

## TERMS AND CONDITIONS OF THE NOTES

*This section applies to both Exempt Notes and Non-exempt Notes.*

### TERMS AND CONDITIONS OF THE EURO NOTES

*The following are the Terms and Conditions of the Euro Notes (the "Euro Notes") which will be applicable to, and incorporated by reference into, each Euro Note. Each Euro Note whether in definitive, global, bearer or registered form will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Euro Notes may specify other terms and conditions which shall complete or (in the case of Exempt Securities only), to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes (including, if Upper Tier II Subordinated Notes are to be issued, the status, subordination and interest deferral provisions of such Notes). The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Euro Note whether in definitive, global, bearer or registered form. Reference should be made to "Form of the Notes" above for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Euro Notes.*

Any reference in these terms and conditions to "relevant Final Terms" or "applicable Final Terms" shall be deemed to include a reference to "relevant Pricing Supplement" or "applicable Pricing Supplement", as the case may be, where relevant.

This Note is one of a Series (as defined below) of Notes issued by BGL BNP Paribas ("**BGL**") (the "**Issuer**") either directly or, if so specified in the applicable Final Terms, acting through a specified branch (the "**Specified Branch**") pursuant to the Agency Agreement (as defined below).

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

- (a) in relation to any Notes in bearer form ("**Bearer Notes**") represented by a temporary global Note in CGN form or in NGN form or permanent global Note in CGN form or in NGN form (in each case as defined below) (each a "**Global Note**") or in relation to any Notes in registered form ("**Registered Notes**") represented by a global certificate (a "**Global Certificate**") which may be issued under the CSS or the NSS (in each case as defined below), units of the lowest Specified Denomination in the Specified Currency;
- (b) definitive Notes in bearer form ("**Definitive Notes**") issued in exchange for a Global Note;
- (c) registered Notes represented by individual certificates ("**Individual Certificates**") issued in exchange for a Global Certificate; and
- (d) any Global Note or Global Certificate.

Each Global Note which is not intended to be issued in new global note ("**NGN**") form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg (together the "**ICSDs**").

Registered Notes represented by a Global Certificate which are not intended to be issued under the a new safekeeping structure ("**NSS**") (such Global Certificate being issued under the classic safekeeping structure

or "**CSS**"), as specified in the relevant Final Terms, will be deposited on the issue date thereof with and will be registered in the name of, or in the name of a nominee for a depositary or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as may be agreed between the Issuer and the Relevant Dealer. Registered Notes represented by a Global Certificate which are intended to be issued under the NSS, as specified in the relevant Final Terms, on or around the relevant issue date, will be deposited with and registered in the name of one of ICSDs acting as common safekeeper.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement dated 24 June 2013 (as amended, supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank in relation to all Notes (in each capacity an "**Agent**", which expression shall include any successor agent specified in the applicable Final Terms) and BNP Paribas Securities Services, Luxembourg Branch as registrar (the "**Registrar**", which expression shall include any successor registrar) and the other parties named therein as paying agents (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and transfer agents (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms (or Pricing Supplement, in the case of Exempt Notes (as defined below)) attached to or endorsed on this Note which complete or (in the case of Exempt Notes only) supplement these terms and conditions (the "**Conditions**" which term shall include one or more of the schedules to these terms and conditions containing additional terms and conditions relating to (i) payouts (as set out at Schedule 1 (the "**Payout Conditions**")), (ii) inflation index-linked notes (as set out at Schedule 2 (the "**Inflation Index-Linked Note Conditions**")), (iii) foreign exchange (FX) rate-linked notes (as set out at Schedule 3 (the "**Foreign Exchange (FX) Rate-Linked Conditions**")) or (iv) underlying interest rate-linked notes (as set out at Schedule 4 (the "**Underlying Interest Rate-Linked Conditions**"))) and, in the case of a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an "**Exempt Note**"), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the "applicable Final Terms" or "relevant Final Terms" are, unless otherwise stated, to Part A of the Final Terms (or, in the case of Exempt Notes, Pricing Supplement) (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing Definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt Notes in definitive form which are repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes do not have Receipts or Coupons attached on issue.

Any reference herein to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to Notes represented by a Global Note or by a Global Certificate, 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.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects

(including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The holders of Euro Notes which are Senior Notes and the holders of the Receipts and Coupons relating thereto are entitled to the benefit of the Deed of Covenant such deed, as modified and/or supplemented and/or restated from time to time (the "**Deed of Covenant**") dated 24 June 2013 and made by the Issuer. The original of the Deed of Covenant is held by a common depository on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement are available for inspection only and copies of the Deed of Covenant are available for inspection, and may be obtained free of charge, during normal business hours at the specified office of each of the Agent and the other Paying Agents. Copies of the applicable Final Terms in respect of Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). If the Notes are to be admitted to trading on the regulated market of NYSE Euronext Brussels, the applicable Final Terms will be published on the website of Euronext Brussels ([www.nyx.com](http://www.nyx.com)). Copies of Final Terms (or Pricing Supplement, as the case may be) may also be obtained from BNP Paribas Securities Services, Luxembourg Branch as Principal Paying Agent and Luxembourg Listing Agent in 33 rue de Gasperich, Howald-Hesperange, L-2085 Luxembourg, save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive the applicable Pricing Supplement will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to his identity. In the case of Notes listed on the Luxembourg Stock Exchange, a copy of the applicable Final Terms may be obtained free of charge at the office of the Luxembourg Listing Agent. In the case of Notes listed and admitted to trading on Euronext Brussels, a copy of the applicable Final Terms may be obtained free of charge at the office of BNP Paribas Fortis SA/NV. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and 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 applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

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

The Notes are either in bearer form or in registered form and, in the case of Definitive Notes or Individual Certificates, serially numbered, in the currency (the "**Specified Currency**") and denominations (the "**Specified Denomination(s)**") specified in the applicable Final Terms. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination.

This Note may be a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms. If this Note is a Non-exempt Note and a Subordinated Note, it is either a Lower Tier II Subordinated Note or a Tier III Subordinated Note, as indicated in the applicable Final Terms.

If this Note is an Exempt Note and is a Subordinated Note, it is either an Upper Tier II Subordinated Note, a Lower Tier II Subordinated Notes or a Tier III Subordinated Note, as indicated in the applicable Pricing Supplement (or any other type of Subordinated Note as may be specified in any supplement to the Terms and Conditions).

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inflation Index-Linked Interest Note, a Foreign Exchange (FX) Rate-Linked Interest Note, an Underlying Interest Rate-Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inflation Index-Linked Interest Note, a Foreign Exchange (FX) Rate-Linked Interest Note, an Underlying Interest Rate-Linked Interest Note, a Variable Interest Rate Note or a combination of any of the foregoing, depending upon the Interest Basis as shown in the applicable Final Terms.

Unless this Note is an Exempt Note, this Note may be redeemable at par, at such other amount as specified in the applicable Final Terms, an Inflation Index-Linked Redemption Note, a Foreign Exchange (FX) Rate-Linked Redemption Note, an Instalment Note or any combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be an Inflation Index-Linked Redemption Note, a Foreign Exchange (FX) Rate-Linked Redemption Note, an Underlying Interest Rate-Linked Redemption Note, an Instalment Note, a Dual Currency Note, a Partly Paid Note, a Variable Redemption Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable. Registered Notes do not have Receipts or Coupons attached on issue.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, any Paying Agent, any Transfer Agent and the Registrar will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes (subject to the provisions of the Deed of Covenant) but, in the case of any Global Note, without prejudice to the provisions set out below.

A Permanent Global Note will be exchangeable for Definitive Notes and a Global Certificate will be exchangeable for Individual Certificates only (a) in the case of Senior Notes, upon the happening of any of the events defined in Condition 10 as Events of Default, (b) if either Euroclear or Clearstream, Luxembourg, or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so (other than in the case of a merger or consolidation of Euroclear and Clearstream, Luxembourg) and no alternative clearing system is available, (c) if the Issuer has or will become subject to adverse tax consequences to which the Issuer would not be subject were the Notes represented by Definitive Notes or Individual Certificates or (d) if the Issuer so elects (in the case of any Registered Notes, and in the case of Bearer Notes with denominations of below EUR 100,000 (or the equivalent in other currencies) only). Any physical delivery of Definitive Notes will be made outside Belgium.

Whenever the Global Certificate is to be exchanged for Individual Certificates, such Individual Certificates will be issued in an aggregate nominal amount equal to the nominal amount of the Global Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Certificate, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Individual Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Certificates are to

be registered and the principal amount of each such person's holding) against the surrender of the Global Certificate at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Certificates have not been issued and delivered by 8.00 p.m. (Luxembourg time) on the fifteenth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Certificate; or
- (b) any of the Notes evidenced by the Global Certificate has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Certificate on the due date for payment in accordance with the terms of the Global Certificate,

then, at 8.00 p.m. (Luxembourg time) on such fifteenth day (in the case of (a) above) or at 8.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) each person shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interest in the Notes (each a "**Relevant Account Holder**") shall acquire the right under the deed of covenant dated 24 June 2013 (the "**Deed of Covenant**") of enforcement against the Issuer, to compel the Issuer to perform its obligations to the holder of the Global Certificate in respect of the Notes represented by the Global Certificate, including the obligation of the Issuer to make all payments when due at any time in respect of such Notes as if such Notes had been duly presented and (where required by the Conditions) surrendered on the due date in accordance with the Conditions. The Direct Rights shall be without prejudice to the rights which the holder of the Global Certificate may have under the Global Certificate or otherwise. Payment to the holder of the Global Certificate in respect of any Notes represented by the Global Certificate shall constitute a discharge of the Issuer's obligations under the Notes and the Deed of Covenant to the extent of any such payment and nothing in the Deed of Covenant shall oblige the Issuer to make any payment under the Notes to or to the order of any person other than the holder of the Global Certificate.

Upon any exercise of Direct Rights by a Relevant Account Holder, such Relevant Account Holder shall, as soon as practicable, give notice of such exercise to the Noteholders in the manner provided for in the Conditions or the Global Certificate for notices to be given by the Issuer to Noteholders.

Subject as provided in the Deed of Covenant, for so long as any of the Notes is represented by a Global Note or a Global Certificate held by or on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, the bearer of the relevant Global Note or registered holder of the relevant Global Certificate shall be treated by the Issuer, the Agent, any other Paying Agent, the Registrar and any other Transfer Agent as the holder of such Notes in accordance with, and subject to the terms of, the relevant Global Note or Global Certificate and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

The holder of the Global Note will be considered by the Issuer as the sole owner and holder of the Notes represented by such Global Note for the purposes of payment of the interest and principal in respect of the Notes only.

