), the ICO (Instituto de Crédito Oficial – Official Credit Institution), Aldeasa and Banco Hipotecario. Joined the Spanish State Counsel Corps ( <i>Cuerpo de Abogados del Estado</i> ) in 1992 and held various senior positions in the Public Administration, including Director of the Cabinet of the Assistant Secretary of Public Administration, Director of the Cabinet of the Assistant Secretary of Education; General Director of Administrative Organization, Personnel and IT, General Director of the Sociedad Estatal de Participaciones Patrimoniales (SEPPA) within the Ministry of Economy and Finance and Technical General Secretary of the Ministry of Agriculture, Fisheries and Food. Appointed Director and General Secretary of BBVA in January 2000. Took early retirement as Bank executive in December 2009. Previously, he was Board Secretary and Director of Legal Services for Empresa Nacional para el Desarrollo de la Industria Alimentaria, S.A. (Endiasa); Astilleros Españoles, S.A.; and Iberia, Líneas Aéreas de España, S.A.
Ana Cristina Peralta Moreno <sup>(2) (4)</sup>	1961	Independent Director	March 16, 2018	April 20, 2021	Independent director of Grenergy Renovables, S.A. and of Inmobiliaria Colonial, SOCIMI, S.A. She was an independent member of the Board of Directors at Deutsche Bank SAE from 2014 to 2018 and of Banco Etcheverría, S.A. from 2013 to 2014, as well as independent director of Grupo Lar Holding Residencial, S.A.U. and Senior Advisor at Oliver Wyman Financial Services. General Director of Risks and member of the Management Committee of

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<u>Name</u>	<u>Birth Year</u>	<u>Current Position</u>	<u>Date Nominated</u>	<u>Date Re-elected</u>	<u>Principal Business Activities and Employment History</u>
Juan Pi Llorens (3) (5) (6)	1950	Independent Director	July 27, 2011	April 20, 2021	Banco Pastor, S.A. between 2008 and 2011. Before that, she held several positions at Bankinter, including Chief Risk Officer and member of the Management Committee between 2004 and 2008. Non-executive chair of the Board of Directors of Ecolumber S.A., and non-executive director of the following Oesia Group companies: Oesia Networks, S.L., Tecnobit, S.L.U., UAV Navigation, S.L and Instert Tecnología y Comunicaciones, S.A.U. He had a professional career at IBM holding various senior posts at a national and international level including Vice President for Sales at IBM EMEA from 2005 to 2008, Vice President of Technology & Systems Group at IBM EMEA from 2008 to 2010 and Vice President of the Finance Services Sector at GMU (Growth Markets Units) in China from 2009 to 2011. He was executive Chair of IBM Spain between 1998 and 2001.
Ana Leonor Revenga Shanklin (4) (5)(6)	1963	Independent Director	March 13, 2020	March 17, 2023	Senior Fellow at the Brookings Institution and Chair of the ISEAK Foundation Board of Trustees since 2018 and Associate Professor at the Walsh School of Foreign Service at Georgetown University from 2019 to 2021. Member of the Board of Trustees of the BBVA Microfinance Foundation and of the Advisory Council of ESADE EcPol - Center for Economic Policy and Political Economy since 2019. She has held several positions of responsibility at the World Bank, including Senior Director Global of the Poverty and Equity practice between 2014 and 2016 and Deputy Chief Economist between 2016 and 2017.
Carlos Vicente	1951	External Director	March 13, 2020	March 17, 2023	Independent director of Sukarne, S.A. de C.V. since

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<u>Name</u>	<u>Birth Year</u>	<u>Current Position</u>	<u>Date Nominated</u>	<u>Date Re-elected</u>	<u>Principal Business Activities and Employment History</u>
Salazar Lomelín <sup>(4)</sup>					2017, of Alsea, S.A.B. de C.V. since 2019, and of CYDSA Corporativo, S.A. de C.V. since 2022. Director of the following Group companies: Grupo Financiero BBVA México, S.A. de C.V., BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, BBVA Seguros México, S.A. de C.V. Grupo Financiero BBVA México, BBVA Pensiones México, S.A. de C.V. Grupo Financiero BBVA México and BBVA Seguros Salud México, S.A. de C.V. Grupo Financiero BBVA México. Chair of the Consejo Coordinador Empresarial de México (the Mexican Business Coordinating Council) from 2019 to 2022. His career path has been linked to the Grupo Fomento Económico Mexicano S.A.B. de C.V. (Femsa) until 2019, having held roles such as General Manager of Cervecería Cuauhtémoc-Moctezuma, Manager of Coca-Cola Femsa and General Manager of Femsa.
Jan Paul Marie Francis Verplancke <sup>(4)</sup> <sup>(6)</sup>	1963	Independent Director	March 16, 2018	April 20, 2021	Advisor to the internal advisory board at Abdul Latif Jameel and CEO of Vestraco, S.à.R.L. In his professional career, he served as Chief Information Officer and Group Head of Technology and Banking Operations of Standard Chartered Bank between 2004 and 2015, Vice President of Technology and Chief Information Officer, in the EMEA region of Dell (1999-2004) as well as Vice President and Chief of Architecture and Vice President of Information of the Youth Category at Levi Strauss (1994 -1999).

(\*) At the date of this Base Prospectus, the authorisation by the European Central Bank of Sonia Lilia Dulá's suitability to carry out the role of director of the Bank is pending.

(1) Member of the Executive Committee.

(2) Member of the Audit Committee.

(3) Member of the Appointments and Corporate Governance Committee.

(4) Member of the Remuneration Committee.

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- (5) Member of the Risk and Compliance Committee.
- (6) Member of the Technology and Cybersecurity Committee.
- (7) Lead Director.
- (8) Deputy Chair.

### Major Shareholders and Share Capital

On April 18, 2019 Blackrock, Inc. reported to the CNMV that it had an indirect holding of BBVA common stock totalling 5.917 per cent., of which 5.480 per cent. are voting rights attributed to shares and 0.437 per cent. are voting rights held through financial instruments.

As of May 23, 2023, no other person, corporation or government beneficially owned, directly or indirectly, three per cent. or more of BBVA's shares. BBVA's major shareholders do not have voting rights which are different from those held by the rest of its shareholders. To the extent known to BBVA, BBVA is not controlled, directly or indirectly, by any other corporation, government or any other natural or legal person.

As of May 23, 2023, there were 782,082 registered holders of BBVA's shares, with an aggregate of 5,965,473,005 shares, of which 718 shareholders with registered addresses in the United States held a total of 1,457,584,951 shares (including shares represented by American Depositary Shares evidenced by American Depositary Receipts ("ADRs")). Since certain of such shares and ADRs are held by nominees, the foregoing figures are not representative of the number of beneficial holders.

### Legal Proceedings

Spanish judicial authorities are investigating the activities of Cenyt. Such investigation includes the provision of services by Cenyt to BBVA. On July 29, 2019, BBVA was named as an investigated party (*investigado*) in a criminal judicial investigation (Preliminary Proceeding No. 96/2017 – Piece No. 9, Central Investigating Court No. 6 of the National High Court) for alleged facts which could constitute bribery, revelation of secrets and corruption. On February 3, 2020, BBVA was notified by the Central Investigating Court No. 6 of the National High Court of the order lifting the secrecy of the proceedings. Certain current and former officers and employees of the Group, as well as former directors, have also been named as investigated parties in connection with this investigation. BBVA has been and continues to be proactively collaborating with the Spanish judicial authorities, including sharing with the courts the relevant information obtained in the internal investigation hired by the entity in 2019 to contribute to the clarification of the facts. As of the date of this Base Prospectus, no formal accusation against BBVA has been made.

This criminal judicial proceeding is in the pre-trial phase. Therefore, it is not possible at this time to predict the scope or duration of such proceeding or any related proceeding or its or their possible outcomes or implications for the Group, including any fines, damages or harm to the Group's reputation caused thereby.

The Group operates in legal and regulatory environments that expose it to potentially significant legal and regulatory actions and proceedings, including legal claims and proceedings, civil and criminal regulatory proceedings, governmental and judicial investigations and proceedings, tax proceedings and other proceedings in jurisdictions around the world. Legal and regulatory actions and proceedings are subject to many uncertainties, and their outcomes, including the timing thereof, the amount of fines or settlements or the form of any settlements arising therefrom, or changes in business practices the Group may need to introduce as a result thereof, any of which may be material and are often difficult to predict, particularly in the early stages of a particular legal or regulatory matter.

As of the date of this Base Prospectus, and in addition to as described above, the Guarantor and its subsidiaries are involved in a number of legal and regulatory actions and proceedings in various jurisdictions around the world (including, among others, Spain, Mexico and the United States), the adverse resolution of which may also adversely impact the Group. See "*Risk Factors—Legal, Regulatory, Tax and Compliance Risks— Legal Risks— The Group is party to a number of legal and regulatory actions and proceedings*".

The Group can provide no assurance that the legal and regulatory actions and proceedings to which it is subject, or to which it may become subject in the future or otherwise affected by, will not, if resolved adversely, result in a material adverse effect on the Group's business financial position or results of operations.

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### **Regulation of the New York Branch and of BBVA in the United States**

The New York Branch is licensed by the Superintendent of Financial Services of the State of New York (the "**Superintendent**") under the banking law of the State of New York. The New York Branch is examined by the New York State Department of Financial Services and the Board of Governors of the Federal Reserve System and is subject to banking laws and regulations applicable to a foreign bank that operates a branch in New York State.

New York State banking law authorises the Superintendent to take possession of the business and property of the New York branch of a foreign bank under circumstances similar to those that would permit the Superintendent to take possession of the business and property of a state-chartered bank. These circumstances include the violation of any law, unsafe business procedures, capital impairments, suspension of payment of obligations, the initiation of liquidation proceedings against the foreign bank in the jurisdiction of its domicile or elsewhere or the existence of reason to doubt its ability or willingness to pay in full the accepted claims specified in New York State banking law. Pursuant to Section 606.4 of New York State banking law, in liquidating or dealing with the foreign bank branch's business after taking possession of the branch, the claims of creditors which arose out of transactions with the branch may be accepted or rejected by the Superintendent; those which are not rejected are "accepted" with respect to the branch's assets to the exclusion of the claims of other creditors of the foreign bank, without prejudice to the rights of the holders of such "accepted" claims to be satisfied out of other assets of the foreign bank.

In addition to being subject to New York State banking law and regulations via the New York Branch, BBVA is subject to certain other state regulations and to United States federal regulation, including under the Bank Holding Company Act of 1956, as amended.



## TAXATION

### TAXATION

**Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of tax residence, may have an impact on the income that an investor receives from the Securities.**

#### **Preliminary consideration: Tax residence of the Issuer**

The Issuer is incorporated as a private company with limited liability under the laws of the Netherlands. On the basis of section 2 subsection 4 Dutch Corporate Income Tax Act 1969, a company which is incorporated under Dutch law, is considered to be resident of the Netherlands for Dutch domestic tax purposes. This notwithstanding, the effective management of the company is currently carried out from Spain, since the key management and commercial decisions that are necessary to conduct the entity's business are taken from Spain. On the basis of such circumstance, the Issuer is also regarded as resident in Spain for tax purposes, as provided by Law 27/2014, of November 27, on Corporate Income Tax (*Impuesto sobre Sociedades*).

Under this scenario in which the Issuer is resident for tax purposes both in Spain and in the Netherlands, the provisions contained in the Convention between the Netherlands and Spain for the Avoidance of Double Taxation with respect to Taxes on Income and on Net Wealth (the "**Convention**") apply. The Convention was ratified by Instrument made in Madrid on June 16, 1971 and was published on the Spanish National Gazette on October 16, 1972.

Pursuant to section 4 subsection 4 of the Convention (which deals with the general criteria followed by the Convention to consider a person as a resident of a Contracting State), an entity which is a resident of both Spain and the Netherlands is considered to be a resident of the State in which the place of its effective management is located (i.e., Spain).

#### **Responsibility for Withholding**

Payments in respect of Securities 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 any political subdivision thereof or any authority or agency 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 (subject to certain exceptions described in General Condition 7) pay such additional amounts as will result in the holders of Securities receiving such amounts as they would have received in respect of such Securities had no such withholding or deduction been required.

#### **Spanish Taxation**

*The following summary refers solely to certain Spanish tax consequences of the acquisition, ownership and disposition of the Securities. The tax consequences described in this section are based on the general assumption that the Securities are initially registered for clearance and settlement in DTC, Euroclear and Clearstream, Luxembourg. It does not purport to be a complete analysis of all tax consequences relating to the Securities 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 Securities and receiving any payments under the Securities. This summary is based upon the Spanish State law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. Regional tax laws may alter the consequences outlined in this summary in certain circumstances. References in this section to Securityholders include the beneficial owners of the Securities.*

#### **Acquisition of the Securities**

The issue of, subscription for, transfer and acquisition of the Securities is exempt from Transfer and Stamp Tax (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*) and Value Added Tax (*Impuesto sobre el Valor Añadido*).

#### **Taxation on the income and transfer of the securities**

The tax treatment of the acquisition, holding and subsequent transfer of the Securities is summarised below and is based on the tax regime applicable to the Securities pursuant to Royal Legislative Decree 5/2004 of March 5

## TAXATION

approving the consolidated text of the Non-Resident Income Tax Law (*Impuesto sobre la Renta de los no Residentes*), as amended by Law 26/2014 of November 27, 2014, Law 27/2014 of November 27, 2014 approving the consolidated text of the Corporate Income Tax Law (*Impuesto sobre Sociedades*) and Law 35/2006 of November 28, 2006 on Personal Tax Law (*Impuesto sobre la Renta de las Personas Físicas*), as amended by Law 26/2014 of November 27, 2014 Law 19/1991 of June 6, 1991 approving the Wealth Tax Law (*Impuesto sobre el Patrimonio*), and Law 29/1987 of December 18, 1987 approving the Inheritance and Gift Tax Law. Consideration has also been given to the rules for the implementation of such regulations (Royal Decree 1776/2004 of July 30 approving the Non-Resident Income Tax Regulations, Royal Decree 439/2007 of March 30, approving the Individuals Income Tax Regulations as amended by Royal Decree 1003/2014 of December 5, 2014 and Royal Decree 634/2015 of July 10, 2015 approving the Corporate Income Tax Regulations).

Consideration has also been given to Spanish legislation on the issuance of preferred securities and debt securities issued by Spanish financial and non-financial listed entities, either directly or through a subsidiary (Law 10/2014, and RD 1065/2007 (as amended by RD 1145/2011), approving the General Regulations relating to tax inspection and management procedures and developing the common rules of the procedures to apply taxes).

### **Income obtained by Securityholders who are Non-Resident Income Tax payers in Spain in respect of the Securities**

Income obtained by Securityholders who are Non-Resident Income Tax payers, both in respect of interest and in connection with the transfer, repayment or redemption of the Securities, whether or not through a permanent establishment, shall be considered Spanish source income and therefore subject to taxation in Spain under Legislative Royal Decree 5/2004 of March 5 approving the Consolidated Non-Resident Income Tax Law, amended by Law 26/2014 of November 28, 2014, without prejudice to the provisions contained in any applicable tax treaty for the avoidance of double taxation ("**DTT**").

### **Income not obtained through a permanent establishment in Spain in respect of the Securities**

Income obtained by Securityholders who are not tax resident in Spain acting for these purposes without a permanent establishment within Spain is exempt from Non-Resident Income Tax in the terms described under "*Tax Reporting Obligations of the Issuer and the Guarantor*" below.

### **Income obtained through a permanent establishment in Spain in respect of the Securities / Corporate Income Tax taxpayers**

The holding of Securities by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

Income obtained by non-Spanish resident holders acting through a permanent establishment in Spain in respect of the Securities will be taxed under the rules provided by Chapter III of the Non-Resident Income Tax Law. These Securityholders will be subject to taxation substantially in the same manner as Spanish Corporate Income Tax taxpayers and, therefore, it shall be computed as taxable income in accordance with the general rules set out in the Corporate Income Tax Law and will therefore be taxed at the general current rate of 25 per cent.

Income derived from the transfer and holding of the Securities shall not be subject to withholding tax as provided by Section 61(s) of the Corporate Income Tax Regulations, to the extent that the Securities are traded on organised markets in OECD countries.

For withholding on income derived from payment of interest, redemption or repayment of the Securities see "*Tax Reporting Obligations of the Issuer and the Guarantor*".

### **Individuals with tax residency in Spain**

Income obtained by Securityholders who are Personal Income Tax payers, both as interest and in connection with the transfer, redemption or repayment of the Securities, shall be considered income on investments obtained from the assignment of an individual's capital to third parties, as defined in Section 25.2 of Individuals Income Tax Law and therefore will be taxed as savings income at the applicable rate currently varying from 19 per cent. to 28 per cent.

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The above mentioned income will be subject to the corresponding personal income tax withholding at the applicable tax rate (currently 19 per cent.). Article 44 of the RD 1065/2007 has established new information procedures for debt instruments issued under the Law 10/2014 (which do not require identification of the Securityholders) and has provided that the interest will be paid by the relevant Issuer to the Paying Agent for the whole amount, provided that such information procedures are complied with.

Nevertheless, withholding tax at the applicable rate (currently 19 per cent.) may have to be deducted by other entities (such as depositaries or financial entities), provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

The Issuer and the Guarantor consider that, according to RD 1145/2011, they are not obliged to withhold any tax amount provided that the new simplified information procedures (which do not require identification of the Securityholders) are complied with by the Paying Agent as it is described in section "*Tax Reporting Obligations of the Issuer and the Guarantor*".

However, regarding the interpretation of the "*Tax Reporting Obligations of the Issuer and the Guarantor*" please refer to "*Risk Factors – Spanish Tax Rules may impose withholding tax in certain circumstances (subject to certain exceptions) and neither the Issuer nor the Guarantor is obliged to pay additional amounts in such event.*"

### Wealth Tax

Under Law 19/1991, June 6, 1991, as amended, individuals with tax residency in Spain are subject to Wealth Tax on tax year 2023 to the extent that their net worth exceeds €700,000. Therefore, they should take into account the value of the Securities which they hold as at December 31, 2023.

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. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory, exceed €700,000 would be subject to Wealth Tax at the applicable rates, ranging between 0.2 per cent. and 3.5 per cent., without prejudice of any exemption that should be applicable and the laws and regulations in force in each Autonomous Region.

As a consequence of the European Court of Justice Judgment (Case C-127/12), the Wealth Tax Law has been amended by Law 26/2014. As a result, non-Spanish tax resident individuals who are residents in the EU or in the European Economic Area or in a country that is not a member of the European Union as well as a country or territory whose citizens do not enjoy the European Union right to free movement can apply the legislation of the region in which the highest value of the assets and rights of the individuals are located.

Legal entities are not subject to Wealth Tax.

### Inheritance and Gift Tax

The transfer of the Securities to individuals by inheritance, legacy or donation shall be subject to the general rules of Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones) in accordance with the applicable Spanish and State rules even if title passes outside Spain and neither the heir nor the beneficiary, as the case may be, is resident in Spain for tax purposes, without prejudice to the provisions of any DTT signed by Spain.

The effective tax rates, after applying all relevant factors, range between 0 per cent. and 81.6 per cent.

However, the Judgment from the European Court of Justice dated September 3, 2014 has declared that Spanish Inheritance and Gift Tax Law is against the principle of free movement of capital within the EU as the Spanish residents are granted tax benefits that, in practice, allow them to pay much lower taxes than non residents. According to Law 26/2014, it will be possible to apply tax benefits approved in some Spanish regions to EU residents following specific rules.

In the event that the beneficiary is an entity other than a natural person, the income obtained shall be subject to Corporate Income Tax or Non-Resident Income Tax, as the case may be, and without prejudice, in the latter event, to the provisions of any DTT that may apply.

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### **Tax rules for payments made by the Guarantor**

Payments which may be made by the Guarantor to Securityholders, if the Guarantee is enforced, will be subject to the same tax rules previously set out for payments made by the Issuer.

### **Tax Reporting Obligations of the Issuer and the Guarantor**

RD 1145/2011 modified, among other provisions, article 44 of RD 1065/2007, which sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 10/2014. The new procedures apply to interest deriving from preference shares and debt instruments to which Law 10/2014 refers, including debt instruments issued at a discount for a period equal to or less than twelve months.

Securities originally registered with the entities that manage clearing systems located outside Spain

According to the literal wording of article 44.5 of RD 1065/2007, income derived from securities originally registered with the entities that manage clearing systems located outside Spain, that are recognised by Spanish law or by the law of another OECD country (such as Euroclear or Clearstream), will be paid free of Spanish withholding tax provided that the Paying Agent appointed by the Issuer submits a statement to the issuer, in accordance with the form attached as annex to RD 1065/2007 (see "*Supplementary Annex*" below), with the following information:

- (i) identification of the securities; and
- (ii) total amount of the income corresponding to each clearing house located outside Spain.

### **Common References**

For these purposes, "income" means interest and the difference, if any, between the aggregate redemption price paid upon the redemption of the Securities and the issue price of the Securities.

In accordance with Section 44 of RD 1065/2007, the statements mentioned above must be provided to the relevant Issuer on the business day immediately prior to each interest payment date. In the event that on the date, the entities obliged to provide the declaration fail to do so, the relevant Issuer or the Paying Agent on its behalf will make a withholding at the general rate (currently 19 per cent.) on the total amount of the return on the relevant Securities otherwise payable to such entity. Regarding the interpretation of Article 44 RD 1065/2007 and the new simplified information procedures please see "*Risk Factors - Spanish Tax Rules may impose withholding tax in certain circumstances (subject to certain exceptions) and neither the Issuer nor the Guarantor is obliged to pay additional amounts in such event.*"

Please note that this is for general information purposes only and is not intended to be nor shall it be deemed to be, or constitute legal advice.

### ***Refund by the Spanish tax authorities***

Securityholders who might otherwise have been entitled to a gross payment but in respect of whom the Principal Paying Agent does not provide with the relevant Supplementary Annex on or before the 10th calendar day of the month that follows the month in which the interest is payable may seek a refund of Spanish tax withheld directly from the Spanish tax authorities.

## TAXATION

*Set out below is the Supplementary Annex in English which has been translated from the original Spanish. Such translation constitutes a direct, accurate and complete translation of the Spanish language text. In the event of any discrepancy between the Spanish language version of the Supplementary Annex and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant Supplementary Annex only.*

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### ANEXO SUPLEMENTARIO

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#### SUPPLEMENTARY ANNEX

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**Anexo al Reglamento al 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**

Annex to the General Regulations of the actions and procedures of tax administration and inspection and development of common rules of procedures for application of taxes, approved by Royal Decree 1065/2007

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**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**

Declaration form referred to in paragraphs 3, 4, and 5 of Article 44 of the General Regulations of the actions and procedures of tax administration and inspection and development of common rules of procedures for application of taxes

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**Don (nombre),**

Mr (name),

**con número de identificación fiscal (1)**

with tax identification number (1)

**en nombre y representación de (entidad declarante),**

in the name and on behalf of (the reporting entity),

**con número de identificación fiscal (1)**

with tax identification number (1)

**y domicilio en**

and domicile

**en calidad de (marcar la letra que proceda):**

acting as (check the appropriate letter):

- (a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**
- (a) Public Debt Market Participant.
- (b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**
- (b) Clearing System outside of Spain.
- (c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**

## TAXATION

- (c) Other entities that hold securities on behalf of third parties in the clearing system domiciled in Spain.
- (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:**

The following statement is made according to what is on your 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 Date of payment of the income (or refund if securities issued at a discount or 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 Amount of total income (or total amount to be reimbursed, if any, are securities issued at a discount or 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 taxpayers of Natural Person Income Tax, except segregated coupons and segregated principal in which repayment involves a Clearing System Direct Participant

##### **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, in accordance with paragraph 2 of Article 44, must be paid in full amount (or total amount to be reimbursed if they are securities issued at a discount or segregated)

#### **2. En relación con el apartado 5 del artículo 44**

2 In connection with paragraph 5 of Article 44

##### **2.1 Identificación de los valores**

2.1 Identification of securities

##### **2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**

2.2 Date of payment of income (or refund if the securities are issued at a discount or segregated)

## TAXATION

**2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)**

2.3 Total income (or total amount to repay if securities issued at a discount or 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 Total amount of income corresponding to the clearing system located outside of Spain 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 Total amount of income corresponding to the clearing system located outside of Spain 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 Total amount of income corresponding to the clearing system located outside of Spain C.

**Lo que declaro en ..... a .... de .....de ....**

I stated this in ..... on .. 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 individuals, or entities, non-residents without permanent establishment shall include the identification number or code as appropriate in accordance with their country of residence.*

### **Tax reporting related to Article 100.3 of the Spanish Personal Income Tax Law**

According to Article 100.3 of the Spanish Personal Income Tax Law, in the case of any Individual with tax residence in Spain acquired an Implicit Yield Security, this Individual will only be entitled to either sale or obtain the reimbursement of the Implicit Yield Securities should the income derived from such Securities be subject to withholding tax, if the previous acquisition of these Securities was made with the intervention of a notary or a financial institution in a way that the previous acquisition is duly accredited, as well as the price of the aforementioned acquisition. The issuer or the financial institution in charge of the acquisition that should not make the reimbursement to the holder of the security according to the previous paragraph, must constitute a deposit for said amount at the disposal of the judicial authority.

According to Article 92.2 of the Spanish Individual Income Tax Regulation, either the issuer, or the financial institution acting on its behalf, or the notary, or the financial institution acting or intervening on behalf of the acquirer or depositor, as appropriate, must issue a certification accrediting the following:

- a) Date of the operation and identification of the asset.
- b) Name of the acquirer.
- c) Tax Identification Number of the aforementioned acquirer or depositor.
- d) Acquisition price.

Two copies of the aforementioned certification, which must be issued in triplicate, will be delivered to the acquirer, keeping in its possession another one the person or entity issuing that certification.

## TAXATION

### Irish Taxation

*The following is a summary of the Irish withholding tax treatment of the Securities. It is based on the laws and practice of the Revenue Commissioners currently in force in Ireland as at the date of this Base Prospectus and may be subject to change. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Securities, such as the consequences of the exchange or the conversion of the Securities. Prospective investors in the Securities should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Securities and the receipt of payments thereon under any laws applicable to them.*

#### **Withholding Tax**

Irish withholding tax applies to certain payments including payments of:

- (a) Irish source yearly interest (yearly interest is interest payable on a loan that may exist for a period in excess of one year);
- (b) Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and
- (c) Distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax;

at the standard rate of income tax (currently 20 per cent.) in the case of paragraphs (a) and (b) above and at the rate of 25 per cent. in the case of paragraph (c) above.

On the basis that the Issuer is not resident in Ireland for the purposes of Irish tax, nor does the Issuer operate in Ireland through a branch or agency with which the issue of the Securities is connected, nor are the Securities held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of interest or annual payments arise on the Securities, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation. Similarly, the mere offering of the Securities to Irish investors or the listing of the Securities, for example, on Euronext Dublin (if applicable) should not cause the interest to have an Irish source.

Accordingly, the Issuer or any paying agent acting on behalf of the Issuer should not be obliged to deduct any amount on account of these Irish withholding taxes from payments made in connection with the Securities.

Separately, for as long as the Securities are quoted on a stock exchange, a purchaser of the Securities should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Securities.

#### **Encashment Tax**

Payments on any Securities paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Securities should be subject to Irish encashment tax at a 25 per cent. rate, unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Securities entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax (or if resident for the purposes of tax in Ireland is entitled to an exemption from encashment tax) and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland.