Interests in a Global Note or a Global Certificate will, so long as the Global Note or Global Certificate is being held by or on behalf of Euroclear and/or Clearstream, Luxembourg, be

transferable only in accordance with the rules and procedures for the time being of Euroclear and/or of Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may be approved by the Issuer, the Agent and, if the Notes are intended to be listed and admitted to trading, recognised by the relevant Stock Exchange.

## **2. STATUS OF THE NOTES**

The applicable Final Terms will indicate whether the Notes are Senior Notes or Subordinated Notes and, if Subordinated Notes, whether the Notes are Upper Tier II Subordinated Notes (in which case, such Upper Tier II Subordinated Notes will only be issued as Exempt Notes), Lower Tier II Subordinated Notes or Tier III Subordinated Notes and, in the case of Subordinated Notes, the applicable subordination provisions.

### **2.1 Status of Senior Notes**

The Senior Notes and the Receipts and Coupons relating to them constitute (subject to Condition 3) direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer present and future (other than indebtedness or monetary obligations preferred by mandatory provisions of law).

### **2.2 Status and Subordination of Subordinated Notes**

#### *(a) Upper Tier II Subordinated Notes*

This sub-condition will apply to Exempt Notes only.

If the Notes are Upper Tier II Subordinated Notes, the status and subordination of the Notes will be as set out in the applicable Pricing Supplement. The Terms and Conditions of any Upper Tier II Subordinated Notes will be subject to the prior approval of the *Commission de Surveillance du Secteur Financier* (the "CSSF"). Upper Tier II Subordinated Notes and the Receipts, Coupons and Talons relating to them will rank behind Lower Tier II Subordinated Notes and Tier III Subordinated Notes and the Receipts, Coupons and Talons relating to them.

#### *(b) Lower Tier II Subordinated Notes and Tier III Subordinated Notes*

The Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them shall at all times rank equally with all other Senior Subordinated Obligations (as defined below).

In the event of the liquidation of the Issuer, the rights of the holders of the Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them shall rank ahead of:

- (i) those persons whose claims are in respect of any class of equity (including preference shares) of the Issuer;
- (ii) the claims of the holders of Upper Tier II Subordinated Notes; and

- (iii) creditors whose claims are in respect of any obligations of the Issuer that rank or are expressed to rank (whether only in the winding up of the Issuer or otherwise) junior to Senior Subordinated Obligations, but shall be subordinated to the claims of all Senior Creditors (as defined below).

In this Condition 2.2(b):

**"Senior Creditors"** means all creditors of the Issuer who are cash depositors or other general, unsubordinated creditors; and

**"Senior Subordinated Obligations"** means all indebtedness and monetary obligations of the Issuer present and future that rank or are expressed to rank junior in right of payment (whether only in the event of the winding up of the Issuer or otherwise) to the claims of Senior Creditors but that are not subordinated so as to rank in point of subordination junior to any other obligations of the Issuer.

### **3. NEGATIVE PLEDGE IN RESPECT OF SENIOR NOTES**

The Issuer undertakes that, so long as any of the Senior Notes or the Receipts or Coupons relating to them remain outstanding (as defined in the Agency Agreement), it shall not create or have outstanding any mortgage, charge, pledge, lien (other than a lien arising solely by operation of law in the ordinary course of business) or other encumbrance, upon or with respect to, the whole or any part of, its present or future property, assets or revenues to secure repayment of, or to secure any guarantee of or indemnity in respect of, any external indebtedness unless such Notes, Receipts and Coupons are, at the same time, secured equally and rateably therewith, or have the benefit of such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders. In this Condition 3, **"external indebtedness"** means any obligation for the repayment of borrowed money in the form of, or represented by, bonds, notes, debentures or other securities:

- (a) that are payable or may be required to be paid in, or by reference to, any currency other than euro which on issue was offered through an international group of banks or financial institutions as to more than 50 per cent. in issue amount outside Belgium and Luxembourg; and
- (b) that are, or are capable of being, quoted, listed or ordinarily traded on any stock exchange, automated trading system, over-the-counter or other securities market.

### **4. REDENOMINATION**

#### **4.1 Redenomination**

Where redenomination is specified in the applicable Final Terms, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the 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 Noteholders, the stock exchange (if any) on which the Notes may be listed and admitted to trading and the Paying Agents of such deemed amendments;

- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if Definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, (half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount; and
- (g) in the case of Exempt Notes only, if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

## 4.2 Definitions

In these Conditions, the following expressions will have the following meanings:

"**Calculation Amount**" has the meaning given in the relevant Final Terms;



"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"**euro**" means the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 4.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended.

## 5. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes ("**Fixed Rate Notes**"), Floating Rate Notes ("**Floating Rate Notes**"), Inflation Index-Linked Interest Notes ("**Inflation Index-Linked Interest Notes**"), Foreign Exchange (FX) Rate-Linked Interest Notes ("**Foreign Exchange (FX) Rate-Linked Interest Notes**") and/or Underlying Interest Rate-Linked Interest Notes ("**Underlying Interest Rate-Linked Interest Notes**") or, in the case of Exempt Notes only, Variable Interest Rate Notes ("**Variable Interest Rate Notes**") or whether a different interest basis applies.

### 5.1 Interest on Fixed Rate Notes

This Condition 5.1 applies to Fixed Rate Notes only.

The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest on its nominal amount (or, in the case of Exempt Notes only, if it is a Partly Paid Note, the amount paid up) from and including the Interest Commencement Date.

The rate(s) per annum will be equal to the Rate(s) of Interest applied to the Calculation Amount and multiplying such sum by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount, payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of each Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction (as defined in Condition 5.2(d)), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, (half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

In these Conditions:

"**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.

## **5.2 Interest on Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and Variable Interest Rate Notes**

This Condition 5.2 applies to Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or Variable Interest Rate Notes.

In respect of Floating Rate Notes, the applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

In respect of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes, the applicable Final Terms contains provisions applicable to the determination of the relevant rate of interest and must be read in conjunction with this Condition 5.2 and any additional terms and conditions specified as applicable in the relevant Final Terms for full information on the manner in which interest is calculated on Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes.

In the case of Inflation Index-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Index and Index Sponsor, any Related Bond, relevant Determination Dates, the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Foreign Exchange (FX) Rate-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Base Currency, any Subject Currencies, any applicable Weighting, the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Underlying Interest Rate-Linked Interest Notes, the applicable Final Terms will set out, among other things, the Underlying Interest Rate Determination Dates, whether ISDA Determination or Screen Rate Determination applies to the determination of the underlying interest rate and, (a) where ISDA Determination applies the applicable Floating Rate Option, Designated Maturity and Reset Date or (b) where Screen Rate Determination applies, whether the Pricing Source for the Interest Rate Quotation is a Relevant Screen Page (Underlying) or Underlying Reference Bank and, in either case, the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

Variable Interest Rate Notes will be issued as Exempt Notes only, the terms of which will be specified in the applicable Pricing Supplement.

(a) *Interest Payment Dates*

Each Floating Rate Note, Inflation Index-Linked Interest Note, Foreign Exchange (FX) Rate-Linked Interest Note, Underlying Interest Rate-Linked Interest Note and in the case of Exempt Notes only, Variable Interest Rate Note bears interest on its outstanding nominal amount (or, in the case of Exempt Notes only, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year as specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each interest period (an "**Interest Period**", which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

(b) *Rate of Interest*

The Rate of Interest or Rate payable from time to time in respect of Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and, in the case of Exempt Notes only, Variable Interest Rate Notes, will be determined in the manner specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest or Rate is to be determined, the Rate of Interest or Rate, as the case may be, for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any) specified in the applicable Final Terms. For the purposes of this sub-paragraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by

the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is, as specified in the applicable Final Terms.

For the purposes of this sub-Condition 5.2(b)(i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(ii) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest or Rate is to be determined, the Rate of Interest or Rate, as the case may be, 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 (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the 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 Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

In the case of Exempt Notes only, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than the LIBOR or EURIBOR, the Rate of Interest or Rate in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(c) *Minimum and/or Maximum Interest Rate*

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest or Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Interest Rate, the Rate of Interest or Rate, as the case may be, for such Interest Period shall be such Minimum Interest Rate.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest or Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Interest Rate, the Rate of Interest or Rate, as the case may be, for such Interest Period shall be such Maximum Interest Rate.

(d) *Determination of Rate of Interest, Rate and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, or the Calculation Agent, in the case of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes, or any other party responsible for calculating the Rate(s) of Interest and Interest Amount(s) will at, or as soon as practicable after, each time at which the Rate of Interest or Rate is to be determined, determine the Rate of Interest or Rate, as the case may be, for the relevant Interest Period. In the case of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency (half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the applicable Final Terms:

- (i) if "**Actual/Actual (ICMA)**" is so specified:
  - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (B) where the Calculation Period is longer than one Regular Period, the sum of:
    - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year; and
    - (2) the actually number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year;

where:

**"Regular Period"** means:

- (A) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
  - (B) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and
  - (C) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;
- (ii) if "**Actual/Actual**" is so specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
  - (iii) if "**Actual/365 (Fixed)**" is so specified, the actual number of days in the Calculation Period divided by 365;
  - (iv) if "**Actual/360**" is so specified, the actual number of days in the Calculation Period divided by 360;
  - (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30; and

- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30.

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

The Agent and/or the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) will cause the Rate of Interest and each Interest Amount (except that if the Calculation Amount is less than the minimum Specified Denomination, the Agent and/or the party responsible for calculating the Interest Amount(s) shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination) for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day (where the expression "**Luxembourg Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business and settle payments in Luxembourg) after such determination (or in the case of such Notes listed on the Official List and admitted to trading on the Bourse de Luxembourg, which is the regulated market of the Luxembourg Stock Exchange, notification shall be given to the Luxembourg Stock Exchange on the first day of each Interest Period). To the extent required by the rules of any stock exchange on which the relevant Floating Rate Notes or Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes are for the time being listed and admitted to trading, the Issuer will also make available to Noteholders on request the Rate of Interest, Rate, Interest Amount, Interest Period and Interest Payment Date relating to each Interest

Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will, to the extent required by the rules of the relevant stock exchanges, be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes are for the time being listed and admitted to trading and to the Noteholders in accordance with Condition 14.

(f) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2, whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agent, the Registrar and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### 5.3 Exempt Notes

This Condition applies to Exempt Notes only.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes but which may include Variable Interest Rate Notes, shall be determined in the manner specified in the applicable Pricing Supplement.

(a) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(b) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue in accordance with this Condition 5 on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

### 5.4 Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless such Note is redeemed early. If such Note is redeemed early (a) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (b) if the applicable Final Terms specify that Accrual to Redemption is not applicable, no interest shall accrue or be payable in respect of which the relevant Interest Payment Date has not occurred on or prior to the due date for redemption of such Note. If, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and



- (b) five days after the date on which the full amount of the monies payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

## 5.5 Interest Deferral

- (a) Interest Deferral on Tier III Subordinated Notes

Payments of interest in respect of Tier III Subordinated Notes may be deferred in certain circumstances as described in Condition 6.9.

- (b) Interest Deferral on Upper Tier II Subordinated Notes

The Issuer reserves the right to defer payment of interests in respect of Upper Tier II Subordinated Notes with the prior approval of the CSSF.

## 5.6 General provisions applicable to interest

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month on which an Interest Payment Date should occur, or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) in any case where Interest Periods are specified in accordance with Condition 5.2(a)(ii), the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (b) below shall apply *mutatis mutandis*, or (ii), in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (b) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (c) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (d) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions:

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

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for

general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or (B) in relation to any sum payable in euro, a TARGET Settlement Day.

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

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

## **6. PAYMENTS**

### **6.1 Method of Payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or at the option of the payee by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian or New Zealand dollars, shall be Melbourne or Wellington respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments in respect of the Notes will be subject in all cases to (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) (b) any withholding or deduction required pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 (the "**Code**") and (c) 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 agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto.

### **6.2 Presentation of Notes, Receipts and Coupons**

Payments of principal in respect of Definitive Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender or, in the case of part payment of any sum due, endorsement of Definitive Notes, and payments of interest in respect of Definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender or, in the case of part payment of any sum due, endorsement of Coupons, in each case to or to the order of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any), other than the final instalment, in respect of Definitive Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above against presentation and surrender of the relevant Receipt in accordance with the preceding

paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 above only against presentation and surrender or, in the case of part payment of any sum due, endorsement of the relevant Definitive Note. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Note to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes or Long Maturity Notes (as defined below) and save as provided in Condition 6.5 below), should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Inflation Index-Linked Note, Foreign Exchange (FX) Rate-Linked Note, Underlying Interest Rate-Linked Note, Long Maturity Note or, in the case of Exempt Notes only, Variable Interest Rate Note or Variable Redemption Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue has a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Definitive Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Note.

### **6.3 Payments in respect of Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note (against presentation or surrender, as the case may be, of such Global Note if the Global Note is not intended to be issued in NGN form) to or to the order of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will, (a) in the case of a Global Note in CGN form, be made on such Global Note by the Paying Agent to which it was presented and (b) in the case of a Global Note in NGN form, *pro rata*, be reflected in the records of the relevant ICSD upon the instruction of

the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

#### 6.4 Payments in respect of Registered Notes

##### (a) Payments in respect of Individual Certificates

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on, in respect of Registered Notes in definitive form, the third business day and in respect of Registered Notes in global form, the first business day (being, in each case, 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 (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than EUR250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne or Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk.

##### (b) Payments in respect of Global Certificates

Notwithstanding any other provision of Condition 6.4, each payment in respect of Registered Notes represented at such time by a Global Certificate will be made to the person shown as the Noteholder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which this Restricted Global Certificate is being held is open for business.

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 Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is

notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### **6.5 Specific provisions in relation to payments in respect of certain types of Exempt Notes**

Upon the date on which any Dual Currency Note becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

#### **6.6 General provisions applicable to payments**

The holder of a Global Note or the registered holder of a Global Certificate shall be the only person entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note or the registered holder of such Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note or the registered holder of such Global Certificate.

Notwithstanding the foregoing, if this Note is a Bearer Note and any amount of principal and/or interest in respect of this Note is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of this Note will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

## 6.7 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Day**" means any day which is (subject to Condition 9):

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (i) in the case of Notes in definitive form, the relevant place of presentation; and (ii) any Additional Financial Centre specified in the applicable Final Terms;
- (b) a Business Day (as defined in Condition 5.6); and
- (c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington respectively) or (ii) in relation to any sum payable in euro, a TARGET Settlement Day.

## 6.8 Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.6);
- (g) any Payment Arrears and Additional Interest (as defined in Condition 6.9(b) and Condition 6.9(c), respectively); and
- (h) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

## 6.9 Payment Deferral (Tier III Subordinated Notes)

### (a) *Deferral of Payment*

Subject as follows, all payments of principal and interest in respect of Tier III Subordinated Notes must be made on their due date as set out in the relevant Final Terms.

The Issuer will not make any payment on its due date if, after making such payment, the Issuer would be in breach of its integrated capital adequacy ratio ("**Integrated Capital Adequacy Ratio**") as defined in Circular 06/273 of the CSSF (as amended by Circular 07/317 of the CSSF) on the definition of own funds ratios pursuant to Article 56 of the Luxembourg Law of 5 April 1993 on the financial sector, as amended, as such circular may be amended or supplemented from time to time. In such circumstances the Issuer shall, by notice in writing (a "**Deferral Notice**") (published in accordance with Condition 14) to the holders of Tier III Subordinated Notes, defer the due date for payment of any principal or interest in respect of such Notes and, accordingly, on the giving of a Deferral Notice the due date for such payments shall be so deferred. The Issuer shall, to the extent possible, issue each Deferral Notice at least five Luxembourg Business Days prior to the relevant due date if such due date is to be deferred.

### (b) *Payment Arrears*

Without prejudice to Condition 10.2(b), any amounts due in respect of the Tier III Subordinated Notes which are not paid on their scheduled due date shall, so long as the same remains unpaid, constitute "**Payment Arrears**". All Payment Arrears on all Tier III Subordinated Notes outstanding shall become due in full (together with all Additional Interest (as defined below) accrued in respect thereof) on whichever is the earliest of:

- (i) the date upon which the Issuer can first make payment of the Payment Arrears in full, together with all accrued Additional Interest, without, after such payment, being in breach of its Integrated Capital Adequacy Ratio; and
- (ii) the date upon which a judgment is rendered or an effective voluntary resolution is passed for the dissolution and liquidation of the Issuer.

The Issuer shall, to the extent possible, give notice in accordance with Condition 14 of its intention to pay Payment Arrears and Additional Interest to all relevant Noteholders not less than seven days prior to the scheduled payment date for payment thereof.

If notice is given by the Issuer of its intention to pay all Payment Arrears together with all Additional Interest accrued in respect thereof, the Issuer shall be obliged to do so on the expiry of such notice, except if after such payment it would be in breach of its Integrated Capital Adequacy Ratio.

### (c) *Additional Interest*

Payment Arrears in respect of Tier III Subordinated Notes shall bear interest ("**Additional Interest**") at the relevant Rate of Interest applicable to the Notes, plus an additional rate of 0.50 per cent. per annum which shall accrue on a daily basis for each successive period of twelve calendar months ("**Additional Interest Period**") from and including the scheduled date on which such Payment Arrears may or should have been paid and ending on the day immediately preceding the last date of the Additional Interest Period. Additional Interest shall only be payable until the actual date of payment of all outstanding Payment Arrears. All Additional Interest which is not paid at the end of each Additional Interest Period shall become Payment Arrears and bear interest accordingly.

(d) *No Default*

Neither any deferral of payment under paragraph (a) of this Condition nor the failure to make payments of Payment Arrears or Additional Interest where if it were to make such payments the Issuer would be in breach of its Integrated Capital Adequacy Ratio, shall constitute a default by the Issuer for any purpose.

(e) *Other Payment Provisions*

Notwithstanding the foregoing, the relevant provisions relating to the payment of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect of such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth, in the case of Non-exempt Notes, in the applicable Final Terms or Drawdown Prospectus, or, in the case of Exempt Notes only, in the applicable Pricing Supplement as appropriate.

## **7. REDEMPTION AND PURCHASE**

### **7.1 Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as specified below (and subject to Condition 6.9), each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date. Where the Notes are Inflation Index-Linked Redemption Notes or Foreign Exchange (FX) Rate-Linked Redemption Notes (each as specified in the applicable Final Terms), the Final Redemption Amount shall be equal to the product of (a) its principal amount and (b) the Final Payout specified in the applicable Final Terms.

### **7.2 Redemption for Tax Reasons**

The Notes will be redeemed at the option of the Issuer and, in case of Subordinated Notes, provided only that the Issuer obtains the prior consent of the CSSF, in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note nor, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note,) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note), on giving not less than the minimum period nor more than the maximum period of notice to the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (a) on the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any political subdivision of, or any authority in, or of, a Tax Jurisdiction having power to tax, or any change in the application of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer 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 would be obliged to pay such additional amounts were a payment in respect of the Notes then due.



Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to redeem have occurred, and on opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in paragraph 7.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption (including, in the case of Tier III Subordinated Notes, all Payment Arrears and Additional Interest).

### **7.3 Redemption at the Option of the Issuer (Issuer Call)**

This Condition 7.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an Issuer Call. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 7.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms and if, in the case of Subordinated Notes, the Issuer obtains the consent of the CSSF, the Issuer shall, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the applicable Optional Redemption Date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date (including, in the case of Tier III Subordinated Notes, all Arrears of Interest and Additional Interest Amounts). Any such redemption must be of a nominal amount not less than the Minimum Early Redemption Amount or not more than the Maximum Early Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms. The Optional Redemption Amount will be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes or Individual Certificates, 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), in the case of Redeemed Notes represented by a Global Note or Global Certificate, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

In the case of Redeemed Notes represented by Definitive Notes or Individual Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 7 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by Definitive Notes or Individual Certificates shall in each case bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes or Individual Certificates outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that, if necessary, appropriate adjustments shall be made to such nominal amounts to ensure that each represents an

integral multiple of the Specified Denomination. No exchange of the relevant Global Note or Global Certificate will be permitted or transfer of a Registered Note will be registered during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph 7.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

In the event of any such redemption, the Luxembourg Stock Exchange shall be notified by the Issuer in accordance with Condition 14.

#### **7.4 Redemption at the Option of the Noteholders (Investor Put) (not applicable to Subordinated Notes)**

This Condition 7.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an Investor Put. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 7.4 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 14 not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part) such Senior Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form or an Individual Certificate as the case may be, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of a Definitive Note) or the Registrar (in the case of an Individual Certificate) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by 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 Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition accompanied by, if this Note is in definitive form, this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control; and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 11.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

#### **7.5 Redemption for illegality**

In the case of Inflation Index-Linked Notes, Foreign Exchange (FX) Rate-Linked Notes, Underlying Interest Rate-Linked Notes, Subordinated Notes provided only that the Issuer has obtained the prior consent of the CSSF, and, in the case of Exempt Notes only, Variable Interest Rate Notes or a Variable Redemption Notes and unless, in the case of Exempt Notes only, otherwise specified in the

applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on such date as the Issuer may notify to the Noteholders in accordance with Condition 14 if the Issuer determines that the performance by the Issuer of its obligations under the Notes has become unlawful under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power.