### Dutch Taxation

*The following is a general summary of certain material Dutch tax consequences of the acquisition, holding and disposal of the Securities. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, this general summary should be treated with corresponding caution. For purposes of Dutch tax law, a Securityholder may include an individual*



## TAXATION

*or entity who does not have the legal title of these Securities, but to whom nevertheless the Securities 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 Securities or the income thereof.*

This summary is based on the tax laws of the Netherlands, published regulations thereunder, published authoritative case law and the Convention, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. Where the summary refers to "the Netherlands" or "Dutch" it refers only to the part of the Kingdom of the Netherlands located in Europe. In addition, the summary is based on the assumption that the Securities issued by the Issuer do not qualify as equity of the Issuer for Dutch tax purposes.

This discussion is for general information purposes only and is not Dutch tax advice or a complete description of all Dutch tax consequences relating to the acquisition, holding and disposal of the Securities. Holders or prospective holders of Securities should consult their own tax advisors regarding the Dutch tax consequences relating to the acquisition, holding and disposal of the Securities in light of their particular circumstances.

***This summary does not describe the consequences of the exchange or the conversion of the Securities.***

### ***Tax position of the Issuer***

Under the Convention, the Issuer is considered to be solely resident of Spain for tax purposes and therefore the Netherlands should refrain from levying corporate income tax on profits generated by the Issuer, except if and to the extent such profits are allocable to a Dutch permanent establishment or permanent representative of the Issuer.

### ***Withholding tax***

All payments of interest and principal made by or on behalf of the Issuer under the Securities may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, except that Dutch withholding tax at a rate of 25.8 per cent. (rate for 2022) may apply with respect to payments of interest made or deemed to be made by or on behalf of the Issuer, if the interest payments are made or deemed to be made to an entity related to the Issuer (within the meaning of the Dutch Withholding Tax Act 2021; *Wet bronbelasting 2021*) (see below), if such related entity:

- (a) 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*) (a "Listed Jurisdiction"); or
- (b) has a permanent establishment located in a Listed Jurisdiction to which the interest payment is attributable; or
- (c) is entitled to the interest payment with the main purpose or one of the main purposes of avoiding taxation for another person or entity and there is an artificial arrangement or transaction or a series of artificial arrangements or transactions; or
- (d) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another entity as the recipient of the interest (a hybrid mismatch); or
- (e) is not resident in any jurisdiction (also a hybrid mismatch); or
- (f) is a reverse hybrid (within the meaning of Article 2(12) of the Dutch Corporate Income Tax Act; *Wet op de vennootschapsbelasting 1969*), if and to the extent (x) there is a participant in the reverse hybrid holding a Qualifying Interest in the reverse hybrid, (y) the jurisdiction of residence of the participant holding the Qualifying Interest in the reverse hybrid treats the reverse hybrid as transparent for tax purposes and (z) such participant would have been subject to Dutch withholding tax in respect of the payments of interest without the interposition of the reverse hybrid,

all within the meaning of the Dutch Withholding Tax Act 2021.

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### *Related entity*

For purposes of the Dutch Withholding Tax Act 2021, an entity is considered an entity related to the Issuer if:

- (a) such entity has a Qualifying Interest (as defined below) in the Issuer;
- (b) the Issuer has a Qualifying Interest in such entity; or
- (c) a third party has a Qualifying Interest in both the Issuer and such entity.

The term "Qualifying Interest" means a direct or indirectly held interest – either by an entity individually or jointly if an entity is part of a collaborating group (*samenwerkende groep*) – that enables such entity or such collaborating group to exercise a definite influence over another entity's decisions and allows it to determine the other entity's activities (within the meaning of case law of the European Court of Justice on the right of freedom of establishment (*vrijheid van vestiging*)).

### *Taxes on income and capital gains*

A Securityholder who derives income or is deemed to derive income from a Security or who realises a gain from the disposal, deemed disposal or redemption of a Security will not be subject to Dutch taxation on such income or gain, provided that:

- (a) the Securityholder is neither a resident nor deemed to be a resident of the Netherlands for Dutch tax purposes;
- (b) the Securityholder does not have an enterprise or deemed enterprise (as defined in Dutch tax law) or an interest in an enterprise or deemed enterprise (as defined in Dutch tax law) that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and to which enterprise or part of that enterprise, as the case may be, the Securities are attributable;
- (c) the Securityholder is not entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities and to which enterprise the Securities are attributable;
- (d) the Securityholder does not have a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer as defined in the Dutch Income Tax Act 2001 (Wet op de inkomstenbelasting 2001) and will not obtain such interest under the Securities. Generally, a holder of Securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of an individual, together with such holder's partner for Dutch income tax purposes, or any relatives by blood or marriage in the direct line (including foster children), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued and outstanding capital of that company or of 5 per cent. or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5 per cent. or more of the company's annual profits or to 5 per cent. or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;
- (e) the Securityholder, and in the case of an individual, his or her partner or certain of their relatives by blood or marriage on the direct line (including foster children), does not have (a) a substantial interest or deemed substantial interest or right in a Dutch company and will not obtain, under the Securities, an additional interest or right in this Dutch company or (b) a substantial interest or deemed substantial interest in a Dutch company by reason of the acquisition or the settlement of the Securities;
- (f) the Securities do not entitle the Securityholder to the beneficial ownership of (a) profit participating loans or a right in a Dutch entity or (b) an interest in the enterprise of a Dutch tax transparent entity;
- (g) the Securityholder does not hold Securities that are or are treated as (a) shares (*aandelen*), (b) profit participating certificates (*winstbewijzen*), (c) linked to the profits, (d) profit participation rights, (e) debt characterised as equity for Dutch tax purposes, or (f) redeemable in exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by a Dutch entity;

## TAXATION

- (h) the Securityholder does not have an interest or could obtain an interest under the Securities in (a) real estate located in the Netherlands or (b) an entity of which the assets consist or have consisted, directly or indirectly, on a consolidated basis or not, for 30 per cent. or more, of real estate located in the Netherlands; and
- (i) if the Securityholder is an individual, the Securityholder does not derive benefits from the Securities that are taxable as benefits from miscellaneous activities in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*) as defined in the Dutch Income Tax Act 2001, which include, but are not limited to, activities in respect of the Securities which are beyond the scope of "regular active asset management" (normaal actief vermogensbeheer) or benefits which are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights which form a "lucrative interest" (*lucratief belang*). A lucrative interest is an interest which the holder thereof has acquired under such circumstances that benefits arising from this lucrative interest are intended to be a remuneration for work or services performed by such holder (or a person related to such holder) in the Netherlands, whether within or outside an employment relationship, where such lucrative interest provides the holder thereof, economically, with certain benefits that have a relationship to the relevant work or services.

Under Dutch tax law a Securityholder will not be deemed a resident, domiciled or carrying on a business in the Netherlands by reason only of its holding of the Securities or the performance by the Issuer of its obligations under the Securities.

### ***Gift and Inheritance Taxes***

No gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Securities by way of gift by, or on the death of, a Securityholder, unless:

- (a) the Securityholder is a resident or deemed to be resident of the Netherlands for the purpose of the relevant Dutch tax law provisions;
- (b) in the case of a gift of the Securities by an individual who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such individual dies within 180 days after the date of the gift, while being a resident or deemed to be a resident of the Netherlands;
- (c) in the case of a gift of the Securities is made under a condition precedent, the Securityholder is resident or is deemed to be resident of the Netherlands at the time the condition is fulfilled; or
- (d) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident of the Netherlands.

For the purpose of Dutch gift and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift or the date of his death, if he has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or the date of his death.

For the purposes of Dutch gift tax, an individual who does not have Dutch nationality will be deemed to be a resident of the Netherlands, at the date of the gift, if he has been a resident of the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

### ***Value Added Tax***

No Value Added Tax (*Omzetbelasting*) will arise in the Netherlands in respect of any payment in consideration for the issue of the Securities or with respect to any payment of principal or interest by the Issuer on the Securities.

### ***Other Taxes and Duties***

No registration tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of or in connection with the issue of the Securities or the payment of interest or principal by the Issuer on the Securities.

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### Swiss Taxation

The following discussion is a summary of certain material Swiss tax considerations relating to (i) Securities where the holder is tax resident in Switzerland or has a tax presence in Switzerland or (ii) Securities where the paying agent is located in Switzerland. The discussion is based on legislation as of the date of this Base Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision with respect to an investment in Securities. The tax treatment for each investor depends on the particular situation. All prospective investors / investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences relevant events, such as e.g. of the purchase, ownership, disposition, lapse, exercise or redemption of Securities (or options embedded therein) in light of their particular circumstances.

### Swiss Withholding Tax

Payments by the Issuer on Securities are not subject to Swiss federal withholding tax provided that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

### Swiss Income Taxation

#### *Securities held as Private Assets by a Swiss Resident Holder*

##### (a) Structured Products

If, for Swiss income tax purposes, a Security classifies as a structured product, its income tax treatment depends on whether the bond and the derivative financial instrument(s) embedded therein are recognised, for Swiss income tax purposes, as separable from each other and whether the Security classifies, in terms of Swiss income tax law, as a structured product with or without a predominant one-time interest payment.

*Non-transparent derivative financial instruments:* If the (deemed) embedded bond is not recognised, for Swiss tax income purposes, as separable from the (deemed) embedded derivative financial instrument(s), the Security classifies as a so-called "non-transparent" derivative financial instrument, meaning that any return over the initial investment classifies as a taxable income item. Non-transparent derivative financial instruments may generally be expected to include a predominant one-time interest payment in terms of Swiss income tax law. On this basis, Swiss resident private investors in Securities classified as non-transparent derivative financial instruments will be taxed on any interest payments and on any gains, including capital and foreign exchange gains, realised on the Securities ("differential taxation method").

*Transparent derivative financial instruments without a predominant one-time interest payment:* If the (deemed) embedded bond is recognised, for Swiss income tax purposes, as separable from the (deemed) embedded derivative financial instrument(s) and the yield-to-maturity at issue is considered, in terms of Swiss income tax law, to solely or predominantly derive from periodic interest payments and not from a one-time interest-payment (see below "*Transparent derivative financial instruments with a predominant one-time interest payment*"), then any periodic interest payments and any one-time interest payment are taxed when paid (due) to the current holder of the Security. Any gain, including in respect of the derivative financial instrument(s) (deemed) embedded in the Security, or e.g. interest accrued or changes in foreign exchange rates or the level of market interest rates realised on the sale of the Security is a tax-free private capital gain, whereas a loss is a non-tax-deductible private capital loss (see below "*Swiss Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder*"). The same applies if a Security is redeemed except that interest accrued is taxed when paid on behalf of the Issuer.

*Transparent derivative financial instruments with a predominant one-time interest payment:* If the (deemed) embedded bond is recognised, for Swiss income tax purposes, as separable from the (deemed) embedded derivative financial instrument(s) and the yield-to-maturity at issue is considered, in terms of Swiss income tax law, to exclusively or predominantly derive from a one-time interest-payment such as an original issue discount or a redemption premium, and not from periodic interest payments, then any interest payments due as well as any positive difference between the relevant Swiss income tax value of the (deemed) embedded bond at sale or redemption and at issuance or (secondary market) purchase, as applicable, (which difference may include e.g., interest accrued although not yet due on such Security or gains in respect of foreign exchange rate or market interest rate changes) ("modified differential taxation method") constitutes taxable income. A loss, as determined accordingly, realised on the sale or

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redemption of the Security may be offset against any qualifying taxable income items (including periodic interest payments) realised within the same taxation period from all financial instruments with a predominant one-time interest component in terms of Swiss income tax law. Any residual return realised on the (deemed) embedded derivative financial instrument(s) is a tax-free private capital gain, and any residual loss is a non-tax-deductible private capital loss (see below "*Swiss Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder*").

### (b) Securities/Bonds

*Securities without a predominant one-time interest payment:* If, for Swiss income tax purposes, a Security classifies as a pure bond and the yield-to-maturity at issue of the Security is considered, in terms of Swiss income tax law, to exclusively or predominantly derive from periodic interest payments and not from a one-time interest-payment, Swiss tax resident private investors will be taxed on the periodic and any one-time interest payments fallen due to the current holder. Any gain (which may include e.g., interest accrued although not yet due on such Security or gains in respect of foreign exchange rate or market interest rate changes), realised on the sale of a Security is a tax-free private capital gain, whereas a loss is a non-tax-deductible private capital loss (see below "*Swiss Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder*").

*Securities with a predominant one-time interest payment:* If, for Swiss income tax purposes, a Security classifies as a pure bond and the yield-to-maturity at issue of the Security is considered, in terms of Swiss income tax law, to exclusively or predominantly derive from a one-time interest-payment such as an original issue discount or a redemption premium and not from periodic interest payments, Swiss tax resident private investors will be taxed on any interest payments due and any positive difference between the relevant Swiss income tax value of such Security at sale or redemption and its value at issuance or (secondary market) purchase, as applicable (which difference may include e.g., interest accrued although not yet due on such Security or gains in respect of foreign exchange or market interest rate changes) ("differential taxation method"). Any losses, as determined accordingly, realised on the sale or redemption of the Security may be offset against any qualifying taxable income items (including periodic interest payments) realised within the same taxation period from all financial instruments with a predominant one-time interest component in terms of Swiss income tax law.

### (c) Pure Derivative Financial Instruments

If a Security which classifies, for Swiss income tax purposes, as a pure derivative financial instrument (such as e.g., plain vanilla call or put options, on shares, commodities, precious metals, currencies or interest rate; whereby a Security's characterisation as a pure derivative financial instrument, for Swiss tax purposes, may, depending on the product, such as e.g. in the case of low exercise price call options, also depend on the extent of any prefunding and the product term) and such Security is held as part of the taxpayer's private assets in terms of Swiss income tax law, only the periodic and one-time dividend equalisation payments constitute taxable investment income, and any other return, including option premium payments and gain realised on the sale or redemption of such a Security, is a tax-exempt private capital gain, whereas a loss is a non-tax deductible private capital loss (see below "*Swiss Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder*").

### (d) Fund-like Products

A Security which classifies, for Swiss income tax purposes, as an interest in a collective capital investment scheme or as collective capital investment-like product will be considered a pass-through instrument for Swiss income tax purposes if dividend and interest income from, and capital gains and losses realised on, the underlying assets, are reported and distributed separately as required for Swiss income tax purposes. Under such conditions and under the condition that the Issuer reports the income items and the capital gain and loss items to the Swiss Federal Tax Administration, an individual holding such a Security as part of his or her private assets must declare annually the dividend and interest distribution (in case the Security is distributing the income realised on the underlying investments) or the dividend and interest credited (in case the Security is reinvesting the income realised on the underlying investments) as taxable investment income (less attributable costs) on the underlying instruments. Any distributions or credits relating to items of qualifying capital gain on the underlying assets constitute tax-free private capital gains and, conversely any loss attributable a non-tax-deductible private capital loss. Gain realised on the sale of such a Security (including gains relating to dividends and interest accrued on

## TAXATION

the underlying assets) is exempt from income taxation as a private capital gain, and, conversely, any loss is not tax-deductible (see below "*Swiss Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder*"). If the dividend and interest income from, and capital gains and losses realised on, the underlying assets, are not reported and distributed separately as required for Swiss income tax purposes, or the income items and capital gain and loss items are not reported to the Swiss Federal Tax Administration, the relevant Swiss tax authority can determine a taxable yield on the basis of a discretionary estimate (taking into account the nature of the assets in which the product is invested).

### ***Securities held as Assets of a Business with Swiss tax nexus***

Corporate entities, and individuals who hold Securities as business assets (as opposed to private assets) in terms of Swiss income tax law, with relevant tax nexus to Switzerland (i.e., whether e.g. as tax residents of Switzerland or, in the case of non-residents, through a permanent establishment in Switzerland) are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption of, any such Securities (irrespective of their nature) in their income statement and will be taxed on any net taxable earnings for the respective taxation period.

The same taxation treatment also applies to individuals who are classified by the tax authorities as "professional securities dealers" for reasons of, *inter alia*, frequent dealing or leveraged investments in securities (including Securities).

### **Swiss Capital Gains Taxation**

#### ***Securities held as Private Assets by a Swiss Resident Holder***

A qualifying gain or a loss realised by an individual tax resident in Switzerland upon the sale or other disposal of a Security held as part of his or her private assets in terms of Swiss income tax law, is a tax-free private capital gain or a non-tax deductible private capital loss, respectively (see above under "*Securities held as Assets of a Business with Swiss tax nexus*" for a summary of the tax treatment of individuals classified as "professional securities dealers"). Notwithstanding the foregoing, concerning the taxation treatment of Securities which classify as so-called (for Swiss income tax purposes) "non-transparent" derivative financial instruments or Securities which classify as securities with a predominant one-time interest payment in terms of Swiss income tax law, see the taxation principles set forth above with regard to the different instruments under "*Swiss Income Taxation – Securities held as Private Assets by a Swiss Resident Holder*").

#### ***Securities held as Assets of a Business with Swiss tax nexus***

Capital gains realised on Securities held as assets of a business with relevant Swiss tax nexus are taxed in accordance with the taxation principles set forth above under "*Swiss Income Taxation – Securities held as Assets of a Business with Swiss tax nexus*".

### **Swiss Federal Securities Turnover Tax**

The issue and the sale of a Security by the Issuer on the issuance day (i.e., a qualifying primary market transaction in terms of the Swiss federal stamp tax act) and the redemption of a Security are not subject to Swiss federal securities turnover tax, except that the issuance of a Security classified as a fund-like product where a Swiss domestic bank or a Swiss domestic securities dealer is a party to, or acts as an intermediary for, the transaction, all as defined in the Swiss federal stamp tax act for the relevant purpose, may be subject to Swiss federal securities turnover tax of up to 0.30 per cent. on the consideration.

Secondary market transactions in a Security with a maturity in excess of 12 months where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss federal stamp tax act) is a party to, or acts as an intermediary for, the transaction, may, if no statutory exemptions apply, be subject to Swiss securities turnover tax at a rate of up to 0.30 per cent. on the consideration. In contrast, a secondary market transaction in a Security is generally exempt from Swiss federal securities turnover tax if the Security classifies, for this purpose, as pure derivative financial instrument (c.f. above "*Swiss Income Taxation – Securities held as Private Assets by a Swiss Resident Holder – Pure Derivative Financial Instruments*").

The delivery of an Underlying, where such Underlying classifies as a taxable security for purposes of the Swiss federal stamp tax act, such as a stock, a bond or an interest in a fund-like product, to the holder of a Security, is

## TAXATION

subject to Swiss federal securities turnover tax at a rate of 0.15 per cent. if the Underlying is a taxable security issued by a Swiss domestic issuer and at a rate of 0.30 per cent. if the Underlying is a taxable security issued by an issuer not qualifying as a Swiss domestic issuer, however, only if a Swiss securities dealer is a party to, or acts as an intermediary for, the transaction and if no exemption applies, all as defined in the Swiss federal stamp tax act for the relevant purpose.

### Swiss Gift, Inheritance and Estate Taxes

Subject to an applicable international tax treaty in an international scenario, transfers of Securities may be subject to cantonal and/or communal inheritance tax, estate tax or gift tax if the deceased person had his or her last domicile in Switzerland, or if the donor is resident in Switzerland; or in the case of a deceased or donor not tax resident in Switzerland for the purpose of such taxes, the transfer involves an unincorporated business (partnership or sole proprietorship) in Switzerland and Securities are held as part of such business. No such taxes exist at the federal level. The tax rate depends on the relationship (i.e. the relationship between the deceased and the heirs, or between the donor and the donee) and the relevant value of the inheritance or gift. Interspousal gifts and gifts to descendants in direct line, as well as inheritances of the surviving spouse and descendants in direct line are exempt or taxed at privileged rates in most Swiss cantons/municipalities. Gifts and inheritances from unrelated persons are taxed at rates ranging from approx. 20 per cent. to 60 per cent. The taxable base is usually the market value of the asset transferred.

### Swiss Net Worth and Capital Taxes

A holder of a Security who is (i) an individual and tax resident in Switzerland or (ii) a corporate tax resident in Switzerland or (iii) an individual or a corporate tax resident outside Switzerland holding the Security through a permanent establishment in Switzerland, is required to report such Security as part of the wealth tax relevant assets or as part of the business assets with Swiss tax nexus, as applicable, and is subject to annual cantonal and/or communal wealth tax or capital tax, as applicable, on any net taxable wealth (including the Securities) or net taxable capital, as applicable, which tax will, if such holder is an individual or corporate taxpayer resident outside of Switzerland holding the Security as described in clause (iii) above, be limited to the extent such net taxable wealth or capital, as applicable, is attributable to Switzerland.

### The proposed financial transactions tax ("FTT")

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

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Securities should, however, be exempt.

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

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

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

### Automatic exchange of tax information between States

On November 17, 2015, the Spanish Government published Royal Decree 1021/2015, of November 13, (the "**Royal Decree**") in force since January 1, 2016 which establish the obligation on financial institutions to identify the tax residence of persons holding or controlling certain financial accounts and to report them to the Spanish tax authorities within the context of mutual assistance.

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The Royal Decree implements into Spanish domestic legislation the rules on the information to be reported to the tax authorities in respect of financial accounts and due diligence procedures that must be applied by affected financial institutions when obtaining such information per EC Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by EC Council Directive 2014/107/EU) as regards mandatory automatic exchange of information in the field of taxation and the provisions of article 29 bis and additional provision twenty-two of Spanish General Taxation Law.

Based on the Royal Decree, as amended by Royal Decree 366/2021 of May 25, BBVA may be compelled to provide the Spanish tax authorities with certain information in respect of certain categories of financial accounts held or controlled by some investors in the Securities.

### UNITED STATES FEDERAL TAXATION

The following is a general discussion of certain U.S. federal income tax consequences of the ownership and disposition of the Securities. This discussion applies only to initial investors in the Securities who:

- purchase the Securities at the "issue price," which will equal the first price at which a substantial amount of the Securities is sold to the public (not including bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers); and
- hold the Securities as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "**Code**").

Subject to any additional discussion in the applicable Issue Terms, it is expected, and the discussion below assumes, that, for U.S. federal income tax purposes, the issue price of a Security is equal to its stated issue price indicated in the applicable Issue Terms.

This discussion does not describe all of the tax consequences that may be relevant to a holder in light of the holder's particular circumstances or to holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- certain dealers and traders in securities or commodities;
- investors holding the Securities 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 or arrangements classified as partnerships for U.S. federal income tax purposes;
- regulated investment companies;
- real estate investment trusts; or
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs" as defined in Section 408 or 408A of the Code, respectively.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds a Security, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. If you are a partnership holding a Security, 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 the Security to you.

We 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 Security relates (such shares hereafter



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referred to as "**Underlying Shares**") is treated as a "passive foreign investment company" ("**PFIC**") within the meaning of Section 1297 of the Code or as a "United States real property holding corporation" ("**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, exchange or retirement of a Security. 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 summary does not address the U.S. federal income tax consequences of the ownership or disposition of any Underlying Shares (whether or not the issuer of the Underlying Shares is treated as a PFIC or USRPHC) received by a holder upon the maturity (or acceleration), exchange or exercise of a Security. You should consult your tax adviser regarding the potential U.S. federal income tax consequences of the ownership or disposition of any Underlying Shares received upon the maturity (or acceleration), exchange or exercise of a Security.

This summary also does not address the U.S. federal income tax consequences of holding or disposing of Credit-Linked Securities or EUA-Contract Linked Securities. The U.S. federal income tax consequences of holding or disposing of Credit-Linked Securities or EUA-Contract Linked Securities will be set forth in the applicable Issue Terms or Drawdown Prospectus. U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of holding or disposing of Credit-Linked Securities or EUA-Contract Linked Securities.

This summary assumes that any Fund to which a Security 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 Security relates is or becomes treated as a partnership for U.S. federal income tax purposes.

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof, changes to any of which subsequent to the date hereof may affect the tax consequences described herein. This discussion is necessarily general and does not address all aspects of U.S. federal income taxation, including the alternative minimum tax, special tax accounting rules under Section 451 of the Code or the Medicare tax on investment income, or any U.S. federal taxes other than income taxes (such as U.S. federal estate and gift tax) or any state, local or non-U.S. tax laws to

a holder of Securities. Persons considering the purchase of Securities should consult their tax advisers with regard to the application of the 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.

**This discussion is subject to any additional disclosure regarding U.S. federal taxation contained in the applicable Issue Terms. Accordingly, you should also consult the applicable Issue Terms for any additional discussion of U.S. federal taxation with respect to the specific Securities offered thereunder.**

### TAX CONSEQUENCES TO U.S. HOLDERS

This section only addresses Securities that are in registered form for U.S. federal income tax purposes. If a Security is not in registered form for U.S. federal income tax purposes, certain adverse U.S. federal income tax consequences will apply to U.S. Holders. You should consult your tax adviser regarding the U.S. federal tax consequences of holding and disposing of a Security that is not in registered form for U.S. federal income tax purposes.

This section applies to you only if you are a U.S. Holder. As used herein, the term "**U.S. Holder**" means a beneficial owner of a Security that is for U.S. federal income tax purposes:

- 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.

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### Securities Treated as Indebtedness for U.S. Federal Income Tax Purposes

This section discusses only Securities treated as debt instruments for U.S. federal income tax purposes. Securities for which the principal amount payable at maturity or upon early settlement must equal or exceed the issue price should be treated as indebtedness for U.S. federal income tax purposes. The applicable Issue Terms will indicate whether the Issuer will treat as indebtedness for U.S. federal income tax purposes other Securities for which the principal amount payable at maturity or upon early settlement is not substantially lower than the issue price. In either case, there can be no assurance that the IRS or a court will agree.

Taxable gain upon the sale, exchange or retirement of Securities, including any taxable gain attributable to fluctuations in currency exchange rates, will be treated as U.S.-source income. Interest income (including original issue discount, if any) from an investment in Securities will be treated as non-U.S. source income. U.S. Holders should consult their tax advisers regarding additional U.S. federal income tax consequences of an investment in the Securities, including the rules applicable to foreign tax credits or deductions, in light of their own particular circumstances.

*Payments of Stated Interest.* Unless otherwise specified in the applicable Issue Terms and subject to the discussions below, stated interest paid on a Security will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the holder's method of accounting for U.S. federal income tax purposes.

Special rules governing the treatment of interest paid with respect to discount securities, short-term securities, floating rate securities, foreign currency securities, foreign currency contingent payment securities and contingent payment securities are described under "*Discount Securities*," "*Short-Term Securities*," "*Floating Rate Securities*," "*Foreign Currency Securities*," "*Adjustments to Interest Accruals on the Securities*" and "*Contingent Payment Securities*" below.

#### *Discount Securities*

*General.* A Security (other than a short-term security, a contingent payment security or a foreign currency contingent payment security, all 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 security**") unless the Security satisfies a *de minimis* threshold (as defined below). The amount of original issue discount is equal to the excess of the stated redemption price at maturity over the issue price. The "stated redemption price at maturity" of a Security equals the sum of all payments required under the Security 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 Security. For a Security that provides for interest solely at a single fixed rate, qualified stated interest is equal to the outstanding principal balance of the Security multiplied by the single fixed rate of interest. Subject to the discussion below under "*Securities Subject to Early Redemption or Repurchase*," if a Security 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 Security will be issued with original issue discount. See "*Floating Rate Securities*" below with regard to qualified stated interest in the case of floating rate securities.