Notes redeemed pursuant to this Condition 7.5 will be redeemed at the Early Redemption Amount referred to in paragraph 7.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

## 7.6 Early Redemption Amounts

For the purpose of paragraphs 7.2 and 7.5 above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows or as otherwise provided in the applicable Final Terms or the applicable Schedule:

- (a) in the case of a Note (other than a Zero Coupon Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note) with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note, but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the percentage of its principal amount specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at 100 per cent of its principal amount;
- (c) in the case of an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note at its Early Redemption Amount specified in the applicable Final Terms, which may be a specified percentage of its principal amount or, if Market Value less Costs is specified in the applicable Final Terms, at its fair market value (as determined by the relevant Calculation Agent) as at the date of such early redemption less the costs to the Issuer of unwinding or amending any related hedging arrangements provided that, if no Early Redemption Amount is specified, the Early Redemption Amount will be Market Value less Costs; and
- (d) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on

the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360), or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365);

- (e) or, in the case of any of (a) to (d) above, if such Note is an Exempt Note, at such other amount as specified in the applicable Pricing Supplement.

## **7.7 Instalment Notes**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption of an Instalment Note, the Early Redemption Amount will be determined pursuant to paragraph 7.6 above.

## **7.8 Specific redemption provisions applicable to certain types of Exempt Notes**

This sub-Condition applies to Exempt Notes only.

### *(a) Variable Redemption Notes and Dual Currency Notes*

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of a Variable Redemption Note or a Dual Currency Note and, in the case of a Variable Redemption Note, any other relevant terms may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 7.2, Dual Currency Notes may be redeemed only on an Interest Payment Date.

### *(b) Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

## **7.9 Purchases**

Subject to Condition 7.10, the Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent or Registrar, as the case may be, for cancellation.

## **7.10 Redemption or Purchase of Subordinated Notes**

### *(a) All Subordinated Notes*

Subordinated Notes may not be redeemed prior to their stated maturity date (if any) or purchased by or on behalf of the Issuer or any of its subsidiaries without the prior consent of the CSSF.

(b) *Tier III Subordinated Notes*

Payments due from the Issuer in connection with the redemption of Tier III Subordinated Notes may be deferred in certain circumstances as described in Condition 6.9.

(c) *Undated Subordinated Notes*

Unless otherwise agreed by the CSSF, undated Subordinated Notes which are either, in the case of Exempt Notes only, Upper Tier II Subordinated Notes or, in the case of both Exempt Notes and Non-exempt Notes, Lower Tier II Subordinated Notes may be redeemed by the Issuer on giving 5 years' notice and undated Subordinated Notes which are Tier III Subordinated Notes may be redeemed by the Issuer on giving 2 years' notice. In addition, in the case of Upper Tier II Subordinated Notes redemption is subject to the prior approval of the CSSF.

(d) *Dated Subordinated Notes*

Dated Upper Tier II Subordinated Notes may only be redeemed at maturity with the prior approval of the CSSF.

(e) *Upper Tier II Subordinated Notes and absorption of losses*

This sub-Condition applies to Exempt Notes only.

Principal and interest due under Upper Tier II Subordinated Notes (*fonds propres complémentaires*) within the meaning of Circular 06/273, as amended, may be used by the Issuer in certain circumstances to absorb its losses.

## **7.11 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph 7.1 above (together with, in the case of definitive Bearer Notes, all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

## **7.12 Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph 7.1, 7.2, 7.3, 7.4 or 7.5 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused by the Issuer or its Agent, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph 7.6(d) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of Zero Coupon Notes have been paid; and
- (b) five days after the date on which the full amount of the monies payable in respect of such Zero Coupon Notes has been received by the Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

### 7.13 Other redemption and purchase provisions

Notwithstanding the foregoing, the relevant provisions relating to the redemption and purchase of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth, in the case of Non-exempt Notes, in the applicable Final Terms or Drawdown Prospectus or, in the case of Exempt Notes only, in the applicable Pricing Supplement, as appropriate.

## 8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, and unless the provisions of this Condition 8 are specified not to apply in the relevant Final Terms, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment to, or to a third party on behalf, of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.7); or
- (c) where such withholding or deduction imposed on a payment is required to be made pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

- (i) "**Tax Jurisdiction**" means the Grand Duchy of Luxembourg, the jurisdiction in which the Specified Branch (if any) is located or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes, Receipts and Coupons; and
- (ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

## 9. PRESCRIPTION

The Notes (whether in Bearer or Registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

The Luxembourg act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended (the "**Involuntary Dispossession Act 1996**") requires that, in the event that (i) an opposition has been filed in relation to the Notes in Bearer form, Receipts and Coupons and (ii) the Notes in Bearer form, Receipts and Coupons mature prior to becoming forfeited (as provided for in the Involuntary Dispossession Act 1996), any amount that is payable under the Notes in Bearer form, Receipts and Coupons, but has not yet been paid to the Noteholders or Couponholders, must be paid to the *Caisse de Consignations* in Luxembourg until the opposition has been withdrawn or the forfeiture of the Notes in Bearer form, Receipts and Coupons occurs.

## 10. EVENTS OF DEFAULT AND ENFORCEMENT

### 10.1 Provisions relating to Senior Notes

If any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Senior Note may give written notice to the Agent at its specified office that such Note is immediately repayable, whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7.6), together with accrued interest (if any) to the date of repayment, without presentation, demand, protest or other notice of any kind:

- (a) default is made for more than 14 days (in the case of interest) or 7 days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or
- (b) the Issuer defaults in performance or observance of, or compliance with, any of its other obligations in the Notes which default is incapable of remedy or which, if capable of remedy, is not remedied within 21 days after notice of such default shall have been given to the Agent at its specified office by any Noteholder; or
- (c) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the Issuer and is not stayed or discharged within 21 days; or
- (d) any present or future mortgage, charge, pledge, lien or other encumbrance on or over all or a material part of the property, assets or revenues of the Issuer becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager, administrator or other similar person) and such enforcement or step is not stayed or discharged within 21 days; or
- (e) (i) if any judgment has been rendered by any competent court for the liquidation (*liquidation judiciaire*) or the opening of a regime of suspension of payment (*sursis de paiement*) of the Issuer; or (ii) if the Issuer makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors or (iii) if an effective voluntary resolution is passed for the dissolution (*dissolution*) and liquidation (*liquidation*) of the Issuer (in each case save for the purposes of amalgamation, merger, consolidation, reorganisation or similar

arrangement upon which all the assets of the Issuer are transferred to and all its debts and liabilities assumed by the continuing entity or entity formed as a result of such merger or reorganisation); or

- (f) the Issuer ceases to carry on business (except for the purpose of any amalgamation, merger or other reorganisation under which the continuing or successor corporation has assumed all of the assets and business undertakings of the Issuer pursuant to Condition 17 and has expressly and effectively assumed the obligations of the Issuer under the Notes); or
- (g) (i) any loan or other present or future indebtedness of the Issuer for or in respect of moneys borrowed or raised and not being money deposited with the Issuer or transferred pursuant to a fiduciary contract within the meaning of the Luxembourg Law of 27 July 2003 on the Trust and Fiduciary Contracts, as amended or otherwise borrowed in the ordinary course of business of the Issuer ("**Relevant Indebtedness**") becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or the creditor thereof, or (ii) the Issuer fails to make any payment in respect of Relevant Indebtedness on the due date for such payment as extended by any applicable grace period or (iii) default is made by the Issuer in making any payment due under any present or future guarantee and/or indemnity given by it of, or in respect of, Relevant Indebtedness, provided that the aggregate amount of the Relevant Indebtedness in respect of which one or more of the events mentioned above in this paragraph (g) have occurred equals or exceeds EUR 15,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day on which this paragraph operates).

## **10.2 Provisions relating to Subordinated Notes**

### *(a) Liquidation*

The holder of any Subordinated Note may give written notice to the Agent at its specified office that such Note is due and payable, whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7.6), together with accrued interest (if any) to the date of repayment, (including, in the case of Tier III Subordinated Notes, any Payment Arrears) without presentation, demand, protest or other notice of any kind, if a judgment is made or an effective resolution is passed for the dissolution and liquidation of the Issuer.

### *(b) Non Payment*

If the Issuer does not make payment for a period of 7 days or more after the due date for payment of principal, premium (if any) or for a period of 14 days or more after an Interest Payment Date for the payment of interest due in respect of any of the Subordinated Notes on such date, any Subordinated Noteholder may ask the relevant authorities to institute proceedings in Luxembourg (but not elsewhere) in accordance with Part IV of the Luxembourg Law of 5 April 1993 on the financial sector (as amended) for the dissolution and liquidation of the Issuer.

Although the relevant authorities may take into account a request from a Noteholder to institute proceedings in Luxembourg for the dissolution and liquidation of the Issuer, they are not in any way bound to do so following the receipt of such a request or on any other basis. In determining whether to institute any such proceeding against the Issuer, the relevant authorities act solely on the basis of their own discretion and in accordance with Luxembourg law. Subject to such request from a Noteholder as described in this Condition 10.2(b), a Noteholder shall not be able to take proceedings for the dissolution and liquidation of the Issuer.



(c) *Breach of Obligations*

To the extent permitted by applicable law and by these Conditions, a Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes or the Coupons but the institution of such proceedings shall not have the effect that the Issuer shall be obliged to pay any sum or sums sooner than would otherwise have been payable by it.

(d) *Other Remedies*

No remedy against the Issuer other than the institution of the proceedings referred to in Condition 10.2(b) or 10.2(c) and the proving or claiming in any dissolution and liquidation of the Issuer, shall be available to the Noteholders or the Couponholders whether for the recovery of amounts owing in respect of the Notes or the Coupons or in respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Notes or the Coupons.

**11. TRANSFER OF INDIVIDUAL CERTIFICATES AND REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Subject as provided below, Registered Notes may be transferred in whole or in part (in the Specified Denomination or any integral multiple of the Specified Denomination) by the transferor depositing the relevant Certificate for registration of the transfer of the Registered Note at the specified office of the Registrar or any Transfer Agent, with the form of transfer endorsed thereon duly completed and signed by or on behalf of the transferor and upon the Registrar or Transfer Agent after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar or Transfer Agent may prescribe, including any restrictions imposed by the Issuer on transfers of Registered Notes originally sold to a U.S. person. Subject as provided above, the Registrar or Transfer Agent will, within 5 Business Days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by regular uninsured mail to such address as the transferee may request a new Certificate evidencing the Registered Note transferred. In the case of the transfer of part only of the Registered Notes evidenced by a Certificate, a new Certificate in respect of the Registered Notes not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

For the purposes of this Condition 11, "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant city.

No exchange of a Bearer Note for a Registered Note or a Registered Note for a Bearer Note will be permitted.

No Noteholder may require the transfer of a Registered Note to be registered:

- (a) during the period of fifteen days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note;
- (b) during the period of fifteen days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 7(c);
- (c) after any such Note has been called for redemption; or
- (d) during the period of seven days ending on (and including) any Record Date.

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

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent, in the case of a Bearer Note, Receipt, Coupon or Talon, or the Registrar, in the case of a Registered Note, or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case in accordance with any applicable legal requirements and upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, exchanged for further coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Receipt, Coupon, Talon or further coupons as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **12. AGENT, PAYING AGENTS, REGISTRAR AND TRANSFER AGENTS**

The names of the initial Agent, the other initial Paying Agents and the initial Registrar and Transfer Agent and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent or the Registrar and/or appoint additional or other Paying Agents, Transfer Agents or another Registrar and/or approve any change in the specified office through which any Paying Agent, Transfer Agent or the Registrar acts, provided that:

- (a) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent and/or a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or other relevant authority);
- (b) the Issuer will ensure that it maintains a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive;
- (c) there will at all times be an Agent; and
- (d) there will at all times be a Registrar (so long as any Registered Notes are outstanding) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 6.5. Notice of any variation, termination, appointment or change in Paying Agents shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

### 13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

### 14. NOTICES

#### 14.1 Bearer Notes

(a) *Notes in global form*

So long as any Tranche of Bearer Notes is represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to Holders of Notes of that Tranche will, save where another means of effective communication has been specified herein or, in the case of Exempt Notes only, in the relevant Pricing Supplement, be deemed to be validly given if given by delivery of the relevant notice to the clearing system for communication by it to Noteholders in respect of the relevant Notes. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg. If such delivery is not practicable, notices will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe.

Notices to Holders of Notes of any Tranche may, at the sole discretion of the Issuer and solely for informational purposes, also be published on the website of the Issuer and/or of any other entity specified in the relevant Final Terms for this purpose.

(b) *Notes admitted to listing, trading and/or quotation*

So long as any Tranche of Bearer Notes is admitted to listing, trading and/or quotation by any competent authority, stock exchange or quotation system, notices to Holders of Notes of that Tranche will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if:

- (i) in the case a Tranche of Notes admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange (so long as such Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and any applicable laws, rules or regulations so require), published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), and/or in such other manner as may be required by applicable laws, rules and regulations from time to time; and/or
- (ii) in the case of a Tranche of Notes admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, if published in such manner as may be required by applicable laws, rules and regulations from time to time;

(c) *In any other cases*

Where both Condition 14.1(a) and Condition 14.1(b) are inapplicable, notices will, save where another means of effective communication has been specified herein or in the relevant Final Terms,

be deemed to be validly given if published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the Financial Times), or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe.

(d) *General*

For the avoidance of doubt, where both Condition 14.1(a) and Condition 14.1(b) apply, notices must be given in the manner specified in Condition 14.1(a) and in the manner specified in Condition 14.1(b) in order to be deemed to have been validly given.

Any notice given in accordance with Condition 14.1(a), Condition 14.1(b) or Condition 14.1(c) above will be deemed to have been validly given on the date and time of first such notification (or, if required to be notified in more than one manner, on the first date on which notification shall have been made in all required manners).

Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice validly given to Holders of Notes in accordance with this Condition.

## **14.2 Registered Notes**

All notices regarding Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holder(s) (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of such stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority).

Until such time as any Definitive Notes are issued, there may (provided that, in the case of Notes listed on a stock exchange or admitted to trading by another relevant authority, the rules of such stock exchange or other relevant authority permit), so long as such Global Note or Global Certificate is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, be substituted for such publication in the newspaper(s) mentioned above, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system for communication by them to the holders of the relevant Notes. Any such notice shall be deemed to have been given to the holders of the Notes and the Coupons on the third day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system.

## **14.3 Notices by Noteholders**

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Definitive Note) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## 15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

### 15.1 Senior Notes

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the quorum shall be one or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The provisions of articles 86 to 94-8 of the Law of the Grand Duchy of Luxembourg of 10 August 1915 on commercial companies, as amended (*loi du 10 août 1915 concernant les sociétés commerciales, telle qu'elle a été modifiée*) (the "**Luxembourg Company Law**") relating to the convening and conduct of meetings of bondholders shall not apply to the Senior Notes.

### 15.2 Subordinated Notes

Noteholders will belong to a masse (the "**Masse**") created, among other things, for the representation of their common interests pursuant to the provisions of the Luxembourg Company Law. The following is a summary of the relevant provisions of the Luxembourg Company Law. A general meeting of the Noteholders (the "**Masse Meeting**") or a court order may appoint and determine the powers of one or more representatives (the "**Representatives**"). Where Representatives have been appointed, Noteholders may no longer individually exercise their rights against the Issuer. A *Masse Meeting* may be called at any time by the Representatives (if any), the Board of Directors of the Issuer, or the auditors of the Issuer. The Representatives or the auditors of the Issuer, provided an advance on expenses has been paid to them by the Issuer, or the Board of Directors of the Issuer must convene a *Masse Meeting* if called upon to do so by the Noteholders representing 5 per cent. or more of the Notes outstanding. Meetings of Noteholders will be convened by notices published twice at least eight days' interval and eight days prior to the meeting in the *Mémorial* and in one Luxembourg newspaper. All *Masse Meetings* shall be held at the place specified in the notice calling the meeting. All Noteholders have the right to attend and vote at a *Masse Meeting* either personally or by proxy. Each voter shall have, on a show of hands one vote, and on a poll, one vote in respect of each unit of currency relating to the principal amount of Notes represented or held by him. A *Masse Meeting* may be called to approve certain changes in the rights of the Noteholders and may, generally, determine any measures designed to ensure the defence of interests or the exercise of the rights of the Noteholders in accordance with the provisions of the Luxembourg Company Law. A *Masse Meeting* may deliberate validly without a quorum and by a vote of a simple majority of Noteholders attending or represented at such *Masse Meeting* on the appointment and revocation of the Representatives, the revocation of special representatives appointed by the Issuer and the approval of any measures of a conservatory nature in the general interests of the Noteholders. On all

other matters (except in respect of certain matters, including a change in the nationality of the Issuer, where unanimous consent is required) a *Masse* Meeting may deliberate validly on first convocation only if Noteholders present or represented hold at least 50 per cent. of the Notes then outstanding. The Board of Directors of the Issuer or Noteholders representing 20 per cent. of the Notes then outstanding may require the adjournment of the meeting for four weeks. A new meeting must be called for by convening notices to be published twice within a time period of 15 days and 15 days before the second meeting in two Luxembourg newspapers and in the *Mémorial*. On the second convocation no quorum is required (except in respect of certain matters, including a change in the nationality of the Issuer, where unanimous consent is required). Decisions at such meetings shall be taken by a majority of 662/3 per cent. of the votes cast by Noteholders attending such meetings or represented thereat.

### **15.3 Minor Modifications and Corrections**

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Agency Agreement which is not prejudicial to the interest of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

### **15.4 Exclusion of termination condition (condition résolutoire)**

For the avoidance of doubt, no Noteholder, Receiptholder or Couponholder may initiate proceedings against the Issuer based on article 98 of the Luxembourg Company Law.

## **16. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **17. SUBSTITUTION**

### **17.1 Senior Notes**

The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under any Series of the Senior Notes, the Receipts, the Coupons and the Talons any subsidiary branch or affiliate of the Issuer or the successor company of the Issuer or jointly and severally one or more companies to whom the Issuer has transferred all of its assets and business undertakings (in each case the "**Substitute**") provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue, no steps have been taken to admit the Issuer to a regime of suspension of payments (*sursis de paiement*) and (except in the case of a solvent reorganisation or amalgamation) no judgment has been rendered or an effective voluntary resolution has been passed for the

dissolution and liquidation of the Issuer. Such substitution effected in accordance with this Condition 17 will release the Issuer or any previous substituted company and the Noteholders and Couponholders expressly consent hereto. The substitution shall be made by a deed poll (the "**Deed Poll**") to be substantially in the form scheduled to the Agency Agreement and may take place only if:

- (a) the Substitute, by means of the Deed Poll, agrees to indemnify each Noteholder and Couponholder against any tax, duty, assessment, withholding, deduction or governmental charge which is imposed on it by (or by any taxing authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant and which would not have been so imposed had the substitution not been made, as well as against any tax, duty assessment or governmental charge, and any cost or expense, relating to the substitution;
- (b) unless the Substitute is the successor company of the Issuer or one or more companies to whom the Issuer has transferred all of its assets and business undertakings each of whom are to be jointly and severally liable as principal debtor, the obligations of the Substitute under the Deed Poll, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Issuer or its successor or each of the companies to whom together the Issuer has transferred all of its assets and business undertakings (each a "**Guarantor**") by means of a guarantee substantially in the form contained in the Deed Poll (the "**Guarantee**");
- (c) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, the Receipts, the Coupons, the Talons and the Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Guarantee, of the Guarantor have been taken, fulfilled and done and are in full force and effect;
- (d) the Substitute has become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (e) legal opinions addressed to the Noteholders have been delivered to them (care of the Agent) from a lawyer or a firm of lawyers with a leading securities practice in each jurisdiction referred to in 17.1(a) above as to the fulfilment of the preceding conditions of this Condition 17 and the other matters specified in the Deed Poll;
- (f) the substitution does not affect adversely the rating of the Notes by Moody's, S&P and Fitch or, if any such rating agency does not exist at the relevant time, any two existing internationally recognised rating agencies; and
- (g) the Issuer has given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies of all documents (in draft or final form) in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the Deed Poll and, where the Deed Poll contains a Guarantee, the events listed in Conditions 10.1 and 10.2 shall be deemed to include such Guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. In addition, the Guarantee shall contain (a) events of default in respect of the Notes in the same terms as Condition 10.1 relating to the Guarantor (except that references in Condition 10.1(a) to failure to pay principal and interest on the Notes shall be a

reference to failure to pay under the Guarantee) and (b) a negative pledge in relation to the Guarantee in the form of Condition 3.

References to "outstanding" in relation to the Notes of any Series shall, on a substitution of the Issuer where the Guarantor guarantees the Notes, not include Notes held by the Guarantor and its subsidiaries for the purposes of (a) ascertaining the right to attend and vote at any meeting of the Noteholders and (b) the determination of how many Notes are outstanding for the purposes of Condition 15.