A Security will not be considered to have original issue discount if the difference between the Security's stated redemption price at maturity and its issue price is less than a *de minimis* amount, generally defined by applicable Treasury regulations as  $\frac{1}{4}$  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 Security other than a payment of qualified stated interest: (i) the number of complete years from the issue date of the Security 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 Security's stated redemption price at maturity.

A U.S. Holder of discount securities 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 securities 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

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regard to the timing of the receipt of cash payments attributable to this income. Under this method, U.S. Holders of discount securities 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 Security (including stated interest, original issue discount and *de minimis* original issue discount, as adjusted by any amortizable bond premium (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 securities 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 Securities*" below.

*Securities Subject to Early Redemption or Repurchase.* A Security that is subject to redemption or repurchase 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 Security (which may affect whether the Security 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 relevant Issuer will generally be presumed to exercise an unconditional option to redeem a Security if the exercise of the option will lower the yield on the Security. Conversely, you will generally be presumed to exercise an unconditional option to require the relevant Issuer to repurchase a Security if the exercise of the option will increase the yield on the Security. If such an option is not in fact exercised, the Security will be treated, solely for purposes of calculating original issue discount, as if it were redeemed and a new Security were issued on the presumed exercise date for an amount equal to the Security's "adjusted issue price" on that date. A Security's "adjusted issue price" generally 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 Security other than payments of qualified stated interest.

Under these rules, if a Security provides for multiple fixed rates of interest that increase over the term of the Security, the Security's issue price is not below its stated principal amount and the relevant Issuer has an option to redeem the Security for an amount equal to the stated principal amount prior to the first date on which an increased rate of interest is in effect, the yield on the Security will be lowered if the relevant Issuer redeems the Security before the initial increase in the interest rate, and therefore the relevant Issuer's redemption option will be treated as exercised. Since the Security will therefore be treated as if it were redeemed prior to the initial increase in the interest rate, the Security will not be treated as issued with original issue discount. If a Security is not treated as issued with original issue discount and if, contrary to the presumption in the applicable Treasury regulations, the relevant Issuer does not redeem the Security before the initial increase in the interest rate, the Security will be treated, solely for purposes of calculating original issue discount, as redeemed and reissued. The rules governing short-term debt instruments (as described under "*Short-Term Securities*" below) may apply to a Security deemed reissued if the term of the deemed reissued Security (as determined under the applicable Treasury regulations) is one year or less. You should consult your tax adviser concerning the possible application of these rules.

### *Floating Rate Securities*

*General.* Securities that pay interest at a variable rate are subject to special rules. The following discussion applies to a Security (a "**floating rate security**") that satisfies the following conditions:

- the issue price does not exceed the total noncontingent principal payments due under the floating rate security by more than a specified *de minimis* amount;
- it provides for stated interest, paid or compounded at least annually, at current values of:
  - o one or more qualified floating rates,
  - o a single fixed rate and one or more qualified floating rates,
  - o a single objective rate, or
  - o a single fixed rate and a single objective rate that is a qualified inverse floating rate,
  - o each as defined in the applicable Treasury regulations; and
- certain other conditions, as set forth in the applicable Treasury regulations, are satisfied.

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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 security is denominated. For example, the commercial paper rate and SOFR will generally 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 security;
- a cap or similar restriction that is not reasonably expected as of the issue date to cause the yield on the floating rate security 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 security 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 security 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**" generally is any objective rate (i) that is equal to a fixed rate minus a qualified floating rate and (ii) the variations which can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate (disregarding any caps, floors, governors or similar restrictions that would not, as described above, cause a rate to fail to be a qualified floating rate).

Unless otherwise provided in the applicable Issue Terms, it is expected, and the discussion below assumes, that a floating rate security should qualify as a "variable rate debt instrument." If a floating rate security with a term of more than one year (after taking into account the last possible day that the Security could be outstanding under its terms) does not qualify as a "variable rate debt instrument," then such a floating rate security will generally 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 Securities*" below.

*Floating Rate Securities that Provide for a Single Variable Rate.* All stated interest on a floating rate security will constitute qualified stated interest and will be taxable accordingly (as described under "*Discount Securities—General*" above) if:

- the floating rate security provides for stated interest at a single variable rate throughout the term thereof; and
- the stated interest on the floating rate security is unconditionally payable in cash or other property (other than debt instruments of the issuer) at least annually.

Thus, such a floating rate security will generally not be treated as issued with original issue discount unless the floating rate security 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 defined above under "*Discount Securities—General*" For this purpose, and for purposes of the discussion below under "*Floating Rate Securities that Provide for Multiple Rates*," if a floating rate security 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 security'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 per cent.), 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 security (which will be presumed to be the case for two or more qualified floating rates with values within 0.25 per cent. of each other as determined on the issue date) will be treated as a single qualified floating rate.

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If a floating rate security that provides for stated interest at a single variable rate is issued with original issue discount equal to or greater than a specified *de minimis* amount, as discussed above, the amount of qualified stated interest and the amount of original issue discount that accrues during an accrual period on the floating rate security are determined under the rules applicable to fixed rate debt instruments, discussed under "*Discount Securities*" 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 security.

The qualified stated interest required to be recognised in an accrual period is increased (or decreased) if the interest actually paid during the accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period pursuant to the foregoing rules.

*Floating Rate Securities that Provide for Multiple Rates.* In general, a floating rate security that provides for (i) multiple floating rates or (ii) one or more floating rates in addition to a single fixed rate (other than an initial fixed rate for one year or less that meets the conditions described above) 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 security. A floating rate security that only provides for multiple floating rates must be converted into an "equivalent" fixed rate debt instrument by replacing any qualified floating rate or qualified inverse floating rate provided for under the terms of the floating rate security with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the floating rate security's issue date. In the case of a floating rate security that provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the floating rate security 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 security as of the floating rate security'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 security is then converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the floating rate security 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 security must 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 Securities*" above. In each accrual period, appropriate adjustments must 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 security during the accrual period.

### ***Amortizable Bond Premium***

If a U.S. Holder purchases a Security (other than a contingent payment security or foreign currency contingent payment security, as defined below) for an amount that is greater than the sum of all amounts payable on the Security other than qualified stated interest, the holder will be considered to have purchased the Security with amortizable bond premium equal to such excess. A U.S. Holder generally may elect to amortize such bond premium allocable to an accrual period to offset qualified stated interest required to be included in such holder's income with respect to the Security in that accrual period. However, special rules may limit the amount of bond premium that can be amortised during certain accrual periods in the case of Securities that are subject to optional redemption. A holder who elects to amortise bond premium must reduce its tax basis in the Security by the amount of the premium previously amortised. If an election to amortize bond premium is not made, a U.S. Holder will take premium into account in computing its gain or loss on the sale or other disposition of the Security, which may reduce such capital gain or increase such capital loss. An election to amortise bond premium applies to all taxable debt obligations then owned and thereafter acquired by the holder and may be revoked only with the consent of the IRS.

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If a holder makes a constant yield election (as described under "*Discount Securities*" above) for a Security with amortizable bond premium, such election will result in a deemed election to amortise bond premium for all of the holder's debt instruments with amortizable bond premium and may be revoked only with the permission of the IRS with respect to debt instruments acquired after revocation.

### *Sale, Exchange or Retirement of the Securities*

Upon the sale, exchange or retirement of a Security, a U.S. Holder will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the holder's adjusted tax basis in the Security. The amount realised upon the sale, exchange or retirement of a Security is generally equal to the amount of cash plus the fair market value of any other property received by the U.S. Holder, including the fair market value of any common stock received, from the sale, exchange or retirement of the Security. For these purposes, the amount realised 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 "*Payments of Stated Interest*" above. A U.S. Holder's adjusted tax basis in a Security will equal the cost of the Security to the holder, increased by the amounts of any original issue discount previously included in income by the holder with respect to the Security, and reduced by any principal payments received by the holder, by the amounts of any bond premium previously amortised by the holder and by the amounts of any other payments that do not constitute qualified stated interest.

Except as described below or as otherwise provided in the applicable Issue Terms, gain or loss recognised on the sale, exchange or retirement of a Security will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the Security has been held for more than one year. Exceptions to this general rule apply in the case of a short-term security, to the extent of any accrued discount not previously included in the holder's taxable income. See "*Short-Term Securities*" below. In addition, other exceptions to this general rule apply in the case of certain foreign currency securities, foreign currency contingent payment securities and contingent payment securities. See the discussions under "*Foreign Currency Securities*," "*Adjustments to Interest Accruals on the Securities*" and "*Contingent Payment Securities*" below.

### *Short-Term Securities*

A Security that matures (after taking into account the last possible date that the Security could be outstanding under its terms) one year or less from its issue date will be treated as a "short-term security." As described below, certain aspects of the tax treatment of short-term securities with certain features are uncertain. U.S. Holders of short-term securities should consult their tax advisers as to the U.S. federal tax consequences of the ownership and disposition of such short-term securities.

*Tax Treatment Prior to Maturity of the Short-Term Securities.* Under the applicable Treasury regulations, a short-term security 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 security (including all stated interest and the amount to be paid at maturity) over its issue price. No payments on a short-term security are 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 holder elects to do so. A U.S. Holder who is a cash-method taxpayer and does not make such election should generally include the stated interest payments on the short-term securities, if any, as ordinary income upon receipt. Except in the case of stated interest payments, cash-method holders generally will not be required to recognise income with respect to the short-term securities prior to maturity, other than pursuant to a sale, exchange or retirement, as described below.

A U.S. Holder who is an accrual-method taxpayer will be required to include the discount in income as it accrues on a straight-line basis, unless the holder makes an election to accrue the discount according to a constant yield method based on daily compounding.

*Tax Treatment at Maturity of the Short-Term Securities.* Upon retirement of the short-term securities at maturity, any gain recognised will be treated as ordinary income.

*Sale, Exchange or Retirement of the Short-Term Securities.* Upon a sale, exchange or retirement of a short-term security, a U.S. Holder should treat any gain recognised as ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) and not

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yet included in income. Any gain in excess of this amount will be treated as short-term capital gain. Any loss recognised will be treated as a capital loss.

*Tax Treatment of Short-Term Securities that Provide for a Payment at Maturity that is Not Fixed as of the Issue Date.* Except as specifically stated below, the tax treatment of short-term securities that provide for a payment at maturity that is not fixed as of the issue date ("**contingent short-term securities**") is the same as described above for short-term securities. As described below, certain aspects of the tax treatment of contingent short-term securities are uncertain. Unless otherwise provided in the applicable Issue Terms, due to the lack of governing authority regarding the proper method of accrual of discount on contingent short-term securities, the Issuers' counsel is expected to be unable to opine regarding issues identified below as uncertain or unclear. Although accrual-method holders, and cash-method holders that have elected to apply an accrual method of tax accounting to the short-term securities, generally are required to accrue the discount on the short-term securities in income on a current basis over the term of the Securities, in the case of contingent short-term securities, because the amount payable at maturity with respect to the contingent short-term securities is uncertain, it is unclear how such accruals should be determined. Additionally, in the case of contingent short-term securities, it is unclear whether or to what extent gain from a sale, exchange or retirement prior to maturity 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 securities.

*Interest on Indebtedness Incurred to Purchase the Short-Term Securities.* A cash-method U.S. Holder who does not elect to apply an accrual method of tax accounting to the short-term securities will be required to defer deductions for certain interest paid on indebtedness incurred to purchase or carry the short-term securities until the U.S. Holder includes the discount on the Securities in income or disposes of the Securities 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 securities. It is therefore unclear how, if at all, the rules regarding deferral of interest deductions would apply to contingent short-term securities. U.S. Holders should consult their tax advisers regarding these deferral rules.

### *Foreign Currency Securities*

*General.* The following discussion describes certain special rules applicable to a U.S. Holder of Securities (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 are referred to herein as "**foreign currency securities**." For a description of the treatment of foreign currency securities that provide for contingent payments or for payments made in or determined by reference to multiple currencies, see the discussion under "*Adjustments to Interest Accruals on the Securities*" below.

The rules applicable to foreign currency securities could require gain or loss realised upon the sale, exchange or other disposition (including retirement) of the Securities that is attributable to fluctuations in currency exchange rates ("**foreign currency gain or loss**") to be recharacterised as ordinary income or loss. The rules applicable to foreign currency securities are complex and their application may depend on the holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a holder should make any of these elections may depend on the 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 securities.

*Payments of Interest on Foreign Currency Securities.* 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 sale, exchange or other disposition (including retirement) attributable to accrued qualified stated interest) in a foreign currency with respect to a foreign currency security will be required to include in income the U.S. dollar value of the foreign currency payment as determined on the date of actual or constructive receipt by such U.S. Holder, using the spot rate of exchange on such date, 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. To the extent that a cash-method holder is required to accrue original issue discount on a foreign currency security, rules similar to the rules described in the following paragraph will apply with respect to the original issue discount.

In the case of a U.S. Holder that uses the accrual method of accounting for U.S. federal income tax purposes, the 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

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is otherwise required to be taken into account with respect to a foreign currency security 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 foreign currency gain or loss as 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 payment or proceeds from the sale, exchange or other disposition (including retirement) attributable to accrued interest are actually received. The amount of ordinary income or loss recognised 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 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 Securities.* Original issue discount and amortizable bond premium (each as defined above) on a foreign currency security are to be determined in the relevant foreign currency. If an election to amortise 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. Foreign currency gain or loss is realised on amortised bond premium with respect to any period by treating the bond premium amortised in the same period as a return of principal that is treated in the same manner as on the sale, exchange or retirement of the foreign currency security (as discussed below). Any foreign currency gain or loss will be ordinary income or loss as described below.

*Tax Basis in Foreign Currency Securities.* A U.S. Holder's tax basis in a foreign currency security, and the amount of any subsequent adjustment to the holder's tax basis, will be the U.S. dollar value of the foreign currency amount paid for such foreign currency security, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment (or, in the case of cash-method and electing accrual-method taxpayers, the date of settlement for Securities that are traded on an established securities market). A U.S. Holder who purchases a foreign currency security with previously owned foreign currency will recognise ordinary income or loss in an amount equal to the difference, if any, between such U.S. Holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency security on the date of purchase.

*Sale, Exchange or Retirement of Foreign Currency Securities.* Foreign currency gain or loss recognised upon the sale, exchange or retirement of a foreign currency security will be ordinary income or loss that will not be treated as interest income or expense. The amount of foreign currency 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 Security, determined on the date the payment is received in exchange for the Security or the Security 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 Security, determined on the date the U.S. Holder acquired the Security. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency securities described above. Foreign currency gain or loss realised upon the sale, exchange or retirement of any foreign currency security will be recognised only to the extent of the total gain or loss realised by a U.S. Holder on the sale, exchange or retirement of the foreign currency security. Any gain or loss realised by a U.S. Holder in excess of the foreign currency gain or loss will be capital gain or loss (except in the case of a short-term security, to the extent of any discount not previously included in the holder's income). If a U.S. Holder recognises an ordinary loss upon a sale or other disposition of a foreign currency security and such loss is above certain thresholds, the holder may be required to file a disclosure statement with the IRS. See "*Disclosure Requirements*" below.

A U.S. Holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency security equal to the U.S. dollar value of the foreign currency, determined at the time of such sale, exchange or retirement. A cash-method taxpayer who buys or sells a foreign currency security that is traded on an established securities 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



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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 sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency securities) will be ordinary income or loss.

### *Foreign Currency Contingent Payment Securities*

*General.* The following discussion describes certain special rules applicable to a U.S. Holder of Securities that (i) are denominated in a specified currency other than the U.S. dollar or 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 and provide for contingent payments or (ii) provide for payments made in or determined by reference to multiple currencies (other than the U.S. dollar) (such Securities hereinafter referred to as "**foreign currency contingent payment securities**"). These Securities will be subject to special rules that govern the tax treatment of foreign currency contingent payment securities under applicable Treasury regulations (the "**foreign currency contingent debt regulations**").

Pursuant to the foreign currency contingent debt regulations, a U.S. Holder of a Security will be required to accrue interest income on the Security on a constant yield basis, based on a comparable yield, as described below, regardless of whether such holder uses the cash or accrual method of accounting for U.S. federal income tax purposes. All determinations and computations required under the foreign currency contingent debt regulations (including the relevant Issuer's determination of the "comparable yield" and "projected payment schedule" for the Security, each as defined below) will be made in the denomination currency of the Security. The foreign currency contingent debt regulations provide that the denomination currency of Securities that have principal or interest payments denominated in, or determined by reference to, more than one currency is the currency with the greatest value determined by comparing the values of the noncontingent and projected payments denominated in, or determined by reference to, each currency on the issue date, discounted to present value and, if necessary, translated into U.S. dollars at the spot rate on the issue date.

The foreign currency contingent debt regulations provide that a U.S. Holder must accrue into income original issue discount for U.S. federal income tax purposes for each accrual period prior to and including the maturity date of the Security. The amount of original issue discount that a U.S. Holder must accrue for each accrual period is determined in the denomination currency by applying the "noncontingent bond method" to the Security in the denomination currency and equals the product of:

- the adjusted issue price (as defined below) of the Security in the denomination currency as of the beginning of the accrual period;
- the comparable yield of the Security, 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 Security and the denominator of which is the number of days in the accrual period.

The "**adjusted issue price**" of a Security is its issue price, increased by any interest income previously accrued (determined without regard to any net positive or net negative adjustments as described below), and decreased by the amount of any projected payments that previously have been scheduled to be made in respect of the Security, each determined in the denomination currency.

The term "**comparable yield**" as used in the foreign currency contingent debt regulations is determined in the denomination currency and is equal to the greater of (i) the annual yield the relevant Issuer would pay, as of the issue date, on a fixed rate debt instrument in the denomination currency with no contingent payments, but with terms and conditions otherwise comparable to those of the Security, and (ii) a rate of interest that is analogous to the applicable federal rate that would be used if the U.S. dollar were the denomination currency.

The foreign currency contingent debt regulations require that the relevant Issuer provides to U.S. Holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments in the denomination currency (the "projected payment schedule") on a Security. This schedule must produce a yield to maturity that equals the comparable yield.

**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 Security for U.S.**

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**federal income tax purposes. The comparable yield and the projected payment schedule will not constitute a projection or representation by the relevant Issuer regarding the actual amounts that will be paid on the Security.**

*Translation of Amounts Determined Under Noncontingent Bond Method.* The accruals of interest computed with respect to a Security in the denomination currency (adjusted by certain net positive or negative adjustments as described below) must be translated into U.S. dollars. 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 an average rate for the partial period within the taxable year. A U.S. Holder may elect to translate interest income for an interest accrual period into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year). 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.

*Adjustments to Interest Accruals on the Securities.* If, during any taxable year, a U.S. Holder of a Security receives actual payments with respect to such Security that, in the aggregate, exceed the total amount of projected payments for that taxable year, as determined in the denomination currency, the U.S. Holder will incur a "net positive adjustment" under the foreign currency 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, translated into U.S. dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account or, if earlier, the date of a sale, exchange or retirement of the Security.

If a U.S. Holder receives in a taxable year actual payments with respect to a Security that, in the aggregate, are less than the amount of projected payments for that taxable year, as determined in the denomination currency, the U.S. Holder will incur a "net negative adjustment" under the foreign currency contingent debt regulations equal to the amount of such deficit. This net negative adjustment:

- (i) will first reduce interest on the Security that otherwise would accrue in the denomination currency for that taxable year and be included in income in the 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 accrued but unpaid interest on the Security in prior taxable years (translated into U.S. dollars at the spot rate used to translate interest in the relevant prior taxable year);
- (iii) to the extent of any excess after applying (i) and (ii), will give rise to an ordinary loss to the extent of the U.S. Holder's accrued and paid interest on the Security in prior taxable years (translated into U.S. dollars at the spot rate on the date the Security was issued or, if later, acquired); and
- (iv) to the extent of any excess after applying (i), (ii) and (iii), will be treated as a net negative adjustment carryforward that will be applied to reduce interest accruals in subsequent years and the amount realised in the year of a sale, exchange or retirement of the Security (in the denomination currency).

With respect to non-corporate U.S. Holders, a net negative adjustment is not subject to the two percent floor limitation on miscellaneous itemised deductions.

*Sale, Exchange or Retirement of Foreign Currency Contingent Payment Securities.* Generally, the sale, exchange or retirement of a Security will result in taxable gain or loss to a U.S. Holder. The amount of gain or loss on a sale, exchange or retirement of a Security will be equal to the difference between the amount realised on the sale, exchange or retirement and such holder's adjusted tax basis in the Security. As discussed above, to the extent 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 realised in the denomination currency on the sale, exchange or retirement of the Security.

A U.S. Holder's adjusted tax basis in a Security will equal the U.S. dollar cost as of the day the U.S. Holder purchased the Security, increased by the U.S. dollar value of the holder's total interest accruals with respect to the Security (determined without regard to any adjustments to interest accruals as described above), translated as described above, and decreased by the amount of any projected payments that previously have been scheduled to be made in respect of the Security (translated into U.S. dollars).

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The amount realised on the sale, exchange or unscheduled retirement of a Security is generally equal to the U.S. dollar value of cash and the fair market value of any other property received by the U.S. Holder, including the fair market value of any Underlying Shares received, reduced by the amount of any net negative adjustment carryforward (translated into U.S. dollars). Any gain, other than foreign currency gain (as discussed below), will be treated as interest income. Any loss, other than foreign currency loss (as discussed below), will be treated as an ordinary loss to the extent of the excess of the holder's total interest accruals over the total net negative adjustments previously taken into account as ordinary losses in respect of the Security, and as a capital loss thereafter. If a U.S. Holder recognises an ordinary loss upon a sale, exchange or retirement of a Security and such loss is above certain thresholds, the holder may be required to file a disclosure statement with the IRS. See "*Disclosure Requirements*" below.

For purposes of determining the amount realised at maturity of a Security, the U.S. Holder will be deemed to receive the projected amount of any contingent payment due on that date, reduced by the amount of any net negative adjustment carryforward. The projected amount is translated into U.S. dollars by translating the portion attributable to principal into U.S. dollars at the spot rate on the issue date and translating the portion attributable to accrued interest into U.S. dollars at the rates at which such amounts of interest were translated when accrued. To the extent that the actual amount a U.S. Holder receives at the maturity of a Security is greater or less than the projected amount, a U.S. Holder will incur a net positive adjustment or a net negative adjustment, which will be treated as described above under "*Adjustments to Interest Accruals on the Securities*." To the extent that there is any net negative adjustment carryforward as described above under "*Adjustments to Interest Accruals on the Securities*," it will reduce the amount realised on the Security (translated into U.S. dollars at the spot rate on the issue date of the Security).

*Foreign Currency Gain or Loss on Foreign Currency Contingent Payment Securities.* A U.S. Holder may recognise foreign currency gain or loss with respect to a Security when the U.S. Holder receives payments on the Security. The amount of foreign currency gain or loss attributable to payments of interest previously accrued on the Security is determined by translating the amount of interest received into U.S. dollars at the spot rate on the date of receipt and subtracting from such amount the amount determined by translating the interest received into U.S. dollars at the rate at which such interest was accrued as described above. The amount of foreign currency gain or loss attributable to payments of principal is determined by translating the amount of principal received into U.S. dollars at the spot rate on the date of receipt and subtracting from such amount the amount determined by translating the principal received into U.S. dollars at the spot rate on the date the Security was issued or, if later, acquired. For purposes of determining the amount of foreign currency gain or loss, the amount received (i) shall first be attributed to any net positive adjustment on the Security that has not previously been taken into account and (ii) then to accrued but unpaid interest remaining after reduction by any net negative adjustment and (iii) any remaining amount shall be attributed to the principal.

Upon a sale, exchange or unscheduled retirement of a Security, a U.S. Holder would also recognise foreign currency gain or loss. Payments received upon such a sale, exchange or unscheduled retirement of a Security shall first be applied against the principal of the Security and then against accrued but unpaid interest (and treated, in each case, as described in the preceding paragraph).

The total amount of foreign currency gain or loss on a Security is equal to the sum of the foreign currency gains or losses on principal and interest, calculated as described above. Any such foreign currency gain or loss will be treated as ordinary income or loss. Prospective purchasers should consult their tax advisers regarding these rules. If a U.S. Holder recognises an ordinary loss upon a sale or other disposition of a foreign currency contingent payment security and such loss is above certain thresholds, the holder may be required to file a disclosure statement with the IRS. See "*Disclosure Requirements*" below.

Special rules will apply if one or more contingent payments on a Security become fixed. If one or more contingent payments on a Security (determined in the denomination currency) 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 (determined in the denomination currency), using the comparable yield as the discount rate in each case. If all remaining scheduled contingent payments on a Security 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 Security. 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.

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A U.S. Holder's tax basis in the Security and the character of any gain or loss on the sale of the Security will also be affected. U.S. Holders should consult their tax advisers concerning the application of these special rules.

### *Contingent Payment Securities*

*General.* Unless otherwise noted in the applicable Issue Terms, a Security that has principal or interest determined by reference to commodities, funds, securities or indices, other than a Short-Term Security (see the discussion under "*Short-Term Securities*" above), or a Foreign Currency Contingent Payment Security (see the discussion under "*Adjustments to Interest Accruals on the Securities*" above), (such Securities hereinafter referred to as "contingent payment securities") will generally be treated as a "contingent payment debt instrument" for U.S. federal income tax purposes. As a result, the contingent payment securities will be subject to special rules that govern the tax treatment of debt obligations that are treated under applicable Treasury regulations (the "**contingent debt regulations**") as providing for contingent payments.

Pursuant to the contingent debt regulations, a U.S. Holder of a contingent payment security will be required to accrue interest income on the contingent payment security on a constant yield basis, based on a comparable yield, as described below, regardless of whether such holder uses the cash or accrual method of accounting for U.S. federal income tax purposes. As a result, 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.

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 security that equals the product of:

- the adjusted issue price (as defined below) of the contingent payment security as of the beginning of the accrual period;
- the comparable yield (as defined below) of the contingent payment security, 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 security and the denominator of which is the number of days in the accrual period.

The "**adjusted issue price**" of a contingent payment security 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 (in accordance with the projected payment schedule described below) previously made with respect to the contingent payment security.

The term "**comparable yield**" as used in the contingent debt regulations means the greater of (i) the annual yield the relevant 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 securities, and (ii) the applicable federal rate.

The contingent debt regulations require that the relevant 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 securities. This schedule must produce a yield to maturity that equals the comparable yield.

**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 securities for U.S. federal income tax purposes. They will not constitute a projection or representation by the relevant Issuer regarding the actual amounts that will be paid on the contingent payment securities.**

*Adjustments to Interest Accruals on the Securities.* If, during any taxable year, a U.S. Holder of a contingent payment security receives actual payments with respect to such contingent payment security 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" (*i.e.*, the excess of projected payments over actual payments) 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.

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If a U.S. Holder receives in a taxable year actual payments with respect to the contingent payment security 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 security for that taxable year;
- (ii) to the extent of any excess after applying (i) above, will give rise to an ordinary loss to the extent of the U.S. Holder's interest income on the contingent payment security 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) above, will be carried forward as a negative adjustment to offset future interest income with respect to the contingent payment security or to reduce the amount realised on a sale, exchange or retirement of the contingent payment security.

With respect to non-corporate U.S. Holders, a net negative adjustment is not subject to the two percent floor limitation on miscellaneous itemised deductions.