## 17.2 Subordinated Notes

Subject to the provisions of this Condition, the Noteholders and the Couponholders, by subscribing to or purchasing any Notes or Coupons, expressly consent to the Issuer, or any previously substituted company, at any time, but where applicable with the prior authorisation of the CSSF, substituting for itself as principal debtor under any Series of the Notes, the Receipts, the Coupons and the Talons any subsidiary branch or affiliate of the Issuer or the successor company of the Issuer or jointly and severally one or more companies to whom the Issuer has transferred all of its assets and business undertakings (in each case the "**Substitute**"), provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue, no steps have been taken to admit the Issuer to a regime of suspension of payments (*sursis de paiement*) and (except in the case of a solvent reorganisation or amalgamation) no judgment has been rendered or an effective voluntary resolution has been passed for the dissolution and liquidation of the Issuer. Such substitution effected in accordance with this Condition 17 will release the Issuer or any previous substituted company and the Noteholders and Couponholders expressly consent hereto. The substitution shall be made by a written undertaking (the "**Undertaking**") to be substantially in the form scheduled to the Agency Agreement and may take place only if:

- (a) the Substitute, by means of the Undertaking, agrees to indemnify each Noteholder and Couponholder against any tax, duty, assessment, withholding, deduction or governmental charge which is imposed on it by (or by any taxing authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon or Talon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty assessment or governmental charge, and any cost or expense, relating to the substitution;
- (b) unless the Substitute is the successor company of the Issuer or one or more companies to whom the Issuer has transferred all of its assets and business undertakings each of whom are to be jointly and severally liable as principal debtor, the obligations of the Substitute under the Undertaking, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Issuer or its successor or each of the companies to whom together the Issuer has transferred all of its assets and business undertakings (each a "**Guarantor**") by means of a guarantee on a subordinated basis substantially in the form contained in the Undertaking (the "**Guarantee**");
- (c) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Undertaking, the Notes, the Receipts, the Coupons and the Talons represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Guarantee, of the Guarantor have been taken, fulfilled and done and are in full force and effect;
- (d) the Substitute has become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;



- (e) legal opinions addressed to the Noteholders have been delivered to them (care of the Agent) from a lawyer or a firm of lawyers with a leading securities practice in each jurisdiction referred to in (a) above as to the fulfilment of the preceding conditions of this Condition 17 and the other matters specified in the Undertaking;
- (f) the substitution does not affect adversely the rating of the Notes by Moody's, S&P and Fitch or, if any such rating agency does not exist at the relevant time, any two existing internationally recognised rating agencies; and
- (g) the Issuer has given at least 14 days' prior notice to such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the Undertaking and, where the Undertaking contains a Subordinated Guarantee, the events listed in Conditions 10.1 and 10.2 shall be deemed to include such Subordinated Guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. In addition, the Subordinated Guarantee shall contain rights of enforcement in the form of Condition 10.2.

In the event of any substitution in accordance with this Condition 17, the Issuer shall notify the CSSF and/or the Luxembourg Stock Exchange and prepare, or procure the preparation of, a supplement to the Base Prospectus.

## **18. CURRENCY INDEMNITY**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## **19. ROUNDING**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of any Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 21. GOVERNING LAW AND SUBMISSION TO JURISDICTION

21.1 The Senior Notes and the Receipts, Coupons and Talons relating to the Senior Notes and all non-contractual obligations arising out of or in connection with them are governed by English law. The Subordinated Notes and the Receipts, Coupons and Talons relating to the Subordinated Notes are governed by Luxembourg law.

21.2 The Agency Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.

21.3 (a) With regard to the Senior Notes and the Receipts, Coupons and Talons relating to the Senior Notes, subject to Condition 21.3(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Agency Agreement, the Senior Notes and the Receipts, Coupons and/or Talons relating to the Senior Notes (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 Agency Agreement, the Senior Notes, the Receipts, Coupons and/or Talons (a "**Dispute**") and accordingly each of the Issuer, the Noteholders, the Receiptholders, the Couponholders and the Talonholders in relation to any Dispute submit to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 21.3, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law the Noteholders, Receiptholders, Couponholders and Talonholders 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.

(d) The Issuer appoints BNP Paribas, London Branch at 10 Harewood Avenue, London, NW1 6AA (Attention: the loan Administration Department) as its agent for service of process, in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of BNP Paribas, London Branch being unable or unwilling so to act, it will appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any proceeds will not invalidate service. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

- 21.4** (a) With regard to Subordinated Notes and the Receipts, Coupons and Talons relating to the Subordinated Notes, subject to Condition 21.4(c) below, the courts of Luxembourg, the Grand Duchy of Luxembourg have exclusive jurisdiction to settle any dispute arising out of or in connection with the Subordinated Notes and the Receipts, Coupons and/or Talons relating to the Subordinated Notes (including any dispute as to their existence, validity interpretation, performance, breach or termination or the consequences of their nullity) (a "**Dispute**") and accordingly each of the Issuer, the Noteholders, the Receiptholders, the Couponholders and the Talonholders in relation to any Dispute submit to the exclusive jurisdiction of the courts of Luxemburg, the Grand Duchy of Luxembourg.
- (b) For the purposes of this Condition 21.4, the Issuer waives any objection to the courts of Luxemburg, the Grand Duchy of Luxembourg on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law the Noteholders, Receiptholders, Couponholders and Talonholders 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.

*This section applies to both Exempt Notes and Non-exempt Notes*

## TERMS AND CONDITIONS OF THE LUXEMBOURG NOTES

*The following are the Terms and Conditions of the Luxembourg Notes (the "Luxembourg Notes") which will be applicable to each Luxembourg Note. Each Luxembourg Note, whether in definitive or global form, will have endorsed, and incorporated by reference into, thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Luxembourg Notes may specify other terms and conditions which shall complete or (in the case of Exempt Securities only), to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes (including, if Upper Tier II Subordinated Notes are to be issued, the status, subordination and interest deferral provisions of such Notes). The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Luxembourg Note whether in definitive or global form. Reference should be made to "Form of the Notes" above for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Luxembourg Notes.*

Any reference in these terms and conditions to "relevant Final Terms" or "applicable Final Terms" shall be deemed to include a reference to "relevant Pricing Supplement" or "applicable Pricing Supplement", as the case may be, where relevant.

This Note is one of a Series (as defined below) of Notes issued by BGL BNP Paribas ("**BGL**") (the "**Issuer**") either directly or, if so specified in the applicable Final Terms, acting through a specified branch (the "**Specified Branch**") pursuant to the Agency Agreement (as defined below).

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

- (a) in relation to any Notes in bearer form represented by a temporary global Note in CGN form or in NGN form or permanent global Note in CGN form or in NGN form (in each case as defined below) (each a "**Global Note**"), units of the lowest Specified Denomination in the Specified Currency;
- (b) definitive Notes in bearer form ("**Definitive Notes**") issued in exchange for a Global Note; and
- (c) any Global Note.

Each Global Note which is not intended to be issued in new global note ("**NGN**") form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg (together the "**ICSDs**").

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement dated 24 June 2013 (as amended, supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank in relation to all Notes (in each capacity an "**Agent**", which expression shall include any successor agent specified in the applicable Final Terms) and (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms (or Pricing Supplement, in the case of Exempt Notes (as defined below), attached to or endorsed on this Note

which complete or (in the case of Exempt Notes only) supplement these terms and conditions (the "**Conditions**" which term shall include one or more of the schedules to these terms and conditions containing additional terms and conditions relating to (i) payouts (as set out at Schedule 1 (the "**Payout Conditions**")), (ii) inflation index-linked notes (as set out at Schedule 2 (the "**Inflation Index-Linked Note Conditions**")), (iii) foreign exchange (FX) rate-linked notes (as set out at Schedule 3 (the "**Foreign Exchange (FX) Rate-Linked Conditions**")) or (iv) underlying interest rate-linked notes (as set out at Schedule 4 (the "**Underlying Interest Rate-Linked Conditions**")), and, in the case of a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an "**Exempt Note**"), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the "**applicable Final Terms**" or "**relevant Final Terms**" are, unless otherwise stated, to Part A of the Final Terms (or, in the case of Exempt Notes, Pricing Supplement) (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing Definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and in the case of Notes which when issued in definitive form, have more than 27 interest payments remaining talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt Notes in definitive form which are repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue.

Any reference herein to "**Noteholders**" or "**holders**" shall mean the holders of the Notes and shall, in relation to Notes represented by a Global Note, 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.

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

Copies of the Agency Agreement are available for inspection only and the Final Terms applicable to this Note are available for inspection, and may be obtained free of charge, during normal business hours at the specified office of each of the Agent and the other Paying Agents. Copies of the applicable Final Terms in respect of Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies of Final Terms (or Pricing Supplement as the case may be) may be obtained from BNP Paribas Securities Services, Luxembourg Branch as Principal Paying Agent and Luxembourg Listing Agent in 33 rue de Gasperich, Howald-Hesperange, L-2085 Luxembourg, save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Pricing Supplement will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to his identity. In the case of Notes listed on the Luxembourg Stock Exchange, a copy of the applicable Final Terms may be obtained free of charge at the office of the Luxembourg Listing Agent. In the case of Notes listed and admitted to trading on Euronext Brussels, a copy of the applicable Final Terms may be obtained free of charge at the office of BNP Paribas Fortis SA/NV. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these

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

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

The Notes are in bearer form and, in the case of Definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denomination (the "**Specified Denomination(s)**") specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms. If this Note is a Non-exempt Note and a Subordinated Note, it is either a Lower Tier II Subordinated Note or a Tier III Subordinated Note, as indicated in the applicable Final Terms.

If this Note is an Exempt Note and is a Subordinated Note, it is either an Upper Tier II Subordinated Note, a Lower Tier II Subordinated Notes or a Tier III Subordinated Note, as indicated in the applicable Pricing Supplement (or any other type of Subordinated Note as may be specified in any supplement to the Terms and Conditions).

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inflation Index-Linked Interest Note, a Foreign Exchange (FX) Rate-Linked Interest Note, an Underlying Interest Rate-Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inflation Index-Linked Interest Note, a Foreign Exchange (FX) Rate-Linked Interest Note, an Underlying Interest Rate-Linked Interest Note, a Variable Interest Rate Note or a combination of any of the foregoing, depending upon the Interest Basis as shown in the applicable Final Terms.

Unless this Note is an Exempt Note, this Note may be redeemable at par, at such other amount as specified in the applicable Final Terms, an Inflation Index-Linked Redemption Note, a Foreign Exchange (FX) Rate-Linked Redemption Note, an Instalment Note or any combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be an Inflation Index-Linked Redemption Note, a Foreign Exchange (FX) Rate-Linked Redemption Note, an Underlying Interest Rate-Linked Redemption Note, an Instalment Note, a Dual Currency Note, a Partly Paid Note, a Variable Redemption Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

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

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes without prejudice to the provisions set out below.

A Permanent Global Note will be exchangeable for Definitive Notes only (a) in the case of Senior Notes, upon the happening of any of the events defined in Condition 9 as "*Events of Default*," (b) if either Euroclear or Clearstream, Luxembourg, or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so (other than in the case of a merger or consolidation of Euroclear and Clearstream, Luxembourg) and no alternative clearing system is available, (c) if the Issuer has or will become subject to adverse tax consequences to which the Issuer would not be subject were the Notes represented by Definitive Notes, or (d) if the Issuer so elects (in the case of Notes with denominations of below EUR 100,000 (or the equivalent in other currencies) only). Any physical delivery of Definitive Notes will be made outside Belgium.