Generally, the sale, exchange or retirement of a contingent payment security will result in taxable gain or loss to a U.S. Holder. The amount of gain or loss on a sale, exchange or retirement of a contingent payment security 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, including the fair market value of any Underlying Shares received (the "**amount realised**"), from the sale, exchange or retirement of the contingent payment security and (b) the U.S. Holder's adjusted tax basis in the contingent payment security. 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 realised on the sale, exchange or retirement of the contingent payment security.

For purposes of determining the amount realised on the scheduled retirement of a contingent payment security, 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 securities 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 security generally will be equal to the U.S. Holder's original purchase price for the contingent payment security, 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 security (without regard to the actual amount paid).

Gain recognised by a U.S. Holder upon a sale, exchange or retirement of a contingent payment security 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 security, and thereafter capital loss (which will be long-term capital loss if the contingent payment security 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 sale or other disposition of a contingent payment security and such loss is above certain thresholds, the holder may be required to file a disclosure statement with the IRS. See "*Disclosure Requirements*" below.

Special rules will apply if one or more contingent payments on a contingent payment security become fixed. If one or more contingent payments on a contingent payment security 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 security 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 security. For purposes of the preceding sentence, a payment (including an amount payable at maturity) will be treated as fixed if (and when) all remaining

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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 security and the character of any gain or loss on the sale of the contingent payment security will also be affected. U.S. Holders should consult their tax advisers concerning the application of these special rules.

### Securities Treated as Open Transactions

This discussion applies to Securities that do not 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 Security's issue price. Due to the absence of statutory, judicial or administrative authorities that directly address the treatment of the Securities or instruments that are similar to the Securities for U.S. federal income tax purposes, no assurance can be given that the IRS or a court will agree with the tax treatment described herein. We intend to treat the Securities for U.S. federal income tax purposes as a single financial contract that is an "open transaction" for U.S. federal income tax purposes.

**Our counsel has not rendered an opinion as to the proper U.S. federal income tax treatment of the Securities, and due to the absence of statutory, judicial or administrative authorities that directly address the treatment of the Securities described above no assurance can be given that the IRS or a court will agree with the treatment described herein. Significant aspects of the U.S. federal income tax consequences of an investment in the Securities are uncertain. Accordingly, you should consult your tax adviser regarding all aspects of the U.S. federal tax consequences of an investment in the Securities (including possible alternative treatments) and with respect to any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction. Unless otherwise stated, the following discussion is based on the treatment of each Security as described in the previous paragraph.**

Taxable gain upon the sale, exchange or retirement of Securities, including any taxable gain attributable to fluctuations in currency exchange rates, will be treated as U.S.-source income. U.S. Holders should consult their tax advisers regarding additional U.S. federal income tax consequences of an investment in the Securities, including the rules applicable to foreign tax credits or deductions, in light of their own particular circumstances.

### *Tax Treatment of Securities Treated as Open Transactions*

*Tax Treatment Prior to Settlement.* Subject to the discussions below under "*Possible Taxable Events*" and "*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 Securities prior to settlement, other than pursuant to a sale or exchange as described below.

*Tax Basis.* Subject to the discussions below under "*Possible Taxable Events*" and "*Possible Application of Section 1256 of the Code*," a U.S. Holder's tax basis in a Security should equal the amount paid by the U.S. Holder to acquire the Security.

*Sale, Exchange or Settlement of a Security.* Upon a sale, exchange or settlement of a Security for cash, a U.S. Holder should recognise gain or loss equal to the difference between the amount realised on the sale, exchange or settlement and the U.S. Holder's tax basis in the Security sold, exchanged or settled. 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 and under "*Possible Taxable Events*," any gain or loss recognised should be long-term capital gain or loss if the U.S. Holder has held the Security for more than one year at the time of the sale, exchange or settlement, and short-term capital gain or loss otherwise.

A U.S. Holder that, upon physical settlement of a Security, receives Underlying Shares and cash in lieu of any shares, should, 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 and 1256 of the Code, be treated as recognising capital gain or loss equal to the difference between the amount of cash received in lieu of any fractional share and the pro rata portion of the U.S. Holder's tax basis in the Securities that is allocable to such fractional share, based on the amount of cash received and the fair market value of the Underlying Shares received, as of the final determination date of the Securities. The U.S. Holder should not recognise any gain or loss with respect to any Underlying Shares received. The U.S. Holder should have a basis in the Underlying Shares equal to the U.S. Holder's tax basis in the Securities, other than any amount allocated to a fractional share. The holding period for such Underlying Shares should start on the day after receipt.

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### *Possible Taxable Events*

In the event of a change in the methodology by which a Reference Item to which a Security relates is calculated, a change in the components of such a Reference Item, the discontinuance of such a Reference Item, the designation of a successor to such a Reference Item or other similar circumstances resulting in a material change to such a Reference Item, it is possible that a Security could be treated, in whole or in part, as terminated and reissued for U.S. federal income tax purposes. Similar consequences could apply if the relevant Issuer is replaced and substituted by another entity as the principal debtor under the Securities. In the event of a deemed retirement, 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 Security. Moreover, the tax treatment of the Security after the deemed reissuance could be materially adversely affected. U.S. Holders should consult their tax advisers regarding the risk of such an event.

### *Possible Application of Section 1260 of the Code*

If a Security (other than a Security that provides for only a single fixed upside payment if the relevant Reference Item increases in value over the term of the Security or a Security that provides for an upside payment only if the relevant Reference Item decreases in value over the term of the Security) 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 Security will be treated as a "constructive ownership transaction," as defined in Section 1260 of the Code. If an investment in the Security 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 Security could be recharacterised as ordinary income (the "**Recharacterised 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 Recharacterised 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 sale, exchange or settlement of the Security) during the term of the constructive ownership transaction.

The amount of the Recharacterised Gain (if any) that would be treated as ordinary income in respect of the Security equals the excess of (i) any long-term capital gain recognised by the U.S. Holder in respect of the Security over (ii) the "net underlying long-term capital gain" (as defined in Section 1260 of the Code). Even if an investment in the Security is treated as a constructive ownership transaction, the amount of net underlying long-term capital gain, and therefore the amount of Recharacterised Gain, is unclear. It is possible, for example, that the net underlying long-term capital gain is equal to the aggregate net capital gain that the U.S. Holder would have had if the Underlying Shares had been acquired for fair market value on the issue date of the Security and sold for fair market value upon the date of sale, exchange or settlement of the Security (which would reflect the percentage increase, without any multiple, in the value of the Underlying Shares over the term of the Security). However, the net underlying long-term capital gain could alternatively be calculated using a number of Underlying Shares that reflects the multiple upon which any gain on the Security will be calculated, in which case the amount of Recharacterised Gain would generally be zero. Moreover, other features of a Security (such as a Security linked to multiple Pass-Thru Entities or a Pass-Thru Entity and one or more indices which do not contain any Pass-Thru Entities), may also give rise to uncertainty about the proper method for calculating the amount of Recharacterised 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 commodities, the long-term capital gain that a U.S. Holder would otherwise recognise in respect of the Security 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.

Unless otherwise provided in the applicable Issue Terms, due to the lack of governing authority, our counsel expects to be unable to opine as to whether or how Section 1260 of the Code applies to Securities linked to Pass-Thru Entities. U.S. Holders should consult their tax advisers regarding the potential application of the "constructive ownership" rule to the Securities.

### *Possible Application of Section 1258 of the Code*

It is possible that an investment in certain Securities, particularly those that provide for a single fixed upside payment, could be treated as a "conversion transaction" under Section 1258 of the Code. A conversion transaction includes, among others, a transaction marketed or sold as producing capital gains and from which substantially

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all of the taxpayer's expected return is attributable to the time value of the taxpayer's net investment. If an investment in the Securities were treated as a conversion transaction, the gain from the sale, exchange or settlement of the Securities 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 Securities) for the period ending on the date of sale (including a deemed sale described above under "*Possible Taxable Events*" or under the mark-to-market treatment discussed below under "*Possible Application of Section 1256 of the Code*"), exchange or settlement 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 Securities.

### *Possible Application of Section 1256 of the Code*

Special rules will apply if a Security constitutes, in whole or in part, a "Section 1256 Contract" under Section 1256 of the Code. Section 1256 Contracts include, among others, "listed options." Accordingly, if a Security is listed on (or subject to the rules of) an exchange, board of trade or market, it is possible that the Security may be treated, in whole or in part, as a Section 1256 Contract. If Section 1256 of the Code were to apply to a Security, U.S. Holders would be required (i) to mark to market all or a portion of the Security 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 Security that is treated as a Section 1256 Contract as 40 per cent. short-term capital gain or loss and 60 per cent. 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 Securities.

### *Possible Application of Section 988 of the Code*

*General.* The following discussion describes certain special rules applicable to a U.S. Holder of Securities that are open transactions and for which the Reference Item includes one or more currencies (other than the U.S. dollar).

*Sale, Exchange or Retirement.* Because the return on the Security is "determined by reference to the value" of one or more foreign currencies, unless otherwise provided in the applicable Issue Terms, we intend to treat the Security as subject to Section 988 of the Code. In that case, any gain or loss recognised on the Security (including any gain or loss resulting from the possible application of Section 1256 of the Code, as discussed above) generally will 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 Security. 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 Security. Unless otherwise provided in the applicable Issue Terms, due to the lack of governing authority, our counsel expects to be unable to opine as to whether the Section 988 election is available for the Security. 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 Security. In addition, a U.S. Holder might be subject to special reporting requirements that apply to foreign currency losses that exceed certain thresholds.

### *Possible Alternative Tax Treatments of an Investment in a Security*

Due to the absence of authorities that directly address the proper tax treatment of the Security, 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 a Security as a debt instrument. The risk that financial instruments providing for downside protection features would be recharacterised, for U.S. federal income tax purposes, as debt instruments giving rise to ordinary income and possible accrual of income prior to maturity or disposition of the Security, rather than as open transactions, is greater than the risk of recharacterisation for comparable financial instruments that do not have such features. If the Security were recharacterised as a debt instrument, the U.S. federal income tax consequences to the U.S. Holder would depend on the terms of the Security and could be materially adverse to the U.S. Holder. For a description of the tax treatment of Securities that are treated as debt instruments, see the discussion under "*Securities Treated as Indebtedness for U.S. Federal Income Tax Purposes*" above.

Even if debt treatment does not apply to the Security, other alternative U.S. federal income tax treatments of the Security are possible, which, if applied, could significantly affect the timing and character of the income or loss with respect to the Security. It is possible, for example, that a Security could be treated as a unit consisting of a



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loan and a forward contract, in which case a U.S. Holder might be required to accrue OID into income on a current basis.

In 2007, 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. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; and whether these instruments are or should be subject to the "constructive ownership" rule (as discussed above under "*Possible Application of Section 1260 of the Code*"). While the notice requests comments on appropriate transition rules and effective dates, 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 Security, 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 Security, including the possible implications of the IRS notice.

### **Securities Providing for Upside Potential and Treated as Single Financial Contracts with Associated Coupons**

This discussion applies to Securities 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 Security's issue price. Due to the absence of statutory, judicial or administrative authorities that directly address the treatment of the Securities or instruments that are similar to the Securities for U.S. federal income tax purposes, no assurance can be given that the IRS or a court will agree with the tax treatment described herein. We intend to treat the Securities 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 you at the time received or accrued in accordance with your regular method of tax accounting.

**Our counsel has not rendered an opinion as to the proper U.S. federal income tax treatment of the Securities, and due to the absence of statutory, judicial or administrative authorities that directly address the treatment of the Securities described above, no assurance can be given that the IRS or a court will agree with the treatment described herein. Significant aspects of the U.S. federal income tax consequences of an investment in the Securities are uncertain. Accordingly, you should consult your tax adviser regarding all aspects of the U.S. federal tax consequences of an investment in the Securities (including possible alternative treatments) and with respect to any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction. Unless otherwise stated, the following discussion is based on the treatment of each Security as described in the previous paragraph.**

Taxable gain upon the sale, exchange or retirement of Securities, including any taxable gain attributable to fluctuations in currency exchange rates, will be treated as U.S.-source income. Coupon payments received from an investment in Securities will be treated as non-U.S. source income. U.S. Holders should consult their tax advisers regarding additional U.S. federal income tax consequences of an investment in the Securities, including the rules applicable to foreign tax credits or deductions, in light of their own particular circumstances.

#### ***Tax Treatment of the Securities***

Assuming the treatment of the Securities as set forth above is respected, the following U.S. federal income tax consequences should result.

*Tax Basis.* Subject to the discussions below under "*Possible Taxable Events*" and "*Possible Application of Section 1256 of the Code*," a U.S. Holder's tax basis in the Securities should equal the amount paid by the U.S. Holder to acquire the Securities.

*Coupon Payments on the Securities.* Any coupon payments on the Securities 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.

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*Sale, Exchange or Settlement of the Securities.* Upon a sale, exchange or settlement of the Securities for cash, a U.S. Holder should recognise gain or loss equal to the difference between the amount realised on the sale, exchange or settlement and the U.S. Holder's tax basis in the Securities so sold, exchanged or settled. For this purpose, the amount realised does not include any coupon paid at settlement, and may not include sale 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 and under "*Possible Taxable Events*," any such gain or loss recognised should be long-term capital gain or loss if the U.S. Holder has held the Securities for more than one year at the time of the sale, exchange or settlement, 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 sale, exchange or settlement of the Securities, could result in adverse tax consequences to holders of the Securities because the deductibility of capital losses is subject to limitations.

A U.S. Holder that, upon settlement of the Securities, receives Underlying Shares and cash in lieu of any fractional share should, 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 and 1256 of the Code, be treated as recognising capital gain or loss equal to the difference between the amount of cash received in lieu of any fractional share and the pro rata portion of the U.S. Holder's tax basis in the Securities that is allocable to such fractional share, based on the amount of cash received and the fair market value of the Underlying Shares received, as of the final determination date of the Securities. The U.S. Holder should not recognise any gain or loss with respect to any Underlying Shares received. The U.S. Holder should have a basis in the Underlying Shares equal to the U.S. Holder's tax basis in the Securities, other than any amount allocated to a fractional share. The holding period for such Underlying Shares should start on the day after receipt.

### *Possible Taxable Events*

In the event of a change in the methodology by which a Reference Item to which a Security relates is calculated, a change in the components of such a Reference Item, the discontinuance of such a Reference Item, the designation of a successor to such a Reference Item or other similar circumstances resulting in a material change to such a Reference Item, it is possible that a Security could be treated, in whole or in part, as terminated and reissued for U.S. federal income tax purposes. Similar consequences could apply if the relevant Issuer is replaced and substituted by another entity as the principal debtor under the Securities. In the event of a deemed retirement, 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 Security. Moreover, the tax treatment of the Security after the deemed reissuance could be materially adversely affected. U.S. Holders should consult their tax advisers regarding the risk of such an event.

### *Possible Application of Section 1260 of the Code*

If a Security (other than a Security that provides for only a single fixed upside payment if the relevant Reference Item increases in value over the term of the Security or a Security that provides for an upside payment only if the relevant Reference Item decreases in value over the term of the Security) 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 Security will be treated as a "constructive ownership transaction," as defined in Section 1260 of the Code. If an investment in the Security 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 Security could be recharacterised as ordinary income (the "**Recharacterised 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 Recharacterised 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 sale, exchange or settlement of the Security) during the term of the constructive ownership transaction.

The amount of the Recharacterised Gain (if any) that would be treated as ordinary income in respect of the Security equals the excess of (i) any long-term capital gain recognised by the U.S. Holder in respect of the Security over (ii) the "net underlying long-term capital gain" (as defined in Section 1260 of the Code). Even if an investment in the Security is treated as a constructive ownership transaction, the amount of net underlying long-term capital gain, and therefore the amount of Recharacterised Gain, is unclear. It is possible, for example, that the net underlying long-term capital gain is equal to the aggregate net capital gain that the U.S. Holder would have had if the Underlying Shares had been acquired for fair market value on the issue date of the Security and sold for fair

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market value upon the date of sale, exchange or settlement of the Security (which would reflect the percentage increase, without any multiple, in the value of the Underlying Shares over the term of the Security). However, the net underlying long-term capital gain could alternatively be calculated using a number of Underlying Shares that reflects the multiple upon which any gain on the Security will be calculated, in which case the amount of Recharacterised Gain would generally be zero. Moreover, other features of a Security (such as a Security linked to multiple Pass-Thru Entities or a Pass-Thru Entity and one or more indices which do not contain any Pass-Thru Entities), may also give rise to uncertainty about the proper method for calculating the amount of Recharacterised 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 commodities, the long-term capital gain that a U.S. Holder would otherwise recognise in respect of the Security 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.

Unless otherwise provided in the applicable Issue Terms, due to the lack of governing authority, our counsel expects to be unable to opine as to whether or how Section 1260 of the Code applies to Securities linked to Pass-Thru Entities. U.S. Holders should consult their tax advisers regarding the potential application of the "constructive ownership" rule to the Securities.

### ***Possible Application of Section 1258 of the Code***

It is possible that an investment in certain Securities, particularly those that provide for a single fixed upside payment, could be treated as a "conversion transaction" under Section 1258 of the Code. A conversion transaction includes, among others, 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 Securities were treated as a conversion transaction, the gain from the sale, exchange or settlement of the Securities 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 Securities) for the period ending on the date of sale (including a deemed sale described above under "*Possible Taxable Events*" or under the mark-to-market treatment discussed below under "*Possible Application of Section 1256 of the Code*"), exchange or settlement 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 Securities.

### ***Possible Application of Section 1258 of the Code***

It is possible that an investment in certain Securities, particularly those that provide for a single fixed upside payment, could be treated as a "conversion transaction" under Section 1258 of the Code. A conversion transaction includes, among others, 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 Securities were treated as a conversion transaction, the gain from the sale, exchange or settlement of the Securities 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 Securities) for the period ending on the date of sale (including a deemed sale described above under "*Possible Taxable Events*" or under the mark-to-market treatment discussed below under "*Possible Application of Section 1256 of the Code*"), exchange or settlement 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 Securities.

### ***Possible Application of Section 1256 of the Code***

Special rules will apply if a Security constitutes, in whole or in part, a "Section 1256 Contract" under Section 1256 of the Code. Section 1256 Contracts include, among others, "listed options." Accordingly, if a Security is listed on (or subject to the rules of) an exchange, board of trade or market, it is possible that the Security may be treated, in whole or in part, as a Section 1256 Contract. If Section 1256 of the Code were to apply to a Security, U.S. Holders would be required (i) to mark to market all or a portion of the Security 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 Security that is treated as a Section 1256 Contract as 40 per cent. short-term capital gain or loss and

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60 per cent. 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 Securities.

### *Possible Application of Section 988 of the Code*

*General.* The following discussion describes certain special rules applicable to a U.S. Holder of Securities that are single financial contracts with associated coupons and for which the Reference Item includes one or more currencies (other than the U.S. dollar).

*Sale, Exchange or Retirement.* Because the return on the Security is "determined by reference to the value" of one or more foreign currencies, unless otherwise provided in the applicable Issue Terms, we intend to treat the Security as subject to Section 988 of the Code. In that case, any gain or loss recognised on the Security (including any gain or loss resulting from the possible application of Section 1256 of the Code, as discussed above) generally will 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 Security. 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 Security. Unless otherwise provided in the applicable Issue Terms, due to the lack of governing authority, our counsel expects to be unable to opine as to whether the Section 988 election is available for the Security. 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 Security. In addition, a U.S. Holder might be subject to special reporting requirements that apply to foreign currency losses that exceed certain thresholds.

### *Possible Alternative Tax Treatments of an Investment in the Securities*

Due to the absence of authorities that directly address the proper tax treatment of the Security, 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 a Security as a debt instrument. The risk that financial instruments providing for downside protection features would be recharacterised, for U.S. federal income tax purposes as debt instruments giving rise to ordinary income and possible accrual of income prior to maturity or disposition of the Security, rather than as single financial contracts with associated coupons, is greater than the risk of recharacterisation for comparable financial instruments that do not have such features. If the Security were recharacterised as a debt instrument, the U.S. federal income tax consequences to the U.S. Holder would depend on the terms of the Security and could be materially adverse to the U.S. Holder. For a description of the tax treatment of Securities that are treated as debt instruments, see the discussion under "*—Securities Treated as Indebtedness for U.S. Federal Income Tax Purposes*" above.

Even if debt treatment does not apply to the Security, other alternative U.S. federal income tax treatments of the Security are possible, which, if applied, could significantly affect the timing and character of the income or loss with respect to the Security. It is possible, for example, that a Security 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 OID into income on a current basis.

In 2007, 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. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; and whether these instruments are or should be subject to the "constructive ownership" rule (as discussed above under "*—Possible Application of Section 1260 of the Code*"). While the notice requests comments on appropriate transition rules and effective dates, 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 Security, 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 Security, including the possible implications of the IRS notice.

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### **Securities Treated as Single Financial Contracts with Associated Coupons That Do Not Provide for Upside**

This discussion applies to Securities 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 Security's issue price (other than the contingent coupons). Due to the absence of statutory, judicial or administrative authorities that directly address the treatment of the Securities or instruments that are similar to the Securities for U.S. federal income tax purposes, no assurance can be given that the IRS or a court will agree with the tax treatment described herein. We intend to treat the Securities 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 you at the time received or accrued in accordance with your regular method of tax accounting.

**Our counsel has not rendered an opinion as to the proper U.S. federal income tax treatment of the Securities, and due to the absence of statutory, judicial or administrative authorities that directly address the treatment of the Securities described above, no assurance can be given that the IRS or a court will agree with the treatment described herein. Significant aspects of the U.S. federal income tax consequences of an investment in the Securities are uncertain. Accordingly, you should consult your tax adviser regarding all aspects of the U.S. federal tax consequences of an investment in the Securities (including possible alternative treatments) and with respect to any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction. Unless otherwise stated, the following discussion is based on the treatment of each Security as described in the previous paragraph.**

Taxable gain upon the sale, exchange or retirement of Securities, including any taxable gain attributable to fluctuations in currency exchange rates, will be treated as U.S.-source income. Coupon payments received from an investment in Securities will be treated as non-U.S. source income. U.S. Holders should consult their tax advisers regarding additional U.S. federal income tax consequences of an investment in the Securities, including the rules applicable to foreign tax credits or deductions, in light of their own particular circumstances.

#### *Tax Treatment of the Securities*

Assuming the treatment of the Securities as set forth above is respected, the following U.S. federal income tax consequences should result.

*Tax Basis.* Subject to the discussions below under "*Possible Taxable Events*" a U.S. Holder's tax basis in the Securities should equal the amount paid by the U.S. Holder to acquire the Securities.

*Coupon Payments on the Securities.* Any coupon payments on the Securities 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, Exchange or Settlement of the Securities.* Upon a sale, exchange or settlement of the Securities for cash, a U.S. Holder should recognise gain or loss equal to the difference between the amount realised on the sale, exchange or settlement and the U.S. Holder's tax basis in the Securities so sold, exchanged or settled. For this purpose, the amount realised does not include any coupon paid at settlement, and may not include sale 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 988 and 1256 of the Code under "*Possible Taxable Events*," any such gain or loss recognised should be long-term capital gain or loss if the U.S. Holder has held the Securities for more than one year at the time of the sale, exchange or settlement, 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 sale, exchange or settlement of the Securities, could result in adverse tax consequences to holders of the Securities because the deductibility of capital losses is subject to limitations.

A U.S. Holder that, upon settlement of the Securities, receives Underlying Shares and cash in lieu of any fractional share should, subject to the discussion below regarding Section 1256 of the Code, be treated as recognising capital gain or loss equal to the difference between the amount of cash received in lieu of any fractional share and the pro rata portion of the U.S. Holder's tax basis in the Securities that is allocable to such fractional share, based on the amount of cash received and the fair market value of the Underlying Shares received, as of the final determination date of the Securities. The U.S. Holder should not recognise any gain or loss with respect to any Underlying Shares received. The U.S. Holder should have a basis in the Underlying Shares equal to the U.S. Holder's tax basis in the Securities, other than any amount allocated to a fractional share. The holding period for such Underlying Shares should start on the day after receipt.

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### *Possible Taxable Events*

In the event of a change in the methodology by which a Reference Item to which a Security relates is calculated, a change in the components of such a Reference Item, the discontinuance of such a Reference Item, the designation of a successor to such a Reference Item or other similar circumstances resulting in a material change to such a Reference Item, it is possible that a Security could be treated, in whole or in part, as terminated and reissued for U.S. federal income tax purposes. Similar consequences could apply if the relevant Issuer is replaced and substituted by another entity as the principal debtor under the Securities. In the event of a deemed retirement, 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 Security. Moreover, the tax treatment of the Security after the deemed reissuance could be materially adversely affected. U.S. Holders should consult their tax advisers regarding the risk of such an event.

### *Possible Application of Section 1258 of the Code*

It is possible that an investment in certain Securities, particularly those that provide for a single fixed upside payment, could be treated as a "conversion transaction" under Section 1258 of the Code. A conversion transaction includes, among others, 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 Securities were treated as a conversion transaction, the gain from the sale, exchange or settlement of the Securities 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 Securities) for the period ending on the date of sale (including a deemed sale described above under "*Possible Taxable Events*" or under the mark-to-market treatment discussed below under "*Possible Application of Section 1256 of the Code*"), exchange or settlement 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 Securities.

### *Possible Application of Section 1256 of the Code*

Special rules will apply if a Security constitutes, in whole or in part, a "Section 1256 Contract" under Section 1256 of the Code. Section 1256 Contracts include, among others, "listed options." Accordingly, if a Security is listed on (or subject to the rules of) an exchange, board of trade or market, it is possible that the Security may be treated, in whole or in part, as a Section 1256 Contract. If Section 1256 of the Code were to apply to a Security, U.S. Holders would be required (i) to mark to market all or a portion of the Security 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 Security that is treated as a Section 1256 Contract as 40 per cent. short-term capital gain or loss and 60 per cent. 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 Securities.

### *Possible Application of Section 988 of the Code*

*General.* The following discussion describes certain special rules applicable to a U.S. Holder of Securities that are single financial contracts with associated coupons and for which the Reference Item includes one or more currencies (other than the U.S. dollar).

*Sale, Exchange or Retirement.* Because the return on the Security is "determined by reference to the value" of one or more foreign currencies, unless otherwise provided in the applicable Issue Terms, we intend to treat the Security as subject to Section 988 of the Code. In that case, any gain or loss recognised on the Security generally will 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 Security. 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 Security. Unless otherwise provided in the applicable Issue Terms, due to the lack of governing authority, our counsel expects to be unable to opine as to whether the Section 988 election is available for the Security. 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 Security. In addition, a U.S. Holder might be subject to special reporting requirements that apply to foreign currency losses that exceed certain thresholds.

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### *Possible Alternative Tax Treatments of an Investment in the Securities*

Due to the absence of authorities that directly address the proper tax treatment of the Security, 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 a Security as a debt instrument. The risk that financial instruments providing for downside protection features would be recharacterised for U.S. federal income tax purposes as debt instruments giving rise to ordinary income and possible accrual of income prior to maturity or disposition of the Security, rather than as single financial contracts with associated coupons, is greater than the risk of recharacterisation for comparable financial instruments that do not have such features. If the Security were recharacterised as a debt instrument, the U.S. federal income tax consequences to the U.S. Holder would depend on the terms of the Security and could be materially adverse to the U.S. Holder. For a description of the tax treatment of Securities that are treated as debt instruments, see the discussion under "*—Securities Treated as Indebtedness for U.S. Federal Income Tax Purposes*" above.