For so long as any of the Notes is represented by a Global Note held by or on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system the bearer of the relevant Global Note shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

The holder of the Global Note will be considered by the Issuer as the sole owner and holder of the Notes represented by such Global Note for the purposes of payment of the interest and principal in respect of the Notes only.

**Interests in a Global Note will, so long as the Global Note is held by or on behalf of Euroclear and/or Clearstream, Luxembourg, be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or of Clearstream, Luxembourg, as the case may be.**

**Under Luxembourg Law, owners of interests in a Global Note governed by Luxembourg Law will, subject to proof of ownership of such interest, be entitled to proceed directly against the Issuer either individually or, following the appointment of a Noteholder's representative, collectively through such representative, pursuant to articles 86 to 94-8 of the Law of the Grand Duchy of Luxembourg of 10 August 1915 on commercial companies, as amended.**

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may be approved by the Issuer, the Agent and, if the Notes are intended to be listed and admitted to trading, recognised by the relevant Stock Exchange.

## **2. STATUS OF THE NOTES**

The applicable Final Terms will indicate whether the Notes are Senior Notes or Subordinated Notes and, if Subordinated Notes, whether the Notes are Upper Tier II Subordinated Notes (in which case, such Upper Tier II Subordinated Notes will only be issued as Exempt Notes), Lower Tier II Subordinated Notes or Tier III Subordinated Notes and, in the case of Subordinated Notes, the applicable subordination provisions.

### **2.1 Status of Senior Notes**

The Senior Notes and the Receipts and Coupons relating to them constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and, at all times rank at least equally with all other unsecured and

unsubordinated indebtedness of the Issuer present and future (other than indebtedness or monetary obligations preferred by mandatory provisions of law).

## 2.2 Status and Subordination of Subordinated Notes

### (a) Upper Tier II Subordinated Notes

This sub-condition will apply to Exempt Notes only.

If the Notes are Upper Tier II Subordinated Notes, the status and subordination of the Notes will be as set out in the applicable Pricing Supplement. The Terms and Conditions of any Upper Tier II Subordinated Notes will be subject to the prior approval of the *Commission de Surveillance du Secteur Financier* (the "CSSF"). Upper Tier II Subordinated Notes and the Receipts, Coupons and Talons relating to them will rank behind Lower Tier II Subordinated Notes and Tier III Subordinated Notes and the Receipts, Coupons and Talons relating to them.

### (b) Lower Tier II Subordinated Notes and Tier III Subordinated Notes

The Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them shall at all times rank equally with all other Senior Subordinated Obligations (as defined below).

In the event of the liquidation of the Issuer, the rights of the holders of the Lower Tier II Subordinated Notes and the Tier III Subordinated Notes and the Receipts and Coupons relating to them shall rank ahead of:

- (i) those persons whose claims are in respect of any class of equity (including preference shares) of the Issuer;
- (ii) the claims of the holders of Upper Tier II Subordinated Notes; and
- (iii) creditors whose claims are in respect of any obligations of the Issuer that rank or are expressed to rank (whether only in the winding up of the Issuer or otherwise) junior to Senior Subordinated Obligations,

but shall be subordinated to the claims of all Senior Creditors (as defined below).

In this Condition 2.2(b):

**"Senior Creditors"** means all creditors of the Issuer who are cash depositors or other general, unsubordinated creditors; and

**"Senior Subordinated Obligations"** means all indebtedness and monetary obligations of the Issuer present and future that rank or are expressed to rank junior in right of payment (whether only in the event of the winding up of the Issuer or otherwise) to the claims of Senior Creditors but that are not subordinated so as to rank in point of subordination junior to any other obligations of the Issuer.



### 3. REDENOMINATION

#### 3.1 Redenomination

Where redenomination is specified in the applicable Final Terms, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 13 elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the 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 Noteholders, the stock exchange (if any) on which the Notes may be listed and admitted to trading and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if Definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, (half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount; and
- (g) in the case of Exempt Notes only, if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

### 3.2 Definitions

In these Conditions, the following expressions will have the following meanings:

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"**euro**" means the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph 3.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended.

## 4. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes ("**Fixed Rate Notes**"), Floating Rate Notes ("**Floating Rate Notes**"), Inflation Index-Linked Interest Notes ("**Inflation Index-Linked Interest Notes**"), Foreign Exchange (FX) Rate-Linked Interest Notes ("**Foreign Exchange (FX) Rate-Linked Interest Notes**") and/or Underlying Interest Rate-Linked Interest Notes ("**Underlying Interest Rate-Linked Interest Notes**") or, in the case of Exempt Notes only, Variable Interest Rate Notes ("**Variable Interest Rate Notes**") or whether a different interest basis applies.

### 4.1 Interest on Fixed Rate Notes

This Condition 4.1 applies to Fixed Rate Notes only.

The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest on its nominal amount (or, in the case of Exempt Notes only, if it is a Partly Paid Note, the amount paid up) from and including the Interest Commencement Date.

The rate(s) per annum will be equal to the Rate(s) of Interest applied to the Calculation Amount and multiplying such sum by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount, payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of each Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction (as defined in Condition 4.2(d)), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, (half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

In these Conditions:

"**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.

#### **4.2 Interest on Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and Variable Interest Rate Notes**

This Condition 4.2 applies to Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or Variable Interest Rate Notes.

In respect of Floating Rate Notes, the applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

In respect of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes, the applicable Final Terms contains

provisions applicable to the determination of the relevant rate of interest and must be read in conjunction with sub-Conditions 4.2 and any additional terms and conditions specified as applicable in the relevant Final Terms for full information on the manner in which interest is calculated on Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes.

In the case of Inflation Index-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Index and Index Sponsor, any Related Bond, relevant Determination Dates, the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Foreign Exchange (FX) Rate-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Base Currency, any Subject Currencies, any applicable Weighting, the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Underlying Interest Rate-Linked Interest Notes, the applicable Final Terms will set out, among other things, the Underlying Interest Rate Determination Dates, whether ISDA Determination or Screen Rate Determination applies to the determination of the underlying interest rate and, (a) where ISDA Determination applies the applicable Floating Rate Option, Designated Maturity and Reset Date or (b) where Screen Rate Determination applies, whether the Pricing Source for the Interest Rate Quotation is a Relevant Screen Page (Underlying) or Underlying Reference Bank, and, in either case, the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

Variable Interest Rate Notes will be issued as Exempt Notes only, the terms of which will be specified in the applicable Pricing Supplement.

(a) *Interest Payment Dates*

Each Floating Rate Note, Inflation Index-Linked Interest Note, Foreign Exchange (FX) Rate-Linked Interest Note, Underlying Interest Rate-Linked Interest Note and in the case of Exempt Notes only, Variable Interest Rate Note bears interest on its outstanding nominal amount (or, in the case of Exempt Notes only, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year as specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each interest period (an "**Interest Period**", which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

(b) *Rate of Interest*

The Rate of Interest or Rate payable from time to time in respect of Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying

Interest Rate-Linked Interest Notes and, in the case of Exempt Notes only, Variable Interest Rate Notes, will be determined in the manner specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest or Rate is to be determined, the Rate of Interest or Rate, as the case may be, for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any) specified in the applicable Final Terms. For the purposes of this sub-paragraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is as specified in the applicable Final Terms.

For the purposes of this sub-paragraph 4.2(b)(i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(ii) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest or Rate is to be determined, the Rate of Interest or Rate, as the case may be, 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 (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time in the case of EURIBOR) on the Interest Determination Date in question, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the 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 Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest or Rate, as the case may be, in the event that the Relevant Screen Page is not available or if, in the case

of (A) above, no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

In the case of Exempt Notes only, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than the LIBOR or EURIBOR, the Rate of Interest or Rate in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(c) *Minimum and/or Maximum Interest Rate*

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest or Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Interest Rate, the Rate of Interest or Rate, as the case may be, for such Interest Period shall be such Minimum Interest Rate.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest or Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Interest Rate, the Rate of Interest or Rate, as the case may be, for such Interest Period shall be such Maximum Interest Rate.

(d) *Determination of Rate of Interest, Rate and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, or the Calculation Agent, in the case of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes, or any other party responsible for calculating the Rate(s) of Interest and Interest Amount(s) will at, or as soon as practicable after, each time at which the Rate of Interest or Rate is to be determined, determine the Rate of Interest or Rate, as the case may be for the relevant Interest Period. In the case of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes, in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, (half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the applicable Final Terms:

- (i) if "**Actual/Actual (ICMA)**" is so specified:

- (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
- (B) where the Calculation Period is longer than one Regular Period, the sum of:
  - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year; and
  - (2) the actually number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year;

where:

**"Regular Period"** means:

- (A) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
  - (B) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
  - (C) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;
- (ii) if **"Actual/Actual"** is so specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
  - (iii) if **"Actual/365 (Fixed)"** is so specified, the actual number of days in the Calculation Period divided by 365;
  - (iv) if **"Actual/360"** is so specified, the actual number of days in the Calculation Period divided by 360;
  - (v) if **"30/360"**, **"360/360"** or **"Bond Basis"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30; and

- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30.



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

The Agent and/or the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) will cause the Rate of Interest and each Interest Amount (except that if the Calculation Amount is less than the minimum Specified Denomination, the Agent and/or the party responsible for calculating the Interest Amount(s) shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination) for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day (where the expression "**Luxembourg Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business and settle payments in Luxembourg) after such determination (or in the case of such Notes listed on the Official List and admitted to trading on the Bourse de Luxembourg, which is the regulated market of the Luxembourg Stock Exchange, notification shall be given to the Luxembourg Stock Exchange on the first day of each Interest Period). To the extent required by the rules of any stock exchange on which the relevant Floating Rate Notes or Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes are for the time being listed and admitted to trading, the Issuer will also make available to Noteholders on request the Rate of Interest, Rate, Interest Amount, Interest Period and Interest Payment Date relating to each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will, to the extent required by the rules of the relevant stock exchanges, be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes are for the time being listed and admitted to trading and to the Noteholders in accordance with Condition 13.

(f) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

#### **4.3 Exempt Notes**

This Condition applies to Exempt Notes only.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes but which may include Variable Interest Rate Notes, shall be determined in the manner specified in the applicable Pricing Supplement.