Even if debt treatment does not apply to the Security, other alternative U.S. federal income tax treatments of the Security are possible, which, if applied, could significantly affect the timing and character of the income or loss with respect to the Security. In 2007, 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. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; and whether these instruments are or should be subject to the "constructive ownership" rule (as discussed above under "*—Possible Application of Section 1260 of the Code*"). While the notice requests comments on appropriate transition rules and effective dates, 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 Security, 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 Security, including the possible implications of the IRS notice.

### **Securities Treated as Put Rights and Deposits**

*General.* This discussion applies to Securities that pay coupons at a fixed rate 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 Security's issue price (other than the coupon). Except as otherwise provided in the applicable Issue Terms, we intend (in the absence of an administrative determination or judicial ruling to the contrary) to treat each Security, 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 us that, if exercised, requires the investor to pay us an amount equal to the Deposit (as defined below) in exchange for a cash amount based on the performance of the relevant Reference Item (or, if the relevant Reference Item consists of Underlying Shares, in exchange for the Underlying Shares (and cash in lieu of a fractional share) or, at our option, the cash value of such Underlying Shares as determined on the determination date (or, if applicable, the date of acceleration)); and
- (ii) a deposit with us 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 our cost of borrowing at the time of issuance (the "**Yield on the Deposit**").

Assuming the characterisation of the Securities as set forth above is respected, a portion of the coupon on the Securities 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 Issue Terms.

Unless otherwise indicated in the applicable Issue Terms, we will allocate 100 per cent. of the issue price of the Securities to the Deposit and none to the Put Right. Our allocation of the issue price between the Put Right and the Deposit will be binding on investors in the Securities, unless an investor timely and explicitly discloses to the IRS that its allocation is different from ours. The treatment of the Securities described above and our allocation

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are not, however, binding on the IRS or a court. No statutory, judicial or administrative authority directly addresses the treatment of the Securities or instruments similar to the Securities for U.S. federal income tax purposes, and no ruling is being requested from the IRS with respect to the Securities.

**Our counsel has not rendered an opinion as to the proper U.S. federal income tax treatment of the Securities, and due to the absence of statutory, judicial or administrative authorities that directly address the treatment of the Securities described above, no assurance can be given that the IRS or a court will agree with the treatment described herein. Significant aspects of the U.S. federal income tax consequences of an investment in the Securities are uncertain, and no assurance can be given that the IRS or a court will agree with the treatment described herein. Accordingly, you should consult your tax adviser regarding the U.S. federal income tax consequences of an investment in the Securities (including alternative treatments of the Securities). Unless otherwise stated, the following discussion is based on the treatment of each Security and the allocation described above.**

Taxable gain upon the sale, exchange or retirement of Securities, including any taxable gain attributable to fluctuations in currency exchange rates, and the portion of any coupon payments attributable to the Put Premium will be treated as U.S.-source income. The portion of any coupon payments attributable to the Yield on the Deposit will be treated as non-U.S. source income. U.S. Holders should consult their tax advisers regarding additional U.S. federal income tax consequences of an investment in the Securities, including the rules applicable to foreign tax credits or deductions, in light of their own particular circumstances.

Unless otherwise provided in the applicable Issue Terms, the following U.S. federal income tax consequences should result.

### *Securities 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 Security with a term that is equal to or less than one year (taking into account the last possible date that the Securities could be outstanding under its terms).

*Coupon Payments on the Securities.* Under the characterisation described above under "*General*," only a portion of the coupon payments on the Securities will be attributable to the Yield on the Deposit. The remainder of the coupon payments will represent payments attributable to the Put Premium. The Put Premium will generally not be taxable to a U.S. Holder upon receipt, but instead will be accounted for as described below.

The Deposit will be treated as a "short-term obligation" for U.S. federal income tax purposes. Accordingly, to the extent attributable to the Yield on the Deposit, coupon payments on the Securities will generally be taxable to a U.S. Holder as ordinary interest income, as set forth herein. A U.S. Holder who is a cash-method taxpayer will not be required to include the Yield on the Deposit currently in income for U.S. federal income tax purposes prior to receipt of such amounts unless the holder elects to do so. A U.S. Holder who is a cash-method taxpayer and does not make such election should include the Yield on the Deposit as income upon receipt. An accrual-method U.S. Holder will be required to include the Yield on the Deposit in income as it accrues on a straight-line basis, unless the holder makes an election to accrue the Yield on the Deposit according to a constant yield method based on daily compounding.

Additionally, a cash-method U.S. Holder who does not elect to accrue the Yield on the Deposit will be required to defer deductions for certain interest paid on indebtedness incurred to purchase or carry the Securities until the Yield on the Deposit is included in income. 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 will be zero, and the U.S. Holder's tax basis in the Deposit will be 100 per cent. 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.

### *Expiration of the Put Right*

*Receipt of Stated Principal Amount in Cash upon Settlement or Early Redemption of the Securities.* If a U.S. Holder receives the stated principal amount of a Security in cash (excluding cash attributable to coupon payments



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on the Securities, which will generally be taxed as described above under "*Coupon Payments on the Securities*"), the Put Right will be deemed to have expired unexercised. In that case, the U.S. Holder will not recognise any gain upon the return of the Deposit, but will recognise the total amount of Put Premium received by the U.S. Holder over the term of the Securities (including Put Premium received at maturity) as short-term capital gain at such time.

### *Exercise of the Put Right*

*Receipt of Cash Based on the Performance of the Reference Item Upon Maturity of the Securities.* If a U.S. Holder receives an amount of cash (excluding cash attributable to coupon payments on the Securities, which will generally be taxed as described above under "*Coupon Payments on the Securities*") that is less than the stated principal amount of the Securities (such difference, the "**Deficit**"), the Put Right will be deemed to have been exercised and the U.S. Holder will be deemed to pay the Deficit to us upon settlement of the Put Right. In that case, the U.S. Holder will 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 holder over the term of the Securities (including Put Premium received at maturity) and (ii) the Deficit.

*Receipt of Underlying Shares Upon Maturity of the Securities.* If a U.S. Holder receives Underlying Shares (and cash in lieu of a fractional share), the Put Right will be deemed to have been exercised. In that case, the U.S. Holder will generally not recognise any gain in respect of the Deposit. In addition, the U.S. Holder will not recognise any income or gain in respect of the total Put Premium received (including Put Premium received at maturity) and will not recognise any gain or loss with respect to any Underlying Shares received. The U.S. Holder will have an aggregate tax basis in the Underlying Shares received (including a fractional share) equal to the Deposit less the total Put Premium received over the term of the Securities. A U.S. Holder's holding period for any Underlying Shares received will start on the day after receipt. With respect to any cash received in lieu of a fractional share, a U.S. Holder will recognise short-term capital gain or loss in an amount equal to the difference between the amount of cash received in lieu of the fractional share and the pro rata portion of the U.S. Holder's aggregate adjusted tax basis in Underlying Shares that is allocable to the fractional share. U.S. Holders should consult the offering documents for the Underlying Shares for the U.S. federal income tax treatment of acquiring, owning and selling the Underlying Shares.

*Sale or Exchange of the Securities Prior to Maturity.* Upon the sale or exchange of the Securities, a U.S. Holder will generally 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 realised on the sale or exchange of the Securities between the Deposit and the Put Right based on their respective values on the date of such sale or exchange. The amount of gain or loss on the Deposit will equal the amount realised that is attributable to the Deposit, less the U.S. Holder's adjusted tax basis in the Deposit. Such gain will 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 will be treated as short-term capital gain. Loss on the Deposit will be treated as short-term capital loss. The amount realised that is attributable to the Put Right, together with the total Put Premium received over the term of the Securities, will be treated as short-term capital gain.

If the value of the Deposit on the date of the sale or exchange exceeds the amount realised, the U.S. Holder will be treated as having (i) sold or exchanged 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 Securities 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 will 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 over the term of the Securities, less the amount of the Put Right Assumption Payment deemed to be made by the U.S. Holder.

*Stop-Loss Event.* Although the tax consequences of a Stop-Loss Event are uncertain, we intend to treat a Stop-Loss Event as (i) the repayment by us of the Deposit for a price equal to the Deposit plus the present value of the portion of the remaining scheduled payments on the Securities (from and including the date of acceleration) that is attributable to the Yield on the Deposit, (ii) the payment by us of the remaining Put Premium equal to the present value of the portion of the remaining scheduled payments on the Securities (from and including the date of acceleration) that is attributable to the Put Premium, and (iii) the exercise of the Put Right, followed by settlement through the delivery by the U.S. Holder to us of the Deposit in exchange for Underlying Shares, or, if the Issuer so elects, the cash value of the Underlying Shares. We will also pay cash representing unpaid coupon payments on the Securities that accrued up to but excluding the date of acceleration.

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Any cash received with respect to accrued coupon payments on the Securities will be taxed as described above under "*Coupon Payments on the Securities*."

Assuming the characterisation of the Stop-Loss Event described above is respected, any amount received attributable to the unaccrued Put Premium should be treated as Put Premium received under the Put Right. A U.S. Holder will, with respect to the amount paid by us to repay the Deposit, generally recognise short-term capital gain equal to the difference between such amount and the U.S. Holder's adjusted tax basis in the Deposit and ordinary income to the extent of the accrued Yield on the Deposit. In the case of an initial investor, such difference would equal the present value of the portion of the remaining scheduled payments on the Securities attributable to the unaccrued Yield on the Deposit. In general, other than gain recognised on the Deposit as described in the previous sentences, the tax treatment of our exercise of the Put Right upon a Stop-Loss Event would be the same as described above under "*Exercise of the Put Right—Receipt of Cash Equal to the Value of Reference Item Upon Maturity of the Securities*" or "*Exercise of the Put Right—Receipt of Underlying Shares Upon Maturity of the Securities*," as the case may be.

### *Securities 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 Security with a term of more than one year (taking into account the last possible date that the Securities could be outstanding under its terms).

*Coupon Payments on the Securities.* Under the characterisation described above under "*General*," only a portion of the coupon payments on the Securities will be attributable to the Yield on the Deposit. The remainder of the coupon payments will represent payments attributable to the Put Premium. The Put Premium will generally not be taxable to a U.S. Holder upon receipt, but instead will be accounted for as described below.

To the extent attributable to the Yield on the Deposit, coupon payments on the Securities will generally 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.

*Tax Basis.* Based on our determination set forth above, the U.S. Holder's tax basis in the Put Right will be zero, and the U.S. Holder's initial tax basis in the Deposit will be 100 per cent. of the issue price.

### *Expiration of the Put Right*

*Receipt of Stated Principal Amount in Cash upon Settlement or Early Redemption of the Securities.* If a U.S. Holder receives the stated principal amount of the Securities in cash (excluding cash attributable to coupon payments on the Securities, which would be taxed as described above under "*Coupon Payments on the Securities*"), the Put Right will be deemed to have expired unexercised. In that case, the U.S. Holder will generally not recognise any gain upon the return of the Deposit, but will recognise the total amount of Put Premium received by the U.S. Holder over the term of the Securities (including Put Premium received at maturity) as short-term capital gain at such time.

### *Exercise of the Put Right*

*Receipt of Cash Equal to the Value of Reference Item Upon Maturity of the Securities.* If a U.S. Holder receives an amount of cash (excluding cash attributable to coupon payments on the Securities, which would be taxed as described above under "*Coupon Payments on the Securities*") that is less than the stated principal amount of the Securities (such difference, the "**Deficit**"), the Put Right will be deemed to have been exercised and the U.S. Holder will be deemed to pay the Deficit to us upon settlement of the Put Right. In that case, the U.S. Holder will not recognise any gain in respect of the Deposit, but will 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 Securities (including Put Premium received at maturity) and (ii) the Deficit.

*Receipt of Underlying Shares Upon Maturity of the Securities.* If a U.S. Holder receives Underlying Shares (and cash in lieu of a fractional share), the Put Right will be deemed to have been exercised. In that case, the U.S. Holder will not recognise any gain in respect of the Deposit. In addition, the U.S. Holder will not recognise any income or gain in respect of the total Put Premium received (including Put Premium received at maturity) and will not recognise any gain or loss with respect to any Underlying Shares received. The U.S. Holder will have an aggregate tax basis in the Underlying Shares received (including a fractional share) equal to the Deposit less the

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total Put Premium received over the term of the Securities. A U.S. Holder's holding period for any Underlying Shares received will start on the day after receipt. With respect to any cash received in lieu of a fractional share, a U.S. Holder will recognise short-term capital gain or loss in an amount equal to the difference between the amount of cash received in lieu of the fractional share and the pro rata portion of the U.S. Holder's aggregate adjusted tax basis in underlying shares that is allocable to the fractional share. U.S. Holders should consult the offering documents for the Underlying Shares for the U.S. federal income tax treatment of acquiring, owning and selling the Underlying Shares.

*Sale or Exchange of the Securities Prior to Maturity.* Upon the sale or exchange of the Securities, a U.S. Holder will generally recognise long-term capital gain or loss with respect to the Deposit if the U.S. Holder has held the Securities 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 will 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 realised on the sale or exchange of the Securities (excluding any amount attributable to accrued but unpaid Yield on the Deposit, which would be taxed as described above under "*Coupon Payments on the Securities*") between the Deposit and the Put Right based on their respective values on the date of such sale or exchange. The amount of capital gain or loss on the Deposit will equal the amount realised that is attributable to the Deposit, less the U.S. Holder's adjusted tax basis in the Deposit. The amount realised that is attributable to the Put Right, together with the total Put Premium received by the U.S. Holder over the term of the Securities, will be treated as short-term capital gain.

If the value of the Deposit on the date of the sale or exchange exceeds the total amount realised, the U.S. Holder will be treated as having (i) sold or exchanged 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 Securities equal to the amount of such 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 will 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 Securities, less the amount of the Put Right Assumption Payment deemed to be made by the U.S. Holder.

*Stop-Loss Event.* Although the tax consequences of a Stop-Loss Event are uncertain, we intend to treat a Stop-Loss Event as (i) the repayment by us of the Deposit for a price equal to the Deposit plus the present value of the portion of the remaining scheduled payments on the Securities (from and including the date of acceleration) that is attributable to the Yield on the Deposit, (ii) the payment by us of the remaining Put Premium equal to the present value of the portion of the remaining scheduled payments on the Securities (from and including the date of acceleration) that is attributable to the Put Premium, and (iii) the exercise of the Put Right, followed by settlement through the delivery by the U.S. Holder to us of the Deposit in exchange for Underlying Shares, or, if the relevant Issuer so elects, the cash value of the Underlying Shares. We will also pay cash representing unpaid coupon payments on the Securities that accrued up to but excluding the date of acceleration.

Any cash received with respect to accrued coupon payments on the Securities will be taxed as described above under "*Coupon Payments on the Securities*."

Assuming the characterisation of the Stop-Loss Event described above is respected, any amount received attributable to the unaccrued Put Premium will be treated as Put Premium received under the Put Right. A U.S. Holder would, with respect to the amount paid by us to repay the Deposit, generally recognise capital gain or loss equal to the difference between such amount and the U.S. Holder's adjusted tax basis in the Deposit. In the case of an initial investor, such difference would equal the present value of the portion of the remaining scheduled payments on the Securities attributable to the unaccrued Yield on the Deposit. In general, other than gain recognised on the Deposit as described in the previous sentences, the tax treatment of our exercise of the Put Right upon a Stop-Loss Event would be the same as described above under "*Exercise of the Put Right—Receipt of Cash Equal to the Value of Reference Item Upon Maturity of the Securities*" or "*Exercise of the Put Right—Receipt of Underlying Shares Upon Maturity of the Securities*," as the case may be.

### ***Other Tax Considerations Pertaining to Securities***

The following discussion describes certain U.S. federal income tax consequences of the ownership and disposition of a Security, regardless of the length of the term of the Security.

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### *Possible Taxable Events*

In the event of a change in the methodology by which a Reference Item to which a Security relates is calculated, a change in the components of such a Reference Item, the discontinuance of such a Reference Item, the designation of a successor to such a Reference Item or other similar circumstances resulting in a material change to such a Reference Item, it is possible that a Security could be treated, in whole or in part, as terminated and reissued for U.S. federal income tax purposes. Similar consequences could apply if the relevant Issuer is replaced and substituted by another entity as the principal debtor under the Securities. In the event of a deemed retirement, 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 Security. Moreover, the tax treatment of the Security after the deemed reissuance could be materially adversely affected. U.S. Holders should consult their tax advisers regarding the risk of such an event.

### *Possible Application of Section 988 of the Code*

*General.* The following discussion describes certain special rules applicable to a U.S. Holder of Securities that are treated as a Put Right plus a Deposit and for which the Reference Item includes one or more currencies (other than the U.S. dollar).

*Sale, Exchange or Retirement.* Because the return on the Security is "determined by reference to the value" of one or more foreign currencies, unless otherwise provided in the applicable Issue Terms, we intend to treat the Security as subject to Section 988 of the Code. In that case, any gain or loss recognised on the Security generally will 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 Security. 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 Security. In addition, any such election, if available, would not apply to the Deposit portion of the Security. Unless otherwise provided in the applicable Issue Terms, due to the lack of governing authority, our counsel expects to be unable to opine as to whether the Section 988 election is available for the Security. 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 Security. In addition, a U.S. Holder might be subject to special reporting requirements that apply to foreign currency losses that exceed certain thresholds.

### *Possible Alternative Tax Treatments of an Investment in the Securities*

Due to the absence of authorities that directly address the proper tax treatment of the Security, 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 Security as a debt instrument. The risk that financial instruments providing for downside protection features would be recharacterised for U.S. federal income tax purposes as debt instruments giving rise to ordinary income and possible accrual of income prior to maturity or disposition of the Security, rather than as a Put Right plus a Deposit, is greater than the risk of recharacterisation for comparable financial instruments that do not have such features. If the entire Security were recharacterised as a debt instrument, the federal income tax consequences to the U.S. Holder would depend on the terms of the Security and could be materially adverse to the U.S. Holder. For a description of the tax treatment of Securities that are treated as debt instruments, see the discussion under "*Securities Treated as Indebtedness for U.S. Federal Income Tax Purposes*" above.

Even if debt treatment does not apply to the entire Security, other alternative U.S. federal income tax treatments of the Security are possible, which, if applied, could significantly affect the timing and character of the income or loss with respect to the Security. In 2007, 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. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; and whether these instruments are or should be subject to the "constructive ownership" rule (as discussed above under "*Possible Application of Section 1260 of the Code*"). While the notice requests comments on appropriate transition rules and effective dates, 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 Security, possibly with retroactive effect.

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Prospective investors should consult their tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the Security, including the possible implications of the IRS notice.

### *Payments in a Currency Other Than U.S. Dollars*

*General.* Subject to the discussion above under "*Securities Treated as Indebtedness for U.S. Federal Income Tax Purposes—Foreign Currency Securities*," the following discussion describes certain special rules applicable to a U.S. Holder of Securities if the holder acquires a Security with a currency other than the U.S. dollar or receives a payment on a Security or proceeds of a sale of a Security in a currency other than the U.S. dollar.

*Payments in a Currency Other Than U.S. Dollars.* Subject to the discussions below under "*Payments of Contingent Coupons to Accrual Method Taxpayers*" and "*Payments of Coupons on Deposit Portion of Securities Treated as Put Rights Plus a Deposit*," a U.S. Holder who receives a payment in a foreign currency with respect to a Security 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 will be the U.S. Holder's tax basis in the foreign currency. Any gain or loss realised by a U.S. Holder on a subsequent sale or other disposition of the foreign currency received will 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 Security, we believe that it is reasonable for such a 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 Security 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 will recognise foreign currency gain or loss as ordinary income or loss (which will not be treated as interest income or expense) with respect to accrued coupon payments on the date the coupon payment or proceeds from the sale, exchange or other disposition (including retirement) attributable to an accrued coupon are actually received. The amount of ordinary income or loss recognised 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 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).

*Payments of Coupons on Deposit Portion of Securities Treated as Put Rights Plus a Deposit.* A coupon that is paid to a U.S. Holder in a foreign currency with respect to the Deposit portion of a Security that is treated as a Put Right plus a Deposit will be treated as an interest payment described under "*Securities Treated as Indebtedness for U.S. Federal Income Tax Purposes—Foreign Currency Securities*."

### **General Considerations for U.S. Holders**

#### *Backup Withholding and Information Reporting*

Backup withholding may apply in respect of payments on the Securities and the payment of proceeds from a sale or other disposition of the Securities, unless a U.S. Holder provides proof of an applicable exemption or a correct taxpayer identification number and otherwise complies with applicable requirements of the backup withholding rules. The amounts withheld under the backup withholding rules are not an additional tax and may be refunded or credited against the U.S. Holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. In addition, information returns may be filed with the IRS in connection with payments on the Securities and the payment of proceeds from a sale or other disposition of the Securities unless the U.S. Holder provides proof of an applicable exemption from the information reporting 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, organisers 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

## TAXATION

demand. A transaction may be a "reportable transaction" based on any of several criteria. Whether an investment in a Security constitutes a "reportable transaction" for any holder depends on the holder's particular circumstances. In particular, for example, certain transactions in which a U.S. Holder realizes a foreign currency loss in excess of certain thresholds can be a "reportable transaction." Holders should consult their tax advisers concerning any possible disclosure obligation that they may have with respect to their investment in the Securities and should be aware that the relevant 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.

Individual U.S. Holders (and certain entities) that own "specified foreign financial assets," including financial instruments issued by non-U.S. issuers, or non-U.S. financial accounts through which they may be held, may be required to file an information report with respect to such assets with their tax returns. You should consult your tax adviser regarding the application of these rules to your ownership of the Securities.

### TAX CONSEQUENCES TO NON-U.S. HOLDERS

This section applies to you only if you are a Non-U.S. Holder. As used herein, the term "**Non-U.S. Holder**" means a beneficial owner of a security that is for U.S. federal income tax purposes:

- an individual who is classified as a 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:

- a holder who is 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;
- a holder for whom income or gain in respect of the Securities is effectively connected with the conduct of a trade or business in the United States; or
- a holder who holds or invests in a Security through a U.S. financial institution or intermediary, or through a financial institution or intermediary that is related to a U.S. financial institution or intermediary.

Such holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the Securities. In addition, non-U.S. Holders that hold Securities through U.S. or certain U.S.-related intermediaries should consult their tax advisers regarding any certification requirements that may need to be complied with to avoid U.S. backup withholding.

### General

Subject to the discussions below under "*Possible Application of Section 871(m) of the Code*" and "*FATCA*," and the discussion above concerning Section 897, the Issuers expect to treat payments on the Securities, and any gain realised on a disposition of a Security (including at maturity or early settlement), as exempt from U.S. federal income tax (including withholding tax).

### Possible Application of Section 871(m) of the Code

Section 871(m) of the Code and Treasury regulations promulgated thereunder ("**Section 871(m)**") impose a withholding tax of 30 per cent. (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 below concerning Securities issued before January 1, 2025, a Security linked to U.S. equities or indices that include U.S. equities (a "**U.S. equity linked Security**") will generally be subject to the Section 871(m) withholding regime if at issuance 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

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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 Security. Under these rules, withholding may apply even where the relevant U.S. equity linked Security does 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.

Pursuant to an IRS notice, Section 871(m) will not apply to Securities issued before January 1, 2025 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 significantly modified (including in the event the relevant Issuer is replaced and substituted by another entity as the principal debtor under the Security) and if such modification or substitution results in a deemed exchange of the Security for U.S. federal income tax purposes, the U.S. equity linked Security will generally be treated as reissued at the time of the significant modification. Under Treasury regulations, certain "benchmark" rate replacements would not give rise to deemed exchanges for U.S. federal income tax purposes, provided that certain conditions set forth in the regulations are met.

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 the Issuer's final determinations for purposes of Section 871(m) may be available only after the issuance of the Security. As a result, a Non-U.S. Holder should acquire such a Security only if it is willing to accept the risk that the Security is treated as subject to withholding.

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 Security is subject to withholding in respect of dividend equivalents, withholding will, depending on the applicable withholding agents' 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.

**The relevant Issuer will determine whether a U.S. equity linked Security is subject to withholding under Section 871(m). If the Issuer has determined, as specified in the applicable Issue Terms, that a U.S. equity linked Security should be subject to withholding under Section 871(m), the relevant Issuer shall instruct or be deemed to instruct its agents and withholding agents that withholding is required, unless such agent or withholding agent knows or has reason to know otherwise. Where payments on coupon-bearing Securities are subject to withholding under Section 871(m), it is possible that dividend equivalent payments on the Securities will exceed the coupons paid. Under such circumstances, a Non-U.S. holder of the Securities may be subject to additional U.S. withholding tax at a 30% rate on the difference between the dividend equivalent payments and the coupons. In addition, it is possible that the relevant Issuer (or the applicable withholding agent) may determine that treaty benefits that may otherwise be applicable to coupons may not apply to withholding tax on dividend equivalent payments. It is also possible that a withholding agent will withhold under Section 871(m) with respect to the Securities, notwithstanding the withholding tax imposed on any coupon amounts, in which case the application of Section 871(m) to the Securities could significantly increase a Non-U.S. holder's tax liability in respect of the Securities. The relevant Issuer (or the applicable withholding agent) is entitled to withhold taxes on any payments treated as dividend equivalents without being required to pay any additional amounts with respect to amounts so withheld. If withholding is required, the relevant Issuer will not be required to pay any additional amounts with respect to the amounts so withheld.**

The relevant Issuer's determination 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

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should consult their tax advisers regarding the potential application of Section 871(m) to the Securities in their particular circumstances.

### FATCA

Legislation commonly referred to as "FATCA" generally imposes a withholding tax of 30 per cent. on payments to certain non-U.S. entities (including financial intermediaries) with respect to certain financial instruments, unless various U.S. information reporting and due diligence requirements have been satisfied. An intergovernmental agreement between the United States and the non-U.S. entity's jurisdiction may modify these requirements. FATCA generally applies to certain financial instruments that are treated as paying U.S.-source interest or dividends or other U.S.-source "fixed or determinable annual or periodical" income ("**FDAP Income**"). Withholding (if applicable) applies to any payment of amounts treated as U.S.-source interest or dividend equivalents (as discussed above under "*Possible Application of Section 871(m) of the Code*") on the Securities. The FATCA legislation imposes withholding also on any payment of gross proceeds of the disposition (including upon retirement) of Securities treated as providing for U.S.-source interest or dividends. However, under proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalisation) no withholding will apply to payments of gross proceeds (other than amounts treated as FDAP Income). Although, under current law, withholding under FATCA does not apply to payments of non-U.S. source income, such withholding could apply in the future with respect to certain payments attributable to U.S.-source income ("**foreign passthru payments**"). Securities that pay only foreign passthru payments that are not treated as equity for U.S. federal income tax purposes and have a stated expiration date are generally grandfathered from FATCA withholding if issued prior to the date that is six months after final Treasury regulations that define the term "foreign passthru payments" are published. However, such Securities may become subject to FATCA withholding if they are significantly modified after the grandfathering date (including in the event the relevant Issuer is replaced and substituted by another entity as the principal debtor under the Security) if such modification or substitution results in a deemed exchange of the Securities for U.S. federal income tax purposes. Under Treasury regulations, certain "benchmark" rate replacements would not give rise to deemed exchanges for U.S. federal income tax purposes, provided that certain conditions set forth in the regulations are met. If withholding under current or future law applies to the Securities, the relevant Issuer will not be required to pay any additional amounts with respect to amounts withheld under FATCA. Non-U.S. Holders should consult their tax advisers regarding the potential application of FATCA to the Securities.



## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

### SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealer(s) have, in a programme agreement (as further modified and/or supplemented and/or restated from time to time, the "**Programme Agreement**") dated June 23, 2023 agreed with the Issuer and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Securities. Any such agreement will extend to those matters stated under "*Form of Securities*" and "*Terms and Conditions of the Securities*". In the Programme Agreement, the Issuer (and, failing which, the Guarantor) have agreed to reimburse the Dealer(s) for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Securities under the Programme and to indemnify the Dealer(s) against certain liabilities incurred by them in connection therewith.

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 other services for, the Issuer and its affiliates in the ordinary course of business.

In order to facilitate the offering of any Tranche of the Securities, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Securities during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Securities for their own account by selling more Securities than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Securities in the open market. In addition, such persons may stabilise or maintain the price of the Securities by bidding for or purchasing Securities in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Securities are reclaimed if Securities previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Securities at a level above that which might otherwise prevail for a limited period after the Issue Date. The imposition of a penalty bid may also affect the price of the Securities to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilisation or other transactions. Such transactions, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Under UK laws and regulations stabilisation activities may only be carried on by the Stabilisation Manager named in the Issue Terms (or persons acting on its behalf) and may only continue for a limited period following the Issue Date (or, if the ending day would be earlier, 60 days after the date of allotment) of the relevant Tranche of Securities.

#### **Conflicts of Interest**

BBVA Securities Inc. is an affiliate of BBVA Global Securities B.V. 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 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. BBVA Securities Inc. 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.

#### **Transfer Restrictions**

*As a result of the following restrictions, purchasers of Securities issued by BBVA Global Markets B.V. in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Securities*

Each person purchasing an interest in a Registered Global Security will be deemed to have acknowledged, 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):

- (a) that (i) it is a QIB who is also a QP, purchasing (or holding) the Securities for its own account or for the account of one or more QIBs who are also QPs and it is aware that any sale to it is being made in reliance on Rule 144A, or (ii) it is outside the United States and is not a U.S. person;
- (b) that the Securities are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Securities have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

- (c) that, unless it holds an interest in a Regulation S Global Security and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Securities or any beneficial interests in the Securities, it will do so, prior to the date which is one year after 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, only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller reasonably believes is a QIB who is also a QP purchasing for its own account or for the account of a QIB who is also a QP in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;
- (d) that it will, and will require each subsequent holder to, notify any purchaser of the Securities from it of the resale restrictions referred to in paragraph (c) above, if then applicable;
- (e) that Securities initially offered in the United States to QIBs who are also QPs will be represented by one or more Rule 144A Global Securities, that Securities offered to Institutional Accredited Investors who are also QPs will be in the form of Definitive IAI Registered Securities and that Securities offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Securities;
- (f) that the Securities, other than the Regulation S Global Securities, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS AND 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 "**1940 ACT**"). NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSACTION IS REGISTERED PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND UNDER CIRCUMSTANCES WHICH DO NOT REQUIRE THE ISSUER TO REGISTER UNDER THE 1940 ACT.

BY PURCHASING THE SECURITIES REPRESENTED HEREBY, EACH HOLDER OF ANY BENEFICIAL INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO THE SECURITIES THAT IT (I)(A) IS AN "ELIGIBLE INVESTOR" (AS DEFINED BELOW), (B) WILL HOLD AT LEAST THE MINIMUM DENOMINATION OF U.S.\$250,000, (C) WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE, INCLUDING DELIVERING TO EACH TRANSFEREE A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND, (D) IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL OF THE PRECEDING REQUIREMENTS AND (E) AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE SECURITIES OR ANY BENEFICIAL INTEREST HEREIN TO ANY PERSON EXCEPT TO A PERSON THAT MEETS ALL OF THE PRECEDING REQUIREMENTS AND AGREES NOT TO SUBSEQUENTLY TRANSFER THE SECURITIES OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN ACCORDANCE WITH THIS CLAUSE (E) OR (II) IS NOT A U.S. PERSON AND IS ACQUIRING THE SECURITIES PURSUANT TO RULE 903 OR 904 OF REGULATION S. IN THE EVENT OF ANY TRANSFER PURSUANT TO THE PRECEDING CLAUSE (II), (1) THE TRANSFEREE WILL BE REQUIRED TO HAVE THE SECURITIES SO TRANSFERRED TO BE REPRESENTED BY AN INTEREST IN THE REGULATION S GLOBAL SECURITY (AS DEFINED IN THE BASE PROSPECTUS); (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND IS AVAILABLE FROM THE

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

TRANSFER AGENT), AND (3) THE TRANSFEREE WILL BE REQUIRED TO CERTIFY AS TO ITS STATUS AS A NON-U.S. PERSON. ANY RESALE OR OTHER TRANSFER OF THIS SECURITY MADE OTHER THAN IN COMPLIANCE WITH THE FOREGOING RESTRICTIONS SHALL NOT BE RECOGNISED BY THE ISSUER, THE REGISTRAR OR ANY OTHER AGENT OF THE ISSUER.

"**ELIGIBLE INVESTORS**" ARE DEFINED FOR THE PURPOSES HEREOF AS PERSONS WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**QIBS**") THAT ARE ALSO "QUALIFIED PURCHASERS" AS DEFINED IN SECTION 2(A)(51)(A) OF THE 1940 ACT ("**QPS**"), ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF OTHER QIBS WHO ARE ALSO QPS, OR PERSONS WHO ARE INSTITUTIONAL ACCREDITED INVESTORS AND QPS, BUT EXCLUDING THEREFROM: (I) QIBS THAT ARE BROKER DEALERS THAT OWN AND INVEST ON A DISCRETIONARY BASIS LESS THAN U.S.\$25 MILLION IN "SECURITIES" AS SUCH TERM IS DEFINED UNDER RULE 144A, (II) A PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND, RETIREMENT PLAN OR OTHER ENTITY IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS THE CASE MAY BE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE OR THE ALLOCATION THEREOF, (III) AN ENTITY THAT WAS FORMED, REFORMED OR RECAPITALISED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE SECURITIES, (IV) ANY INVESTMENT COMPANY EXCEPTED FROM THE 1940 ACT SOLELY PURSUANT TO SECTION 3(C)(1) OR SECTION 3(C)(7) THEREOF AND FORMED PRIOR TO APRIL 30, 1996, THAT HAS NOT RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS WITH RESPECT TO THE TREATMENT OF SUCH ENTITY AS A QUALIFIED PURCHASER IN THE MANNER REQUIRED BY SECTION 2(A)(51)(C) OF THE 1940 ACT AND RULES AND REGULATIONS THEREUNDER AND (V) ANY ENTITY THAT WILL HAVE INVESTED MORE THAN 40 PER CENT. OF ITS ASSETS IN SECURITIES OF THE ISSUER SUBSEQUENT TO ANY PURCHASE OF THE SECURITIES.

THE PURCHASER ACKNOWLEDGES THAT THE ISSUER OR ANY DEALER RESERVE THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER OR ANY DEALER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THIS GLOBAL SECURITY ACKNOWLEDGES THAT IN THE EVENT THAT AT ANY TIME THE ISSUER DETERMINES OR IS NOTIFIED BY THE DEALER(S) THAT SUCH PURCHASER WAS IN BREACH, AT THE TIME GIVEN OR DEEMED TO BE GIVEN, OF ANY OF THE REPRESENTATIONS OR AGREEMENTS SET FORTH IN THIS LEGEND OR OTHERWISE DETERMINES THAT ANY TRANSFER OR OTHER DISPOSITION OF ANY SECURITIES WOULD, IN THE SOLE DETERMINATION OF THE ISSUER, REQUIRE THE ISSUER TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE PROVISIONS OF THE 1940 ACT, SUCH PURCHASE OR OTHER TRANSFER WILL BE VOID AB INITIO AND WILL NOT BE HONORED BY THE REGISTRAR. ACCORDINGLY, ANY SUCH PURPORTED TRANSFEREE OR OTHER HOLDER WILL NOT BE ENTITLED TO ANY RIGHTS AS A SECURITYHOLDER AND THE ISSUER SHALL HAVE THE RIGHT, IN ACCORDANCE WITH THE CONDITIONS OF THE SECURITIES, TO FORCE THE TRANSFER OF OR REDEMPTION OF ANY SUCH SECURITIES.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE SECURITIES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. TERMS WHICH ARE USED IN THIS LEGEND WHICH ARE DEFINED IN RULE 144A HAVE THE MEANINGS GIVEN TO THEM UNDER SUCH RULE.

THE SECURITIES REPRESENTED BY THIS SECURITY MAY NOT BE PURCHASED OR HELD BY (A) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")), (B) ANY PLAN SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY (WITHIN THE MEANING OF THE

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

U.S. DEPARTMENT OF LABOR REGULATIONS SECTION 2510.3-101 AS MODIFIED BY SECTION 3(42) OF ERISA).

THE SECURITIES AND THE GUARANTEE THEREOF AND ANY ENTITLEMENT(S) DO NOT CONSTITUTE, AND HAVE NOT BEEN MARKETED AS, CONTRACTS OF SALE OF A COMMODITY FOR FUTURE DELIVERY (OR OPTIONS THEREON) SUBJECT TO THE U.S. COMMODITY EXCHANGE ACT, AS AMENDED (THE "CEA"), AND TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION PURSUANT TO THE CEA. THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

- (g) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Securities prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Securities), it will do so only (i) (A) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (B) to a QIB who is also a QP in compliance with Rule 144A and (ii) in accordance with all applicable U.S. state securities laws; and it acknowledges that the Regulation S Global Securities will bear a legend to the following effect unless otherwise agreed to by the Issuer:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS AND 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 "**1940 ACT**"). NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSACTION IS REGISTERED PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND UNDER CIRCUMSTANCES WHICH DO NOT REQUIRE THE ISSUER TO REGISTER UNDER THE 1940 ACT.

EACH HOLDER OF A BENEFICIAL INTEREST HEREIN SHALL BE DEEMED TO AGREE FOR THE BENEFIT OF THE ISSUER THAT, IF IT SHOULD DECIDE TO DISPOSE OF THE SECURITIES REPRESENTED BY THIS REGULATION S GLOBAL SECURITY PRIOR TO THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION, BENEFICIAL INTERESTS IN THIS REGULATION S GLOBAL SECURITY MAY BE OFFERED, RESOLD OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE ISSUER TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE 1940 ACT. ACCORDINGLY, ANY TRANSFERS OF THE SECURITIES PRIOR TO THE TERMINATION OF THE DISTRIBUTION COMPLIANCE PERIOD MAY ONLY BE MADE: (A) TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (B) TO OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON IN A TRANSACTION PURSUANT TO RULE 144A OR REGULATION D UNDER THE SECURITIES ACT TO PERSONS WHO QUALIFY AS "ELIGIBLE INVESTORS" (AS DEFINED BELOW). IN THE CASE OF ANY SUCH TRANSFER PURSUANT TO CLAUSE (B), (1) THE TRANSFEREE WILL BE REQUIRED TO HAVE THE SECURITIES SO TRANSFERRED TO BE REPRESENTED BY AN INTEREST IN A RULE 144A GLOBAL SECURITY OR A DEFINITIVE

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

IAI REGISTERED SECURITY (AS DEFINED IN THE BASE PROSPECTUS); (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND IS AVAILABLE FROM THE TRANSFER AGENT), AND (3) THE TRANSFEREE WILL BE REQUIRED TO EXECUTE AN INVESTMENT LETTER (THE FORM OF WHICH IS ALSO ATTACHED TO THE AGENCY AGREEMENT) CERTIFYING, AMONG OTHER THINGS, ITS STATUS AS AN ELIGIBLE INVESTOR.

"**ELIGIBLE INVESTORS**" ARE DEFINED FOR THE PURPOSES HEREOF AS PERSONS WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**QIBS**") THAT ARE ALSO "QUALIFIED PURCHASERS" AS DEFINED IN SECTION 2(A)(51)(A) OF THE 1940 ACT ("**QPS**"), ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF OTHER QIBS WHO ARE ALSO QPS, OR PERSONS WHO ARE INSTITUTIONAL ACCREDITED INVESTORS AND QPS, BUT EXCLUDING THEREFROM: (I) QIBS THAT ARE BROKER DEALERS THAT OWN AND INVEST ON A DISCRETIONARY BASIS LESS THAN U.S.\$25 MILLION IN "SECURITIES" AS SUCH TERM IS DEFINED UNDER RULE 144A, (II) A PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND, RETIREMENT PLAN OR OTHER ENTITY IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS THE CASE MAY BE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE OR THE ALLOCATION THEREOF, (III) AN ENTITY THAT WAS FORMED, REFORMED OR RECAPITALISED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE SECURITIES, (IV) ANY INVESTMENT COMPANY EXCEPTED FROM THE 1940 ACT SOLELY PURSUANT TO SECTION 3(c)(1) OR SECTION 3(c)(7) THEREOF AND FORMED PRIOR TO APRIL 30, 1996, THAT HAS NOT RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS WITH RESPECT TO THE TREATMENT OF SUCH ENTITY AS A QUALIFIED PURCHASER IN THE MANNER REQUIRED BY SECTION 2(a)(51)(c) OF THE 1940 ACT AND RULES AND REGULATIONS THEREUNDER AND (V) ANY ENTITY THAT WILL HAVE INVESTED MORE THAN 40 PER CENT. OF ITS ASSETS IN SECURITIES OF THE ISSUER SUBSEQUENT TO ANY PURCHASE OF THE SECURITIES.

EACH HOLDER OF A BENEFICIAL INTEREST HEREIN UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF ALL PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITARIES AND THAT THE PARTICIPANTS MAY FURTHER DISCLOSE TO THE ISSUER THE NAMES AND POSITIONS OF HOLDERS OF ITS SECURITIES.

THE SECURITIES AND THE GUARANTEE THEREOF AND ANY ENTITLEMENT(S) DO NOT CONSTITUTE, AND HAVE NOT BEEN MARKETED AS, A CONTRACT OF SALE OF A COMMODITY FOR FUTURE DELIVERY (OR OPTIONS THEREON) SUBJECT TO THE U.S. COMMODITY EXCHANGE ACT, AS AMENDED (THE "**CEA**"), AND TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION PURSUANT TO THE CEA"; and

- (h) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Securities as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Unless otherwise provided in the applicable Issue Terms, each Institutional Accredited Investor who is also a QP who purchases Registered Securities in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by Regulation D of the Securities Act is required to execute and deliver to the Registrar an Investment Letter. Upon execution and delivery of an Investment Letter by an Institutional Accredited Investor who is also a QP, Securities will be issued in definitive registered form, see "*Form of Securities*". Each QIB who is also a QP who purchases Rule 144A Global Securities offered and sold in the United States in reliance upon the exemption from registration provided by Rule 144A of the Securities Act is required to execute and deliver to the Registrar an Investment Letter.

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The Investment Letter referred to above shall include the following representations and agreements (undefined terms used in this section that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (a) **Purchaser Requirements.** Securities may be offered in the United States to a purchaser who: (i) is an Eligible Investor (as defined below), (ii) will hold at least the minimum denomination of US\$250,000, (iii) will provide notice of applicable transfer restrictions to any subsequent transferee (and each subsequent transferee will be deemed to have made the same representations and agreements contained in clauses (i) through (v) of this paragraph), (iv) understands that the issuer may receive a list of all participants holding positions in its Securities from one or more book-entry depositaries and that the participants may further disclose to the issuer the names and positions of holders of its Securities, and (v) is purchasing for its own account or for the accounts of one or more other persons each of whom meets all of the requirements of clauses (i) through (v) and over which it exercises sole investment discretion.
- (b) **Notice of Transfer Restrictions.** Each purchaser acknowledges and agrees that (a) the Securities have not been and will not be registered under the Securities Act and the Issuer has not been registered as an "investment company" under the 1940 Act, (b) neither the Securities nor any beneficial interest therein may be re-offered, resold, pledged or otherwise transferred except in accordance with the provisions set out in paragraph (a) above and (c) the purchaser will notify any transferee of such transfer restrictions and that each subsequent holder will be required to notify any subsequent transferee of such Securities of such transfer restrictions.
- (c) **Mandatory Transfer/Redemption.** Each purchaser acknowledges and agrees that in the event that at any time the Issuer determines or is notified by a Dealer acting on behalf of the Issuer that such purchaser was in breach, at the time given or deemed to be given, of any of the representations or agreements set out in paragraph (a) above or otherwise determines that any transfer or other disposition of any Securities would, in the sole determination of the Issuer or a Dealer acting on behalf of the Issuer, require the Issuer to register as an "investment company" under the provisions of the 1940 Act, such purchase or other transfer will be void *ab initio* and will not be honoured by the Registrar. Accordingly, any such purported transferee or other holder will not be entitled to any rights as a Securityholder and the Issuer shall have the right, in accordance with the conditions of the Securities, to force the transfer of, transfer on behalf of the Securityholder or redeem, any such Securities.
- (d) **Rule 144A Information.** Each purchaser of Securities offered and sold in the United States under Rule 144A is hereby notified that the offer and sale of such Securities to it is being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. The Issuer has agreed to furnish to investors upon request such information as may be required by Rule 144A.
- (e) **ERISA.** If the purchaser is a U.S. person purchasing an interest in a Rule 144A Global Security, it is not a benefit plan investor, is not using the assets of a benefit plan investor to acquire such Securities and shall not at any time hold such Securities for a benefit plan investor (including assets that may be held in an insurance company's separate or general accounts where assets in such accounts may be deemed "plan assets" for purposes of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA")). For the purposes hereof, the term "**benefit plan investor**" means (a) any employee benefit plan (as defined in section 3(3) of ERISA), (b) any plan described in section 4975(e)(1) of the U.S. Internal Revenue Code, or (b) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (within the meaning of the U.S. Department of Labor Regulations Section 2510.3-101 as modified by Section 3(42) of ERISA).
- (f) **Relevant Information.** The purchaser has received a copy of this Base Prospectus and such other information as it deems necessary in order to make its investment decision.
- (g) **Legends on Global Securities.** Each purchaser acknowledges that each of the Rule 144A Global Security and the Regulation S Global Security will bear legends substantially to the effect set out in this Base Prospectus and that the Issuer has covenanted not to remove either such legend so long as it shall be necessary for the Issuer to rely on the exception to the 1940 Act.
- (h) **Regulation S Transfers During the Distribution Compliance Period.** If the purchaser has acquired a portion of a Regulation S Global Security in a sale or other transfer being made in reliance upon Regulation S, the purchaser agrees that during the Distribution Compliance Period it will not offer, resell,

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pledge or otherwise transfer such portion of such Regulation S Global Security to or for the account or benefit of any U.S. person other than to a person meeting the requirements set out in paragraph (a) above and in the legend set out on the Regulation S Global Security.

If the purchaser is an Institutional Accredited Investor who is also a QP, the Investment Letter will also contain the following representations and agreements:

- (a) that the Institutional Accredited Investor who is also a QP is an Institutional Accredited Investor within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) of Regulation D under the Securities Act and is a "qualified purchaser" within the meaning of Section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended and the rules and regulations thereunder ("QP"), and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Securities, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time.
- (b) that, in the event that the Institutional Accredited Investor who is also a QP purchases Securities, it will acquire Securities having a minimum purchase price of at least US\$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Securities in the United States to any one purchaser will be for less than US\$250,000 (or its foreign currency equivalent) nominal amount or, in the case of sales to Institutional Accredited Investors who are also QPs, US\$500,000 (or its foreign currency equivalent) nominal amount and no Legended Security will be issued in connection with such a sale in a smaller nominal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least US\$250,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors who are also QPs, US\$500,000 (or its foreign currency equivalent) nominal amount of Registered Securities.

Any transfer or other disposition of any Securities that would, in the sole determination of the Issuer, require the Issuer to register as an "investment company" under the provisions of the 1940 Act will be void *ab initio*, and such transfer or other disposition will not be recognised by the Issuer. If, at any time a Security is held by or on behalf of a U.S. person who is not an Eligible Investor at the time it purchases such Security the Issuer may, in its discretion and at the expense and risk of such holder, (a) redeem such Securities, in whole or in part, to permit the Issuer to avoid registration under the 1940 Act or (b) require any such holder to transfer such Securities to an Eligible Investor or to a non-U.S. person outside the United States or cause such Securities to be transferred on behalf of the Securityholder. The determination of which Securities will be redeemed or sold in any particular case is in the discretion of the Issuer.

***As a result of the following restrictions, purchasers of Securities (other than 3(a)(2) Notes) issued by BBVA Global Securities B.V. in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Securities***

For the avoidance of doubt, this section shall not apply to 3(a)(2) Notes.

Each person purchasing an interest in a Registered Global Security will be deemed to have acknowledged, 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):

- (a) that (i) it is a QIB, purchasing (or holding) the Securities for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A, or (ii) it is outside the United States and is not a U.S. person;
- (b) that the Securities are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Securities have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (c) that, unless it holds an interest in a Regulation S Global Security and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Securities or any beneficial interests in the Securities, it will do so, prior to the date which is one year

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after 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, only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

- (d) that it will, and will require each subsequent holder to, notify any purchaser of the Securities from it of the resale restrictions referred to in paragraph (c) above, if then applicable;
- (e) that Securities initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Securities, that Securities offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Securities and that Securities offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Securities;
- (f) that the Securities, other than the Regulation S Global Securities, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSACTION IS REGISTERED PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

BY PURCHASING THE SECURITIES REPRESENTED HEREBY, EACH HOLDER OF ANY BENEFICIAL INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO THE SECURITIES THAT IT (I)(A) IS AN "ELIGIBLE INVESTOR" (AS DEFINED BELOW), (B) WILL HOLD AT LEAST THE MINIMUM DENOMINATION OF U.S.\$250,000, (C) WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE, INCLUDING DELIVERING TO EACH TRANSFEREE A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND, (D) IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL OF THE PRECEDING REQUIREMENTS AND (E) AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE SECURITIES OR ANY BENEFICIAL INTEREST HEREIN TO ANY PERSON EXCEPT TO A PERSON THAT MEETS ALL OF THE PRECEDING REQUIREMENTS AND AGREES NOT TO SUBSEQUENTLY TRANSFER THE SECURITIES OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN ACCORDANCE WITH THIS CLAUSE (E) OR (II) IS NOT A U.S. PERSON AND IS ACQUIRING THE SECURITIES PURSUANT TO RULE 903 OR 904 OF REGULATION S. IN THE EVENT OF ANY TRANSFER PURSUANT TO THE PRECEDING CLAUSE (II), (1) THE TRANSFEREE WILL BE REQUIRED TO HAVE THE SECURITIES SO TRANSFERRED TO BE REPRESENTED BY AN INTEREST IN THE REGULATION S GLOBAL SECURITY (AS DEFINED IN THE BASE PROSPECTUS); (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND IS AVAILABLE FROM THE TRANSFER AGENT), AND (3) THE TRANSFEREE WILL BE REQUIRED TO CERTIFY AS TO ITS STATUS AS A NON-U.S. PERSON. ANY RESALE OR OTHER TRANSFER OF THIS SECURITY MADE OTHER THAN IN COMPLIANCE WITH THE FOREGOING RESTRICTIONS SHALL NOT BE RECOGNISED BY THE ISSUER, THE REGISTRAR OR ANY OTHER AGENT OF THE ISSUER.

"**ELIGIBLE INVESTORS**" ARE DEFINED FOR THE PURPOSES HEREOF AS PERSONS WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**QIBS**"), ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF OTHER QIBS, OR PERSONS WHO ARE INSTITUTIONAL ACCREDITED INVESTORS.



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THE PURCHASER ACKNOWLEDGES THAT THE ISSUER OR ANY DEALER RESERVE THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER OR ANY DEALER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE SECURITIES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. TERMS WHICH ARE USED IN THIS LEGEND WHICH ARE DEFINED IN RULE 144A HAVE THE MEANINGS GIVEN TO THEM UNDER SUCH RULE.

THE SECURITIES REPRESENTED BY THIS SECURITY MAY NOT BE PURCHASED OR HELD BY (A) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), (B) ANY PLAN SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY (WITHIN THE MEANING OF THE U.S. DEPARTMENT OF LABOR REGULATIONS SECTION 2510.3-101 AS MODIFIED BY SECTION 3(42) OF ERISA).

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

- (g) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Securities prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Securities), it will do so only (i) (A) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (B) to a QIB in compliance with Rule 144A and (ii) in accordance with all applicable U.S. state securities laws; and it acknowledges that the Regulation S Global Securities will bear a legend to the following effect unless otherwise agreed to by the Issuer:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSACTION IS REGISTERED PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

EACH HOLDER OF A BENEFICIAL INTEREST HEREIN SHALL BE DEEMED TO AGREE FOR THE BENEFIT OF THE ISSUER THAT, IF IT SHOULD DECIDE TO DISPOSE OF THE SECURITIES REPRESENTED BY THIS REGULATION S GLOBAL SECURITY PRIOR TO THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION, BENEFICIAL INTERESTS IN THIS REGULATION S GLOBAL SECURITY MAY BE OFFERED, RESOLD OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT. ACCORDINGLY, ANY TRANSFERS OF THE SECURITIES PRIOR TO THE TERMINATION OF THE DISTRIBUTION COMPLIANCE PERIOD MAY ONLY BE MADE: (A)

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TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (B) TO OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON IN A TRANSACTION PURSUANT TO RULE 144A OR REGULATION D UNDER THE SECURITIES ACT TO PERSONS WHO QUALIFY AS "ELIGIBLE INVESTORS" (AS DEFINED BELOW). IN THE CASE OF ANY SUCH TRANSFER PURSUANT TO CLAUSE (B), (1) THE TRANSFEREE WILL BE REQUIRED TO HAVE THE SECURITIES SO TRANSFERRED TO BE REPRESENTED BY AN INTEREST IN A RULE 144A GLOBAL SECURITY OR A DEFINITIVE IAI REGISTERED SECURITY (AS DEFINED IN THE BASE PROSPECTUS); (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND IS AVAILABLE FROM THE TRANSFER AGENT), AND (3) THE TRANSFEREE WILL BE REQUIRED TO EXECUTE AN INVESTMENT LETTER (THE FORM OF WHICH IS ALSO ATTACHED TO THE AGENCY AGREEMENT) CERTIFYING, AMONG OTHER THINGS, ITS STATUS AS AN ELIGIBLE INVESTOR.

"**ELIGIBLE INVESTORS**" ARE DEFINED FOR THE PURPOSES HEREOF AS PERSONS WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**QIBS**"), ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF OTHER QIBS, OR PERSONS WHO ARE INSTITUTIONAL ACCREDITED INVESTORS."; and

- (h) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Securities as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Unless otherwise provided in the applicable Issue Terms, each Institutional Accredited Investor who purchases Registered Securities in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by Regulation D of the Securities Act is required to execute and deliver to the Registrar an Investment Letter. Upon execution and delivery of an Investment Letter by an Institutional Accredited Investor, Securities will be issued in definitive registered form, see "*Form of Securities*". Each QIB who purchases Rule 144A Global Securities offered and sold in the United States in reliance upon the exemption from registration provided by Rule 144A of the Securities Act is required to execute and deliver to the Registrar an Investment Letter.

The Investment Letter referred to above shall include the following representations and agreements (undefined terms used in this section that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (a) **Purchaser Requirements.** Securities may be offered in the United States to a purchaser who: (i) is an Eligible Investor (as defined below), (ii) will hold at least the minimum denomination of US\$250,000, (iii) will provide notice of applicable transfer restrictions to any subsequent transferee (and each subsequent transferee will be deemed to have made the same representations and agreements contained in clauses (i) through (iv) of this paragraph), and (iv) is purchasing for its own account or for the accounts of one or more other persons each of whom meets all of the requirements of clauses (i) through (iv) and over which it exercises sole investment discretion.
- (b) **Notice of Transfer Restrictions.** Each purchaser acknowledges and agrees that (a) the Securities have not been and will not be registered under the Securities Act and the Issuer has not been registered as an "investment company" under the 1940 Act, (b) neither the Securities nor any beneficial interest therein may be re-offered, resold, pledged or otherwise transferred except in accordance with the provisions set out in paragraph (a) above and (c) the purchaser will notify any transferee of such transfer restrictions and that each subsequent holder will be required to notify any subsequent transferee of such Securities of such transfer restrictions.
- (c) **Rule 144A Information.** Each purchaser of Securities offered and sold in the United States under Rule 144A is hereby notified that the offer and sale of such Securities to it is being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. The Issuer has agreed to furnish to investors upon request such information as may be required by Rule 144A.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

- (d) **ERISA.** If the purchaser is a U.S. person purchasing an interest in a Rule 144A Global Security, it is not a benefit plan investor, is not using the assets of a benefit plan investor to acquire such Securities and shall not at any time hold such Securities for a benefit plan investor (including assets that may be held in an insurance company's separate or general accounts where assets in such accounts may be deemed "plan assets" for purposes of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA")). For the purposes hereof, the term "**benefit plan investor**" means (a) any employee benefit plan (as defined in section 3(3) of ERISA), (b) any plan described in section 4975(e)(1) of the U.S. Internal Revenue Code, or (b) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (within the meaning of the U.S. Department of Labor Regulations Section 2510.3-101 as modified by Section 3(42) of ERISA).
- (e) **Relevant Information.** The purchaser has received a copy of this Base Prospectus and such other information as it deems necessary in order to make its investment decision.
- (f) **Legends on Global Securities.** Each purchaser acknowledges that each of the Rule 144A Global Security and the Regulation S Global Security will bear legends substantially to the effect set out in this Base Prospectus.
- (g) **Regulation S Transfers During the Distribution Compliance Period.** If the purchaser has acquired a portion of a Regulation S Global Security in a sale or other transfer being made in reliance upon Regulation S, the purchaser agrees that during the Distribution Compliance Period it will not offer, resell, pledge or otherwise transfer such portion of such Regulation S Global Security to or for the account or benefit of any U.S. person other than to a person meeting the requirements set out in paragraph (a) above and in the legend set out on the Regulation S Global Security.

If the purchaser is an Institutional Accredited Investor the Investment Letter will also contain the following representations and agreements:

- (h) that the Institutional Accredited Investor is an Institutional Accredited Investor within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act, and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Securities, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time.
- (i) that, in the event that the Institutional Accredited Investor purchases Securities, it will acquire Securities having a minimum purchase price of at least US\$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Securities in the United States to any one purchaser will be for less than US\$250,000 (or its foreign currency equivalent) nominal amount or, in the case of sales to Institutional Accredited Investors, US\$500,000 (or its foreign currency equivalent) nominal amount and no Legended Security will be issued in connection with such a sale in a smaller nominal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least US\$250,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, US\$500,000 (or its foreign currency equivalent) nominal amount of Registered Securities.

### Securities Selling Restrictions

#### General Selling Restrictions

This Base Prospectus has been prepared on the basis that Securities may be directed to any category of potential investors unless specified otherwise in the applicable Issue Terms.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that:

- (i) unless specified otherwise in the applicable Issue Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Securities, or possession or distribution of any offering material in relation thereto, in such country or jurisdiction where action for that purpose is required; and

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

- (ii) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantor nor the Dealers shall have any responsibility therefor.

None of the Issuer, the Guarantor nor the Dealer(s) represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Persons into whose hands the Base Prospectus, any Issue Terms or any Security comes are required by the Issuer 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 Securities or have in their possession or distribute such offering material, in all cases at their own expense.

### United States

#### *Securities other than 3(a)(2) Notes*

Neither the Securities nor the Guarantee, nor any Entitlement(s) to be delivered in respect of Securities issued by BBVA Global Markets B.V. where physical delivery is specified as applicable, have been or will be registered under the Securities Act and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Securities may be offered in the United States to a purchaser: (i) who is an Eligible Investor (as defined below), (ii) will hold at least the minimum denomination of US\$250,000 (or equivalent in the relevant currency), (iii) will provide notice of applicable transfer restrictions to any subsequent transferee (and each subsequent transferee will be deemed to have made the same representations and agreements contained in clauses (i) through (v) of this paragraph), (iv) understands that the issuer may receive a list of all participants holding positions in its Securities from one or more book-entry depositaries and that the participants may further disclose to the issuer the names and positions of holders of its Securities, and (v) is purchasing for its own account or for the accounts of one or more other persons each of whom meets all of the requirements of clauses (i) through (v) and over which it exercises sole investment discretion.

Each purchaser who satisfies clauses (i) through (v) above acknowledges and agrees that in the event that at any time the Issuer determines or is notified by a Dealer acting on behalf of the Issuer that such purchaser was in breach, at the time given or deemed to be given, of any of the representations or agreements set out in clauses (i) through (v) above or otherwise determines that any transfer or other disposition of any Securities would, in the sole determination of the Issuer or a Dealer acting on behalf of the Issuer, require the Issuer to register as an "investment company" under the provisions of the 1940 Act, such purchase or other transfer will be void *ab initio* and will not be honoured by the Registrar. Accordingly, any such purported transferee or other holder will not be entitled to any rights as a Securityholder and the Issuer shall have the right, in accordance with the conditions of the Securities, to force the transfer of, transfer on behalf of the Securityholder or redeem, any such Securities.

Such Securities will be offered by BBVA (acting through its agent BBVA Securities Inc.) (in such capacity, the "**Initial Purchaser**").

The Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder. The Issue Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, in connection with any Securities which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Securities**"), that it will not offer, sell or deliver such Regulation S Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

certified by the relevant Dealer or, in the case of an issue of Securities on a syndicated basis, the relevant lead manager, of all Securities of the Tranche of which such Regulation S Securities are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Securities within the United States or to, or for the account or benefit of, U.S. persons.

As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "**U.S. person**" means (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in clause (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. persons; or (vii) any other "U.S. Person" as such term may be defined in Regulation S under the Securities Act or in regulations adopted under the Commodity Exchange Act, as amended.

Until 40 days after the commencement of the offering of any Series of Securities, an offer or sale of such Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealer(s) may arrange for the resale of Securities issued by BBVA Markets B.V. to QIBs who are also QPs pursuant to Rule 144A and Dealer(s) may arrange for the resale of Securities issued by BBVA Global Securities B.V. to QIBs pursuant to Rule 144A and each such purchaser of Securities is hereby notified that the Dealer(s) may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A and one or more exemptions and/or exclusions from regulation under the CEA. The minimum aggregate nominal amount of Securities which may be purchased by a QIB pursuant to Rule 144A is US\$250,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Securities and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4) so long as the Securities are considered restricted securities within the meaning of Rule 144A(a)(3) under the Securities Act.

The Securities, the Guarantee and any Entitlement(s) do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the CEA, and trading in the Securities has not been approved by the U.S. Commodity Futures Trading Commission pursuant to the CEA.

Each issuance of Securities shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Securities, which additional selling restrictions shall be set out in the Issue Terms.

### ***1940 Act compliance and Eligible Investors***

As described above, BBVA Global Markets B.V. has not been and will not be registered as an "investment company" under the 1940 Act and, accordingly, the Securities may only be sold in the United States or to, or for the account or benefit of, U.S. persons in compliance with Section 3(c)(7) of the 1940 Act. In general, the Section 3(c)(7) exception excludes from the definition of an investment company any issuer whose outstanding securities are owned exclusively by persons who are "Qualified Purchasers" (or "**QPs**", as defined in Section 2(a)(51)(A) of the 1940 Act and the rules and regulations of the U.S. Securities and Exchange Commission thereunder) and that has not made a public offering of its securities. Consequently, the relevant Securities may only be offered, sold, resold, delivered or transferred (a) within the United States or to, or for the account or benefit of, U.S. persons, in a transaction made in compliance with both Rule 144A and Section 3(c)(7) under the 1940 Act to persons that are

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Eligible Investors (as defined below) or (b) outside the United States to persons that are not U.S. persons in offshore transactions in reliance on Rule 903 or 904 of Regulation S.

The relevant Securities (other than 3(a)(2) Notes) issued by BBVA Global Securities B.V. may only be offered, sold, resold, delivered or transferred (a) within the United States or to, or for the account or benefit of, U.S. persons, in a transaction made in compliance with Rule 144A to persons that are Eligible Investors (as defined below) or (b) outside the United States to persons that are not U.S. persons in offshore transactions in reliance on Rule 903 or 904 of Regulation S.

"**Eligible Investors**," in the case of Securities issued by BBVA Global Markets B.V., are defined as persons who are QIBs and also QPs acting for their own account or for the account of other QIBs who are also QPs, or persons who are Institutional Accredited Investors and also QPs, but excluding therefrom: (i) QIBs that are broker dealers that own and invest on a discretionary basis less than US\$25 million in "securities" of unaffiliated issuers (ii) a partnership, common trust fund, special trust, pension fund, retirement plan or other entity in which the partners, beneficiaries or participants, as the case may be, may designate the particular investments to be made or the allocation thereof, (iii) an entity that was formed, reformed or recapitalised for the specific purpose of investing in the Securities, (unless each beneficial owner of such entity is a QP), (iv) any investment company excepted from the 1940 Act solely pursuant to Section 3(c)(1) or Section 3(c)(7) thereof and formed prior to April 30, 1996, that has not received the consent of its beneficial owners with respect to the treatment of such entity as a qualified purchaser in the manner required by Section 2(a)(51)(C) of the 1940 Act and rules thereunder, and (v) any entity that will have invested more than 40 per cent. of its assets in securities of the Issuer subsequent to any purchase of the Securities.

"**Eligible Investors**," in the case of Securities (other than 3(a)(2) Notes) issued by BBVA Global Securities B.V., are defined as persons who are QIBs acting for their own account or for the account of other QIBs, or persons who are Institutional Accredited Investors.

### European Economic Area (EEA)

#### *Public Offer Selling Restriction under the Prospectus Regulation*

With regard to each Tranche of Securities in relation to which "Prohibition of Sales to EEA Retail Investors" will be selected to be "Not applicable" in Part A of the applicable Issue Terms the following restrictions apply:

In relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Issue Terms in relation thereto to the public in that Member State except that it may make an offer of such Securities to the public in that Member State:

- (a) if the Issue Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Issue Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Issue Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

provided that no such offer of Securities referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- (a) the expression an "**offer of Securities to the public**" in relation to any Securities in any Member State means the communication in any form and by any means of 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 the Securities; and
- (b) the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended or superseded).

### **Prohibition of Sales to EEA Retail Investors**

With regard to each Tranche of Securities in relation to which "Prohibition of Sales to EEA Retail Investors" will be selected to be "applicable" in Part A of the applicable Issue Terms the following restrictions apply:

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Issue Terms 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, 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; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

In addition to the selling restrictions set out for each Member State of the European Economic Area please see "*Public Offer Selling Restriction under the Prospectus Regulation*" above and "*Prohibition of Sales to EEA Retail Investors*" above.

### **Austria**

Unless it is specified in the applicable Issue Terms that an offer of Non-Exempt Securities will be made in Austria, the following will apply:

No prospectus has been or will be approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) and/or published pursuant to Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Neither this Base Prospectus nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Dealers.

No steps may be taken that would constitute a public offering of the Securities in Austria and the offering of the Securities may not be advertised in Austria. Each Dealer has represented and agreed, and each further dealer appointed under the programme will be required to represent and agree, that it will offer the Securities in Austria only in compliance with the provisions of the Prospectus Regulation, the Austrian Capital Market Act 2019

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

(*Kapitalmarktgesetz*), as amended, and all other laws and regulations in Austria applicable to the offer and sale of the Securities in Austria.

### Finland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Securities may only be offered or sold in compliance with all applicable provisions of the laws of Finland and especially in compliance with the Finnish Securities Market Act (*arvopaperimarkkinalaki (746/2012)*, as amended) and any regulation or rule made thereunder, as supplemented and amended from time to time.

### France

Neither this Base Prospectus nor any other offering material relating to the Securities (including any *communications à caractère promotionnel*) have been submitted to the clearance procedures of the *Autorité des Marchés Financiers*.

Unless it is specified in the applicable Issue Terms that an offer of Non-Exempt Securities will be made in France, the following will apply: each of the Dealers have represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France.

Neither this Base Prospectus, the applicable Issue Terms nor any other offering material relating to the Securities has been or will be:

- (a) released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- (b) used in connection with any offer for subscription or sale of the Securities to the public in France.

Such offers, sales and distributions will be made in France only to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in article 2(e) of the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") pursuant to article L.411-2 1° of the French Code monétaire et financier acting for their own account, as defined in, and in accordance with, articles L.411-2, D.411-2 to D.411-4, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*.

The direct or indirect resale of Securities to the public in France may be made only as provided by, and in accordance with, articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-2 of the French *Code monétaire et financier*.

In addition, each of the Dealers and the Issuer have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, this Base Prospectus, the applicable Issue Terms or any other offering material relating to the Securities other than to investors to whom offers and sales of Securities in France may be made as described above.

### Germany

Unless it is specified in the applicable Issue Terms that an offer of Non-Exempt Securities will be made in Germany, the following will apply: Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree that no steps may be taken that would constitute a public offering of the Securities in Germany and the Securities have not been and will not be distributed, delivered, offered, sold, promoted or advertised in the Federal Republic of Germany other than in compliance with the Prospectus Regulation, German Securities Prospectus Act (*Wertpapierprospektgesetz*), as amended, or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

### Ireland

Unless it is specified in the applicable Issue Terms that an offer of Securities will be made in Ireland, the following will apply: Each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold, placed or underwritten and will not offer, sell,



## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

place or underwrite the Securities, or do anything in Ireland in respect of the Securities, otherwise than in conformity with the provisions of:

- (a) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the "**MiFID II Regulations**"), including, without limitation, Regulations 5 (*Requirements for Authorisation (and certain provisions concerning MTFs and OTFs)*) thereof, any rules or codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) the Companies Act 2014 (as amended, the "**Companies Act**"), the Central Bank Acts 1942-2015 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) the Regulation (2017/1129), the European Union (Prospectus) Regulations 2019 and any rules and guidelines issued under Section 1363 of the Companies Act by the Central Bank; and
- (d) the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.

### Portugal

Unless it is specified in the applicable Issue Terms that an offer of Non-Exempt Securities will be made in Portugal, the following will apply: Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) no document, circular, advertisement or any offering material in relation to the Securities has been or will be subject to approval by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*, the "**CMVM**");
- (b) it has not, without the prior approval of the CMVM, directly or indirectly taken any action or offered, advertised, submitted to an investment gathering procedure, sold or delivered and will not, without the prior approval of the CMVM, directly or indirectly offer, advertise, submit to an investment gathering procedure, sell, re-sell, re-offer or deliver any Securities in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Prospectus Regulation, or the Portuguese Securities Code (*Código dos Valores Mobiliários*, the "**CVM**");
- (c) it has not, directly or indirectly, distributed and will not, directly or indirectly, distribute to the public in the Republic of Portugal the Base Prospectus or any document, circular, advertisements or any offering material in relation to the Securities, without the prior approval of the CMVM; and
- (d) it will comply with all applicable provisions of the Prospectus Regulation, the CVM and any applicable CMVM regulations and all relevant Portuguese laws and regulations, in any such case that may be applicable to it in respect of any offer or sales of Securities by it in the Republic of Portugal.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall comply with all applicable laws and regulations in force in the Republic of Portugal and with the Prospectus Regulation regarding the placement of any Securities in the Portuguese jurisdiction or to any entities which are resident in the Republic of Portugal, including the publication of a prospectus, when applicable, and that such placement shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

### Republic of Italy

Unless it is specified in the applicable Issue Terms that a non exempt offer will be made in the Republic of Italy, the following will apply: The offering of the Securities has not been registered pursuant to Italian securities legislation. Accordingly, no Securities may be offered, sold or delivered, directly or indirectly nor may copies of

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

this Base Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except

- (i) to qualified investors (*investitori qualificati*) as defined in Article 2, of Regulation (EU) No. 1129 of June 14, 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 and regulations.

Any offer, sale or delivery of the Securities or distribution of copies of this Base Prospectus (including the applicable Issue Terms) or any other document relating to the Securities in the Republic of Italy must be in compliance with the selling restrictions under paragraphs (i) or (ii) above and 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 February 15, 2018 (as amended from time to time) and Legislative Decree No. 385 of September 1, 1993, as amended (the "**Banking Act**") and any other applicable laws and regulations;
- (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.

*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, Securities which are initially offered and placed in Italy or abroad to qualified investors only but in the following year are systematically ("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 Securities being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.*

### Spain

Neither the Securities nor the Base Prospectus have been registered with the Spanish Securities Market Regulator (*Comisión Nacional del Mercado de Valores*, the "**CNMV**"). On such basis, the Securities may not be offered, sold or distributed, nor may any subsequent resale of Instruments be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain in compliance with all legal and regulatory requirements under Spanish securities laws. No publicity or marketing of any kind shall be made in Spain in relation to the Securities.

### Sweden

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Securities have not been offered or sold and will not be offered, sold or delivered directly or indirectly in the Kingdom of Sweden by way of a public offering, unless in compliance with the Swedish Financial Instruments Trading Act, (SFS 1991:980 om handel med finansiella instrument).

### The Netherlands

#### *General*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Securities may not, directly or indirectly, be, (or announced to be) offered, sold, resold, delivered or transferred as part of their initial distribution or at any time thereafter to, or to the order of, or for the account of, any person in the Netherlands other than in accordance with the aforementioned restrictions.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

### *Savings Certificates Act*

In addition and without prejudice to the relevant restrictions set out above, Securities that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever ("**Zero Coupon Securities**") in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or an admitted institution (*toegelaten instelling*) of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Savings Certificates Act (*Wet inzake spaarbewijzen*) of May 21, 1985 (as amended). No such mediation is required in respect of:

- (a) the transfer and acceptance of Zero Coupon Securities whilst in the form of rights representing an interest in a Zero
- (b) the initial issue of Zero Coupon Securities in definitive form to the first holders thereof;
- (c) the transfer and acceptance of Zero Coupon Securities in definitive form between individuals not acting in the conduct of a business or profession; or
- (d) the transfer and acceptance of such Zero Coupon Securities within, from or into the Netherlands if all Zero Coupon Securities (either in definitive form or as rights representing an interest in a Zero Coupon Instrument in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Securities have to be complied with and, in addition thereto, if such Zero Coupon Securities in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of March 2, 1987 attached to the Royal Decree of March 11, 1987 as published in the Official Gazette 1987, 129, as amended from time to time, each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Securities.

### **Argentina**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Securities have not been and will not be registered with the Argentinian Securities Commission (*Comisión Nacional de Valores*) pursuant to the Ley de Mercados de Capitales of Argentina and therefore cannot be offered or sold in Argentina or to, or for the account or benefit of, persons in Argentina except in circumstances which have not resulted and will not result in a public offering.

### **Chile**

The Issuer and the Securities have not been, and will not be, registered with the Chilean Commission for the Financial Market (*Comisión para el Mercado Financiero*, "**CMF**") pursuant to Law No. 18.045 (Ley de Mercado de Valores, "**Securities Market Act**"), as amended, of the Republic of Chile and, accordingly, no person shall offer or sell the securities 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 and/or in the conduct of intermediation (*funciones de intermediación*) within the meaning of Chilean law.

The offer of any Securities pursuant to this Base Prospectus begins on the date of issuance of the applicable Issue Terms. Any such offer of Securities complies with General Rule N°. 336 of the CMF. Since the Securities to which an offer relates have not been registered in the Foreign Securities Registry of the CMF, they are not subject to the supervision of such entity. As any offer of Securities pursuant to this Base Prospectus does not relate to registered securities, there is no obligation on the Issuer to deliver in Chile public information regarding the Securities. The Securities may not be publicly offered in Chile as long as they are not registered in the corresponding Securities Registry. The above paragraph has to be reproduced in Spanish in order to comply with the General Rule N°. 336. Therefore, the following paragraph is only a translation into Spanish of this paragraph's disclaimers and does not contain any additional statement.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Esta oferta comienza el día que se emitan los Issue Terms. Esta oferta de valores cumple con la Norma de Carácter General 336 de la CMF. Dado que esta oferta versa sobre valores no inscritos en el Registro de Valores Extranjeros que lleva dicha Comisión, tales valores no están sujetos a la fiscalización de ésta. Como esta oferta de valores se refiere a valores no inscritos, no existe la obligación por parte de su emisor de entregar en Chile información pública respecto de dichos valores. Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.

### Colombia

Each Dealer has represented and agreed that the Securities 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. The offer of the Securities is addressed to less than one hundred specifically identified investors. The material in this Base Prospectus 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 Base Prospectus 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, the Securities 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 Securities listed in the Base Prospectus have not been registered in the National Securities and Issuer's 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 Securities 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 Base Prospectus and represent that they are the sole liable party for full compliance with any such laws and regulations.

The investors represent that the investment in the Securities is a permitted investment for them under their corporate bylaws and/or particular investment regime that may be applicable.

### Hong Kong

Each Dealer has acknowledged and agreed, and each further Dealer appointed under the Programme will be required to acknowledge and agree, that the Securities have not been authorised by the Securities and Futures Commission of Hong Kong. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme 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 Securities (except for Securities which are "structured products" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**Securities and Futures Ordinance**")) other than (a) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); (b) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance or (c) 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 or which do not constitute an offer to the public within the meaning of that Ordinance; 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 Securities, 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 Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

### Mexico

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Securities have not been, and will not be, registered with the National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or the "CNBV") and, therefore, the Securities may not be offered or sold in Mexico, publicly or otherwise, except that the Securities may be offered in Mexico to institutional and accredited investors pursuant to the private placement exception set forth in Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*).

### Monaco

The Securities may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco Bank or a duly authorised Monegasque intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Fund. Consequently, this Base Prospectus may only be communicated to (i) banks, and (ii) portfolio management companies duly licensed by the "Commission de Contrôle des Activités Financières by virtue of Law n° 1.338, of September 7, 2007, and authorised under Law n° 1.144 of July 26, 1991. Such regulated intermediaries may in turn communicate this Base Prospectus to potential investors.

### Panama

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Securities have not been and will not be registered with the Superintendence of Capital Markets of the Republic of Panama, nor will the offer, sale or transactions regarding the Securities. The exemption from registration is made under number 3 of Article 129 of Unified Text of the Decree Law 1 of July 8, 1999 (*Institutional Investors*). As a consequence, the tax treatment established in Articles 334 through 336 of Unified Text of the Decree Law 1 of July 8, 1999, is not applicable to them. The Securities are not under the supervision of the Superintendence of Capital Markets.

### Peru

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Securities have not and will not be placed, offered, sold, disposed of or distributed in Peru, except in circumstances which do not constitute a public offer of securities in Peru within the meaning of Peruvian securities laws and regulations. Accordingly, the Securities will not be the subject of a duly diffused invitation for subscription, acquisition or purchase of the Securities in Peru, pursuant to the Peruvian Securities Market Law, Decreto Legislativo 861, as amended and restated.

The Securities may only be offered in Peru, under private offerings, complying with the Securities Market Law and the regulations that govern the investment policy of institutional investors such as, but not restricted to, banking and other financial entities, insurance entities, private pension fund managers, open ended and close ended collective investment schemes. The Securities acquired by institutional investors in Peru cannot be transferred to a third party, unless such transfer is made to another institutional investor or the Securities have been previously registered with the *Registro Público del Mercado de Valores* maintained by the *Superintendencia del Mercado de Valores*.

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been subject to review by the Securities Market Superintendence (*Superintendencia del Mercado de Valores*, "SMV") and has not been registered with the Peruvian Securities Market Public Registry, therefore it is not intended for any public offer of the Securities in Peru. If the Securities were to be offered under private offerings in Peru, regulations do not impose reporting obligations with SMV, to any of the Issuer or the Dealers.

### Republic of Korea

The Securities have not been and will not be registered with the Financial Services Commission of Korea for public offering in the Republic of Korea under the Financial Investment Services and Capital Markets Act (the "FSCMA"). The Securities 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 the Republic of Korea or to any resident of the Republic

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

of Korea except pursuant to the applicable laws and regulations of the Republic of Korea, including the FSCMA and the Foreign Exchange Transaction Law (the "FETL") and the decrees and regulations thereunder. The Securities may not be resold to South Korean residents unless the purchaser of the Securities complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the FETL and its subordinate decrees and regulations) in connection with the purchase of the Securities.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, any Securities in the Republic of Korea or to any resident of the Republic of Korea and will not offer, sell or deliver directly or indirectly or offer or sell to any person for re-offering or resale, directly or indirectly, any Securities in the Republic of Korea or to any resident of the Republic of Korea, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FSCMA, FETL and other relevant laws and regulations of the Republic of Korea.

### Singapore

This Base Prospectus may only be distributed in Singapore to "accredited investors" and "institutional investors" as defined in the Securities and Futures Act 2001, as amended from time to time ("SFA"). This Base Prospectus and its contents are not available to, directed to and must not be relied upon by persons in Singapore who are not "accredited investors" or "institutional investors" including but not limited to retail investors.

This Base Prospectus and any other document or material issued in connection with the offer or sale of the Notes is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Investors should consider carefully whether the investment is suitable for them.

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, nor may Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor (as defined in Section 4A of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA), or to any person where the transfer arises from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been lodged with the MAS and has not been registered with the MAS. Accordingly, each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of 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.

### Switzerland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required or deemed to agree, that it will comply with (i) any laws, regulations or guidelines applicable in Switzerland (as amended from time to time) in relation to the marketing, offer, sale, delivery or transfer of the Securities, or the distribution of any marketing or offering material in respect of the Securities, in or from Switzerland.

#### *Restrictions for distribution of Securities to Retail Clients:*

Securities qualifying as structured products pursuant to Article 70 of the Swiss Federal Act on Financial Services of June 15, 2018 ("**FinSA**") may be offered to retail clients (*Privatkundinnen und -kunden*) pursuant to Article 4 para. 2 FinSA ("**Retail Clients**") in, into or from Switzerland only if a key investor document (*Basisinformationsblatt*) relating to the Securities within of Article 58 et seq. FinSA ("**FinSA-KID**") or a key information document pursuant to Regulation (EU) No 1286/2014 and Delegated Regulation (EU) No. 2017/653 ("**PRIPs-KID**") has been prepared and provided to the relevant Retail Clients. If the Securities are only be offered to Retail Clients in the context of permanent asset management mandates, such obligation to provide a FinSA-KID or a PRIIPs-KID would not apply.

All clients other than professional clients (*professionelle Kunden*) and institutional clients (*institutionelle Kunden*), as defined in Article 4 para. 3, 4 and 5 and Article 5 para. 1 and 2 FinSA ("**Professional or Institutional Clients**"), are Retail Clients. Professional or Institutional Clients include: (a) financial intermediaries regulated pursuant to the Swiss Federal Banking Act of November 8, 1934, the Swiss Federal Financial Institutions Act of June 15, 2018 ("**FinIA**") or the CISA; (b) regulated insurance undertakings pursuant to the Swiss Federal Insurance Supervision Act of December 17, 2004; (c) foreign financial intermediaries or insurance undertakings subject to a similar prudential supervision as the financial intermediaries or insurance undertakings pursuant to (a) and (b); (d) central banks; (e) public entities with professional treasury operations; (f) pension funds and occupational pension schemes with professional treasury operations; (g) undertakings with professional treasury operations; (h) large companies that exceed two of the following thresholds: (i) a balance sheet total of CHF 20 million, (ii) turnover of CHF 40 million, and/or (iii) own capital of CHF 2 million; (i) private investment structures for high-net worth individuals with professional treasury operations; and (j) Opting-out Clients.

An "**Opting-out Client**" (*vermögende Privatkundinnen und -kunden*) is a Retail Client who confirms (i) that, based on the education/professional experience or based on comparable experience in the financial sector, he/she/it has the necessary knowledge to understand the risks resulting from an investment in the Securities and who owns, directly or indirectly, eligible financial assets of at least CHF 500,000, or (ii) that he/she/it owns, directly or indirectly, eligible financial assets of at least CHF 2 million.

#### *Approval of prospectus for public offering:*

If and to the extent the Securities will be publicly offered, directly or indirectly, in Switzerland within the meaning of the FinSA, or if the Securities are admitted to trading to a Swiss trading venue (e.g. SIX Swiss Exchange), the publication of a prospectus satisfying the requirements of Article 40 et seq. FinSA would be required. Such requirement may be met on the basis of (i) an automatic recognition of this Base Prospectus in Switzerland under the rules of the FinSA by way of a notification of, and a registration of the Base Prospectus with, a reviewing body (*Prüfstelle*) within the meaning of Article 52 FinSA (a "**Swiss Reviewing Body**") and (ii) depositing the relevant Final Terms with the Swiss Reviewing Body. Such a registration pursuant to (i) would be possible for a

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Base Prospectus that is approved by the by the Central Bank of Ireland, for offerings to retail investors, as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), i.e. for any Securities other than Exempt Securities.

Except where the Base Prospectus is registered with a Swiss Reviewing Body under the rules of the FinSA, neither this Programme nor any other offering or marketing material relating to the Securities constitutes a prospectus pursuant to the FinSA, and neither this Programme nor any other offering or marketing material relating to the Securities may be publicly distributed or otherwise made publicly available in Switzerland, unless the requirements of FinSA and FinSO for such public distribution are complied with.

Without a registration of the Base Prospectus with a Swiss Reviewing Body pursuant to the rules of the FinSA, the Securities may only be offered, sold or advertised, directly or indirectly, in, into or from Switzerland if the Securities (a.) are addressed solely at investors classified as Professional or Institutional Clients; (b.) are addressed at fewer than 500 Retail Clients; (c.) are addressed at investors acquiring securities to the value of at least CHF 100,000; (d.) have a minimum denomination per unit of CHF 100,000; or (e.) do not exceed a total value of CHF 8 million over a 12-month period.

### **Taiwan**

The Securities may not be sold offered or issued to Taiwan resident investors or in Taiwan unless they are made available (A) outside Taiwan for purchase by such investors outside Taiwan (either directly or through licensed intermediaries) so long as no solicitation, marketing, selling and distribution or other similar activities take place in Taiwan and/or (B) in Taiwan through bank trust departments and licensed securities brokers pursuant to the Taiwan Regulations Governing Offshore Structured Products and any other applicable laws and regulations of Taiwan.

### **The Bahamas**

This Prospectus has not been registered with the Securities Commission of The Bahamas, nor have any applications been made to exempt such offer from the filing of a prospectus with the Securities Commission of The Bahamas under the Securities Industries Act, 2011. The Securities may not be offered or sold in or from within The Bahamas unless the offer or sale is made by a person appropriately licensed or registered to conduct securities business in or from within The Bahamas. The Securities may not be offered or sold to persons or entities deemed resident in The Bahamas pursuant to the Exchange Control Regulations, 1956 of The Bahamas unless the prior approval of the Exchange Control Department of the Central Bank of The Bahamas is obtained. No distribution of the Securities may be made in The Bahamas unless a preliminary prospectus and a prospectus have been filed with the Securities Commission of The Bahamas (the "**Securities Commission**") and the Securities Commission has issued a receipt for each document, unless such offering is exempted pursuant to the Securities Industry Act, 2011 and the Securities Industry Regulations, 2012, in which case additional filing and reporting obligations under Bahamian law may be triggered.

### **Turkey**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no information in this Base Prospectus is provided for the purpose of offering, marketing and sale by any means of any capital market instruments in the Republic of Turkey. Therefore, this Base Prospectus may not be considered as an offer made or to be made to residents of the Republic of Turkey. Accordingly neither this Base Prospectus nor any other offering material related to the offering may be used in connection with any offering to the public within the Republic of Turkey without the prior approval of the Turkish Capital Market Board. However, according to article 15 (d) (ii) of the Decree No.32 there is no restriction on the purchase or sale of the offered securities by residents of the Republic of Turkey, provided that: they purchase or sell such offered securities in the financial markets outside of the Republic of Turkey on an unsolicited (reverse inquiry) basis; and such sale and purchase is made through banks, and/or licensed brokerage institutions authorised by the Banking Regulation and Supervision Agency of Turkey or licensed brokerage institutions authorised pursuant to the regulations of the Turkish Capital Market Board and the considerations of the purchase of such securities is transferred through such licensed banks operating in the Republic of Turkey. As such, Turkish residents should use such licensed banks or licensed brokerage institutions when purchasing the Securities and should transfer the purchase price through such licensed banks operating in the Republic of Turkey.



## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

### United Kingdom

With regard to each Tranche of Securities in relation to which "Prohibition of Sales to UK Retail Investors" will be selected to be "Not applicable" in Part A of the applicable Issue Terms the following restrictions apply:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Securities 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 Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not or, in the case of the Guarantor, would not if it was not an authorised person, apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA and the Financial Services Act 2012 with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

### PROHIBITION OF SALE TO UK RETAIL INVESTORS

With regard to each Tranche of Securities in relation to which "Prohibition of Sales to UK Retail Investors" will be selected to be "applicable" in Part A of the applicable Issue Terms the following restrictions apply:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Issue Terms 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 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 Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

### Uruguay

Each Dealer has represented and agreed, and each further dealer appointed under the Programme will be required to represent and agree, that the Securities may only be placed in Uruguay relying on a private placement exemption

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

pursuant to section 2 of Law number 18,627. The Securities are not and will not be registered with the Financial Services Superintendence of the Central Bank of Uruguay to be publicly offered in Uruguay.

### Venezuela

No public offering of Securities has been authorised by the National Securities Superintendence (*Superintendencia Nacional de Valores* -"SNV"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) it shall not offer and/or sell Securities in Venezuela by means of a public offering, without obtaining the prior authorisation of SNV in accordance with the relevant provisions of the Securities Markets Act of December 30, 2015 (*Decreto Ley de Mercado de Valores*) and (ii) any offer has not been and will not be made available to the public, without the prior authorisation of SNV.

### Sales outside EEA and UK only

If the Issue Terms in respect of any Securities specifies "Sales outside EEA and UK only" as "Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Securities are not intended to be offered, distributed or sold to any investor in the European Economic Area or in the United Kingdom, and that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Issue Terms in relation thereto to any investor in the European Economic Area or in the United Kingdom.

### Additional Selling Restrictions

In connection with an offering and sale of a particular Tranche of Exempt Securities, additional selling restrictions may be imposed which will be set out in the Pricing Supplement

## IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SECURITIES

### Restrictions on Non-exempt offers of Securities in relevant Member States

Certain Tranches of Securities with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to as a "**Non-exempt Offer**". This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Securities in each Member State in relation to which the Issuer has given its consent as specified in the applicable Final Terms (each specified Member State a "**Non-exempt Offer Jurisdiction**" and together the "**Non-Exempt Offer Jurisdictions**"). Any person making or intending to make a Non-exempt Offer of Securities on the basis of this Base Prospectus must do so only with the Issuer's consent to the use of this Base Prospectus as provided under "*Consent given in accordance with Article 5 of the Prospectus Regulation*" and provided such person complies with the conditions attached to that consent.

Save as provided above, none of the Issuer, the Guarantor or any Dealer have authorised, nor do they authorise, the making of any Non-exempt Offer of Securities in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

### Consent given in accordance with Article 5 of the Prospectus Regulation

In the context of a Non-exempt Offer of such Securities, the Issuer and the Guarantor each accept responsibility, in each of the Non-exempt Offer Jurisdictions, for the consent of this Base Prospectus in relation to any person (an "**Investor**") who purchases any Securities in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to the giving of consent for the use of this Base Prospectus are complied with. The consent and conditions attached to it are set out under "*Consent*" and "*Conditions to Consent*" below.

None of the Issuer, the Guarantor or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and none of the Issuer or the Dealers has any responsibility or liability for the actions of that Authorised Offeror.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

**Except in the circumstances set out in the following paragraphs, neither the Issuer nor the Guarantor has authorised the making of any Non-exempt Offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Securities. Any Non-exempt Offer made without the consent of the Issuer is unauthorised and none of the Issuer, the Guarantor or, for the avoidance of doubt, any Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.**

If, in the context of a Non-exempt Offer, an Investor is offered Securities by a person who is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of the relevant Non-exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

### *Consent*

In connection with each Tranche of Securities and subject to the conditions set out below under "*Conditions to Consent*" the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Securities by:

- (i) the relevant Dealer(s) or Manager(s) stated in the applicable Final Terms;
- (ii) any financial intermediaries specified in the applicable Final Terms; and
- (iii) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Guarantor's website ([www.bbva.com](http://www.bbva.com)) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer.

The financial intermediaries referred to in paragraphs (ii) and (iii) above are together the "**Authorised Offerors**" and each an "**Authorised Offeror**".

### *Conditions to Consent*

The conditions to the Issuer's consent to the use of this Base Prospectus in the context of the relevant Non-exempt Offer are that such consent:

- (i) is only valid during the Offer Period specified in the applicable Final Terms; and
- (ii) only extends (as at the date of this Base Prospectus) to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Securities in a Non-exempt Offer Jurisdiction, as specified in the applicable Final Terms.

The consent referred to above relates to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

As of the date of this Base Prospectus, the only relevant Member State which may, in respect of any Tranche of Securities, be specified in the applicable Final Terms (if any relevant Member States are so specified) as indicated in paragraph (ii) above, will be Ireland, Portugal, Italy and France and accordingly each Tranche of Securities may only be offered to Investors as part of a Non-exempt Offer in Ireland, Portugal, Italy and France, as specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

## ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

**AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY SECURITIES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE SECURITIES CONCERNED AND, ACCORDINGLY,**

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

**THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER, THE GUARANTOR OR, FOR THE AVOIDANCE OF DOUBT, ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.**

**AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY SECURITIES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR SHOULD BE AWARE THAT INFORMATION ON THE TERMS AND CONDITIONS OF THE NON-EXEMPT OFFER BY ANY AUTHORISED OFFEROR SHALL BE PROVIDED AT THE TIME OF THE NON-EXEMPT OFFER BY SUCH AUTHORISED OFFEROR. ANY AUTHORISED OFFEROR USING THIS BASE PROSPECTUS FOR THE SECURITIES CONCERNED FOR THE PURPOSE OF ANY OFFERING MUST STATE ON ITS WEBSITE THAT IT USES THIS BASE PROSPECTUS IN ACCORDANCE WITH THE CONSENT GIVEN AND THE CONDITIONS ATTACHED THERETO.**

### *Non-Exempt Offers: Issue Price and Offer Price*

Securities to be offered pursuant to a Non-Exempt Offer will be issued by the Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer at the time of the relevant Non-Exempt Offer and will depend, amongst other things, on prevailing market conditions at that time. The offer price at which the Authorised Offeror will offer such Securities to the Investor will be the Issue Price or (where agreed with the relevant Dealer) such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Securities to such Investor. Neither the Issuer nor the Guarantor will be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Securities to such Investor.

## GENERAL INFORMATION

### GENERAL INFORMATION

#### 1. Authorisation

In relation with BBVA Global Markets B.V., the update of the Programme and the issue of Securities have been duly authorised by resolutions of the sole shareholder of BBVA Global Markets B.V. and of the Directors of BBVA Global Markets B.V. dated June 20, 2023. The giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated on May 31, 2023.

In relation with BBVA Global Securities B.V., the update of the Programme and the issue of Securities have been duly authorised by resolutions of the sole shareholder of BBVA Global Securities B.V. and of the Directors of BBVA Global Securities B.V. dated June 20, 2023. The giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated on May 31, 2023.

#### 2. Listing of Securities

As the date of this Base Prospectus:

- (i) Application has been made by BBVA Global Markets B.V. to Euronext Dublin for certain Securities issued by BBVA Global Markets B.V. to be admitted to the Official List and for the securities to be admitted to trading on its regulated market.

This Base Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus.

- (ii) Application has been made to the Vienna Stock Exchange for certain Securities issued under the Programme during the period of twelve months after the date of this Base Prospectus to be listed and admitted to trading on the Vienna MTF.
- (iii) BBVA Global Markets B.V. has notes of the same class as the notes to be issued under the Programme listed on the following markets: Euronext Dublin, AIAF, the Vienna MTF of the Vienna Stock Exchange and Taipei Stock Exchange and BBVA Global Securities B.V. has securities of the same class as the notes to be issued under the Programme listed on the Vienna MTF of the Vienna Stock Exchange.

Application may also be made for Securities issued under the Programme to be admitted to trading and to be listed on SeDex, Euro TLX, the Nordic Growth Market NGM AB (Sweden), Nordic Growth Market NGM AB (Finland) Taipei Stock Exchange and/or any other Stock Exchange specified in the applicable Issue Terms.

3(a)(2) Notes will not be listed on any securities exchange or quotation system in the United States.

#### 3. Documents Available

For twelve months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from <https://shareholdersandinvestors.bbva.com/debt-investors/programas/structured-medium-term-note/> in the case of the documents listed at paragraphs (viii) and (ix) or, in the case of the documents listed at paragraphs (i), (ii), (iii), (iv), (v), (vi) and (vii) below, on the indicated websites below. :

- (i) the Deed of Incorporation including the articles of association of each Issuer and the bylaws (with an English translation thereof) of each Issuer and the Guarantor (<https://shareholdersandinvestors.bbva.com/debt-investors/issuing-companies/>);
- (ii) the audited financial statements of BBVA Global Markets B.V. for the financial years ended December 31, 2022 ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/BBVA-Global-Markets-Memoria-2022\\_PDF.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/BBVA-Global-Markets-Memoria-2022_PDF.pdf)) and December 31,

## GENERAL INFORMATION

- 2021 (<https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/05/BBVAGlobalMarkets2021-1.pdf>);
- (iii) the audited financial statements of BBVA Global Securities B.V. for the financial years ended December 31, 2022 ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/Memoria-BBVA-Global-Securities\\_2022.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/04/Memoria-BBVA-Global-Securities_2022.pdf)) and December 31, 2021 (<https://shareholdersandinvestors.bbva.com/wp-content/uploads/2023/05/BBVAGlobalSecurities2021-1.pdf>);
- (iv) the unaudited interim report corresponding to the three month period ended March 31, 2023, the audited consolidated financial statements in respect of the financial years ended on December 31, 2022 (which includes for comparison purposes financial data for the years ended on December 31, 2021 and on December 31, 2020) ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2022/03/BBVA-Group-Annual-Report-and-MR-Dec-2021\\_ENG.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2022/03/BBVA-Group-Annual-Report-and-MR-Dec-2021_ENG.pdf)) and December 31, 2021, with an English translation thereof, together with the audit report prepared in connection therewith ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2022/03/BBVA-Group-Annual-Report-and-MR-Dec-2021\\_ENG](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2022/03/BBVA-Group-Annual-Report-and-MR-Dec-2021_ENG));
- (v) the most recently published audited annual financial statements of BBVA Global Markets B.V. and BBVA Global Securities B.V. (if any) and the Guarantor and the most recently published condensed interim consolidated financial statements (if any) of BBVA Global Markets B.V., BBVA Global Securities B.V. and the Guarantor (in each case with an English translation thereof), in each case together with any audit or review reports prepared in connection therewith. The Guarantor currently prepares unaudited interim reports on a quarterly basis and audited (under auditing standards generally accepted in Spain) consolidated interim reports on a semi-annual basis (<https://shareholdersandinvestors.bbva.com/financials/>);
- (vi) the Guarantee (<https://shareholdersandinvestors.bbva.com/debt-investors/issuing-companies/>);
- (vii) the Form 20-F (<https://www.sec.gov/Archives/edgar/data/842180/000084218023000010/0000842180-23-000010-index.htm>);
- (viii) a copy of this Base Prospectus; and
- (ix) any future prospectuses and supplements.

This Base Prospectus, together with any supplements thereto, will be published on the website of Euronext Dublin (<https://www.euronext.com/en/markets/dublin>), and will also be available at <https://shareholdersandinvestors.bbva.com/debt-investors/issuances-programs/>. The Issue Terms will be published on the exchange where the Securities are admitted to listing and trading.

#### 4. Clearing Systems

The Securities may be accepted for clearance through Euroclear and Clearstream, Luxembourg (which are in charge of keeping the records). The appropriate common code and ISIN for each Tranche of Securities allocated by Euroclear and Clearstream, Luxembourg will be specified in the Issue Terms. In addition, application may be made for any Registered Securities to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of such Registered Securities, together with the relevant ISIN and (if applicable) common code, will be specified in the Issue Terms. If Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the Issue Terms. The address of CREST is Euroclear UK & International Limited, 33 Cannon Street, London, EC4M 5SB.

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.

## GENERAL INFORMATION

The Securities may be accepted for clearance through Euroclear and Clearstream, Luxembourg (which are entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Securities allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Issue Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855, Luxembourg.

If the Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Issue Terms.

### 5. Conditions for determining price

The price and amount of Securities to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

### 6. Yield

In relation to any Tranche of Fixed Rate Securities which are to be admitted to trading on a regulated market, an indication of the yield in respect of such Securities will be specified in the Final Terms. The yield is calculated at the Issue Date of the Securities on the basis of the Issue Price and on the assumption that the Securities are not subject to early redemption or cancellation or, if applicable, no Credit Event occurs. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Securities and will not be an indication of future yield.

### 7. Significant or Material Change

Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Group since December 31, 2022 and there has been no material adverse change in the prospects of the Issuers since December 31, 2022.

Save as disclosed in this Base Prospectus, there has been no significant change in the financial performance or the financial position of the Group since March 31, 2023 and there has been no significant change in the financial or trading position of the Issuers since December 31, 2022.

### 8. Litigation

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

As of the date hereof, the Guarantor and its subsidiaries are involved in a number of legal and regulatory actions and proceedings in various jurisdictions around the world (including, among others, Spain, Mexico and the United States). See "*Risk Factors—The Group is party to a number of legal and regulatory actions and proceedings.*"

### 9. Auditors

Ernst & Young Accountants LLP, Cross Towers, Antonio Vivaldistraat 150, 1083 HP Amsterdam, the Netherlands audited the accounts of BBVA Global Markets B.V. and BBVA Global Securities B.V. for the financial year ended on December 31, 2022. The auditors are Chartered Accountants and a member of the Royal Netherlands Institute of Chartered Accountants (Koninklijke Nederlandse Beroepsorganisatie van Accountants).

Ernst & Young, S.L. (registered as auditors on the *Registro Oficial de Auditores de Cuentas*), Calle Raimundo Fernández Villaverde, 65, 28003, Madrid, Spain audited the Guarantor's financial statements, for the financial year ended on December 31, 2022 (which includes for comparison purposes financial data for the years ended on December 31, 2021 and 2020 which has been audited by KPMG Accountants N.V.) prepared in accordance with Bank of Spain Circular 4/2017, dated November 27, 2017, and as amended thereafter (in the following, "**Circular 4/2017**"), and with any other legislation governing financial reporting applicable to the Guarantor.

## GENERAL INFORMATION

### 10. Post-issuance information

Save as set out in the Issue Terms, the Issuer does not intend to provide and post-issuance information in relation to any issues of Securities.

### 11. Dealer transacting with the Issuer and the Guarantor

The Issuer, the Dealer and the Guarantor are part of the same group. Accordingly, these entities engage, and will engage, in investment banking and/or commercial banking transactions with, and perform other services for, the Group in the ordinary course of business.

### 12. Credit Ratings

The Programme is rated A by Standard & Poor's Global Ratings Europe Limited ("**S&P Global**") and A3 by Moody's Investors Services España, S.A. ("**Moody's**"). The Guarantor has been rated A by S&P Global, A3 by Moody's and A- by Fitch Ratings Ireland Limited ("**Fitch**"). BBVA Global Markets B.V. has been rated A by S&P Global and A3 by Moody's. BBVA Global Securities B.V. has been rated A3 by Moody's. Each of S&P Global, Moody's and Fitch is established in the European Union and is registered under the CRA Regulation. As such, each of S&P Global, Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with such CRA Regulation. Securities issued under the Programme may be rated or unrated. Where a Tranche of Securities is rated, such rating will be disclosed in the Issue Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Credit Ratings stated above have the following meanings according to the relevant rating agencies:

#### S&P Global

An obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

An S&P Global negative outlook means that a rating may be lowered. (Source: [https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352)).

#### Moody's

Obligations rated "A" are considered upper-medium-grade and are subject to low credit risk. (Source: [https://www.moodys.com/Pages/amr002002.aspx?stop\\_mobi=yes](https://www.moodys.com/Pages/amr002002.aspx?stop_mobi=yes)).

#### Fitch

"A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. (Source: <https://www.fitchratings.com/products/rating-definitions#rating-scales>).

### 13. Important information

Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and, together with Euroclear, the "**European Clearing Systems**") have arranged certain procedures to facilitate the Issuer, the Guarantor and the Principal Paying Agent (as defined on page 69) in the collection of the details referred to under "*Spanish Tax Rules*" from holders of the Securities. If any European Clearing System is, in the future, unable to facilitate the collection of such information, it may decline to allow any or all Series of the Securities to be cleared through such European Clearing System and this may affect the liquidity of such Securities. Provisions have been made for the Securities, in such a case, to be represented by definitive Securities (see "*Form of Securities*"). The procedures agreed and



## GENERAL INFORMATION

described in the Agency Agreement dated June 23, 2022 (the "**Agency Agreement**") may, in the future, be amended to comply with Spanish tax law and regulations and operational procedures of the European Clearing Systems. The Guarantor and the Issuer may from time to time, at their discretion, appoint an agent to intermediate with the European Clearing Systems in the provision of such information. Details of any such appointment will be set out in the Issue Terms.

In the case of any Securities which are held in The Depository Trust Company ("**DTC**"), the Issuer and the Guarantor may agree procedures with DTC and, if necessary, an intermediary agent appointed by the Issuer and the Guarantor to facilitate the collection of such details. Any such procedures will be summarised in the Issue Terms and otherwise made available to holders of the relevant Securities as described in the Issue Terms.

### 14. Presentation of financial information

#### Accounting principles

Under Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002, all companies governed by the law of an EU Member State and whose securities are admitted to trading on a regulated market of any Member State must prepare their consolidated financial statements for the years beginning on or after January 1, 2005 in conformity with International Financial Reporting Standards adopted by the European Union ("**EU-IFRS**"). The Bank of Spain issued Circular 4/2017, of November 27, 2017 on Public and Confidential Financial Reporting Rules and Formats, which requires Spanish credit institutions to adapt their accounting system to the principles derived from the adoption by the European Union of EU-IFRS.

BBVA's consolidated financial statements as at and for each of the years ending December 31, 2022 and December 31, 2021 (the "**Consolidated Financial Statements**"), have been prepared in accordance with EU-IFRS reflecting Circular 4/2017 and any other legislation governing financial reporting applicable to the Group and in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board ("**IFRS-IASB**").

The financial statements of BBVA Global Markets B.V. and BBVA Global Securities B.V. as at and for each of the years ending December 31, 2022 and December 31, 2021 have been prepared in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code.

- "**EUR**", "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended;
- "**US dollars**", "**US\$**" and "**\$**" refer to United States dollars; and
- "**GBP**" and "**£**" refer to pounds sterling.

#### Financial information

The following principles should be noted in reviewing the financial information contained in this Base Prospectus:

- Unless otherwise stated, any reference to loans refers to both loans and advances.
- Interest income figures, when used, do not include interest income on non-accruing loans to the extent that cash payments have been received in the period in which they are due.
- Financial information with respect to segments or subsidiaries may not reflect consolidation adjustments.
- Certain numerical information in this Base Prospectus may not compute due to rounding. In addition, information regarding period-to-period changes is based on numbers which have not been rounded.

**ISSUERS**

**BBVA Global Markets B.V.**

Calle Saucedo, 28  
Edificio Asia  
28050 Madrid  
Spain

**BBVA Global Securities B.V.**

Calle Saucedo, 28  
Edificio Asia  
28050 Madrid  
Spain

**GUARANTOR**

**Banco Bilbao Vizcaya Argentaria, S.A.**

Plaza de San Nicolas, 4  
48005 Bilbao  
Spain

**NEW YORK BRANCH**

**Banco Bilbao Vizcaya Argentaria, S.A., New York Branch**

1345 Avenue of the Americas, 44th Floor  
New York, New York 10105  
United States of America

**DEALERS**

**Banco Bilbao Vizcaya Argentaria, S.A.**

Calle Azul, 4  
28050, Madrid  
Spain

**BBVA Securities Inc.**

1345 Avenue of the Americas, 44<sup>th</sup> Floor  
New York, New York 10105  
United States of America

## GENERAL INFORMATION

### PRINCIPAL PAYING AGENT

**Deutsche Bank AG, London Branch**  
Winchester House, 1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

### CALCULATION AGENT AND DELIVERY AGENT

**Banco Bilbao Vizcaya Argentaria, S.A.**  
Calle Azul, 4  
28050 Madrid  
Spain

### U.S. PAYING AGENT, NEW YORK REGISTRAR, EXCHANGE AGENT AND TRANSFER AGENT

**The Bank of New York Mellon**  
240 Greenwich Street, New York,  
New York 10286  
United States

### LUXEMBOURG REGISTRAR AND TRANSFER AGENT

**Deutsche Bank Luxembourg S.A.**  
2 Boulevard Konrad Adenauer  
L-1115 Grand Duchy of Luxembourg

### LEGAL ADVISERS TO THE ISSUER AS TO UNITED STATES AND ENGLISH LAW

*As to United States law:*

**Mayer Brown LLP**  
1221 Avenue of the Americas  
New York  
New York 10020  
United States

*As to English law:*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

### AUDITORS

*for the financial year ended December 31, 2021*

**KPMG Accountants N.V.**  
Laan van Langerhuize 1  
1186 DS Amstelveen  
The Netherlands

### AUDITORS

*for the financial year ended December 31, 2022*

**Ernst & Young Accountants LLP**  
Antonio Vivaldistraat 150  
1083 HP Amsterdam  
The Netherlands