(a) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(b) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue in accordance with this Condition 4 on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

#### **4.4 Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless such Note is redeemed early. If such Note is redeemed early (a) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (b) if the applicable Final Terms specify that Accrual to Redemption is not applicable, no interest shall accrue or be payable in respect of which the relevant Interest Payment Date has not occurred on or prior to the due date for redemption of such Note. If, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the monies payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

#### **4.5 Interest Deferral**

(a) *Interest Deferral on Tier III Subordinated Notes*

Payments of interest in respect of Tier III Subordinated Notes may be deferred in certain circumstances as described in Condition 5.8.

(b) *Interest Deferral on Upper Tier II Subordinated Notes*

The Issuer reserves the right to defer payment of interests in respect of Upper Tier II Subordinated Notes with the prior approval of the CSSF.

#### **4.6 General provisions applicable to interest**

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month on which an Interest Payment Date should occur, or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) in any case where Interest Periods are specified in accordance with Condition 4.2(a)(ii), the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (b) below shall apply *mutatis mutandis*, or (ii), in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (b) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (c) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (d) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "**Business Day**" means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
- (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or (B) in relation to any sum payable in euro, a TARGET Settlement Day.

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

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

## 5. PAYMENTS

### 5.1 Method of Payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or at the option of the payee by a cheque in such Specified Currency drawn on a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian or New Zealand dollars, shall be Melbourne or Wellington respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments in respect of the Notes will be subject in all cases to (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) (b) any withholding or deduction required pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 (the "**Code**") and (c) 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 agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.

## 5.2 Presentation of Notes, Receipts and Coupons

Payments of principal in respect of Definitive Notes will (subject as provided below) be made in the manner provided in paragraph 5.1 above only against presentation and surrender or, in the case of part payment of any sum due, endorsement of Definitive Notes, and payments of interest in respect of Definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender or, in the case of part payment of any sum due, endorsement of Coupons, in each case to or to the order of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph 5.1 above against presentation and surrender of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph 5.1 above only against presentation and surrender or, in the case of part payment of any sum due, endorsement of the relevant Note. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Note to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes or Long Maturity Notes (as defined below) and save as provided in Condition 5.4 below), should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Inflation Index-Linked Note, Foreign Exchange (FX) Rate-Linked Note, Underlying Interest Rate-Linked Note, Long Maturity Note or, in the case of Exempt Notes only, Variable Interest Rate Note or Variable Redemption Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue has a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Definitive Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Note.

### **5.3 Payments in respect of Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note (against presentation or surrender, as the case may be, of such Global Note if the Global Note is not intended to be issued in NGN form) to or to the order of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will, (a) in the case of a Global Note in CGN form be made on such Global Note by the Paying Agent to which it was presented and (b) in the case of a Global Note in NGN form, *pro rata*, be reflected in the records of the relevant ICSD upon the instruction of the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

### **5.4 Specific provisions in relation to payments in respect of certain types of Exempt Notes**

Upon the date on which any Dual Currency Note becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

### **5.5 General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial bearer of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of this Note is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of this Note will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

## 5.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Day**" means any day which is (subject to Condition 8):

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (i) in the case of Notes in definitive form, the relevant place of presentation; and (ii) any Additional Financial Centre specified in the applicable Final Terms;
- (b) a Business Day (as defined in Condition 4.6); and
- (c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand Dollars shall be Melbourne or Wellington respectively) or (ii) in relation to any sum payable in euro, a TARGET Settlement Day.

## 5.7 Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.6);
- (g) any Payment Arrears and Additional Interest (as defined in Condition 5.8(b) and Condition 5.8(c), respectively); and
- (h) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

## 5.8 Payment Deferral (Tier III Subordinated Notes)

- (a) *Deferral of Payment*

Subject as follows, all payments of principal and interest in respect of Tier III Subordinated Notes must be made on their due date as set out in the relevant Final Terms.

The Issuer will not make any payment on its due date if, after making such payment, the Issuer would be in breach of its integrated capital adequacy ratio ("**Integrated Capital Adequacy Ratio**") as defined in Circular 06/273 of the CSSF, as amended by Circular 07/317 of the CSSF, on the definition of own funds ratios pursuant to Article 56 of the Luxembourg Law of 5 April 1993 on the financial sector, as amended, as such circular may be amended or supplemented from time to time. In such circumstances the Issuer shall, by notice in writing (a "**Deferral Notice**") (published in accordance with Condition 13) to the holders of Tier III Subordinated Notes, defer the due date for payment of any principal or interest in respect of such Notes and, accordingly, on the giving of a Deferral Notice the due date for such payments shall be so deferred. The Issuer shall, to the extent possible, issue each Deferral Notice at least five Luxembourg Business Days prior to the relevant due date if such due date is to be deferred.

(b) *Payment Arrears*

Without prejudice to Condition 9.2(b), any amounts due in respect of the Tier III Subordinated Notes which are not paid on their scheduled due date shall, so long as the same remains unpaid, constitute "**Payment Arrears**". All Payment Arrears on all Tier III Subordinated Notes outstanding shall become due in full (together with all Additional Interest (as defined below) accrued in respect thereof) on whichever is the earliest of:

- (i) the date upon which the Issuer can first make payment of the Payment Arrears in full, together with all accrued Additional Interest, without, after such payment, being in breach of its Integrated Capital Adequacy Ratio; and
- (ii) the date upon which a judgment is rendered or an effective voluntary resolution is passed for the dissolution and liquidation of the Issuer.

The Issuer shall, to the extent possible, give notice in accordance with Condition 13 of its intention to pay Payment Arrears and Additional Interest to all relevant Noteholders not less than seven days prior to the scheduled payment date for payment thereof.

If notice is given by the Issuer of its intention to pay all Payment Arrears together with all Additional Interest accrued in respect thereof, the Issuer shall be obliged to do so on the expiry of such notice, except if after such payment it would be in breach of its Integrated Capital Adequacy Ratio.

(c) *Additional Interest*

Payment Arrears in respect of Tier III Subordinated Notes shall bear interest ("**Additional Interest**") at the relevant Rate of Interest applicable to the Notes, plus an additional rate of 0.50 per cent. per annum which shall accrue on a daily basis for each successive period of twelve calendar months ("**Additional Interest Period**") from and including the scheduled date on which such Payment Arrears may or should have been paid and ending on the day immediately preceding the last date of the Additional Interest Period. Additional Interest shall only be payable until the actual date of payment of all outstanding Payment Arrears. All Additional Interest which is not paid at the end of each Additional Interest Period, shall become Payment Arrears and bear interest accordingly.

(d) *No Default*

Neither any deferral of payment under paragraph (a) of this Condition nor the failure to make payments of Payment Arrears or Additional Interest where if it were to make such payments the

Issuer would be in breach of its Integrated Capital Adequacy Ratio, shall constitute a default by the Issuer for any purpose.

## **5.9 Other Payment Provisions**

Notwithstanding the foregoing, the relevant provisions relating to the payment of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect of such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth, in the case of Non-exempt Notes, in the applicable Final Terms or Drawdown Prospectus, or, in the case of Exempt Notes only, in the applicable Pricing Supplement as appropriate.

## **6. REDEMPTION AND PURCHASE**

### **6.1 Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as specified below (and subject to Condition 5.8), each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date. Where the Notes are Inflation Index-Linked Redemption Notes or Foreign Exchange (FX) Rate-Linked Redemption Notes (each as specified in the applicable Final Terms), the Final Redemption Amount shall be equal to the product of (a) its principal amount and (b) the Final Payout specified in the applicable Final Terms.

### **6.2 Redemption for Tax Reasons**

The Notes will be redeemed at the option of the Issuer, and, in case of Subordinated Notes, provided only that the Issuer obtains the prior consent of the CSSF, in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note nor, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note), on giving not less than the minimum period nor more than the maximum period of notice to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (a) on the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any political subdivision of, or any authority in, or of, a Tax Jurisdiction having power to tax, or any change in the application of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer 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 would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting



forth a statement of facts showing that the conditions precedent to the right of the Issuer to redeem have occurred, and on opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in paragraph 6.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption (including, in the case of Tier III Subordinated Notes, all Payment Arrears and Additional Interest).

### **6.3 Redemption at the Option of the Issuer (Issuer Call)**

This Condition 6.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an Issuer Call. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms and if, in the case of Subordinated Notes, the Issuer obtains the consent of the CSSF, the Issuer shall, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the applicable Optional Redemption Date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date (including, in the case of Tier III Subordinated Notes, all Arrears of Interest and Additional Interest Amounts). Any such redemption must be of a nominal amount not less than the Minimum Early Redemption Amount or not more than the Maximum Early Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms. The Optional Redemption Amount will be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (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), in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 7 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by Definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that, if necessary, appropriate adjustments shall be made to such nominal amounts to ensure that each represents an integral multiple of the Specified Denomination. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph 6.3 and notice to that effect shall be given by

the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

In the event of any such redemption, the Luxembourg Stock Exchange shall be notified by the Issuer in accordance with Condition 13.

#### **6.4 Redemption at the Option of the Noteholders (Investor Put) (not applicable to Subordinated Notes)**

This Condition 6.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an Investor Put. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6.4 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 13 not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part) such Senior Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by 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 (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition accompanied by, if this Note is in definitive form, this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

#### **6.5 Redemption for illegality**

In the case of Inflation Index-Linked Notes, Foreign Exchange (FX) Rate-Linked Notes, Underlying Interest Rate-Linked Notes, Subordinated Notes provided only that the Issuer has obtained the prior consent of the CSSF, and, in the case of Exempt Notes only, Variable Interest Rate Notes or Variable Redemption Notes, and unless, in the case of Exempt Notes only, otherwise specified in the applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on such date as the Issuer may notify to the Noteholders in accordance with Condition 13 if the Issuer determines that the performance by the Issuer of its obligations under the Notes has become unlawful under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power.

Notes redeemed pursuant to this Condition 6.5 will be redeemed at the Early Redemption Amount referred to in paragraph 6.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

## 6.6 Early Redemption Amounts

For the purpose of paragraphs 6.2 and 6.5 above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows or as otherwise provided in the applicable Final Terms or the applicable Schedule:

- (a) in the case of a Note (other than a Zero Coupon Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note) with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note, but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the percentage of its principal amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at 100 per cent. of its principal amount;
- (c) in the case of an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note at its Early Redemption Amount specified in the applicable Final Terms, which may be a specified percentage of its principal amount or, if Market Value less Costs is specified in the applicable Final Terms, at its fair market value (as determined by the relevant Calculation Agent) as at the date of such early redemption less the costs to the Issuer of unwinding or amending any related hedging arrangements, provided that, if no Early Redemption Amount is specified, the Early Redemption Amount will be Market Value less Costs; and
- (d) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be)

the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365);

- (e) or, in the case of any of (a) to (d) above, if such Note is an Exempt Note, at such other amount as specified in the applicable Pricing Supplement.

## **6.7 Instalment Notes**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption of an Instalment Note, the Early Redemption Amount will be determined pursuant to paragraph 6.6 above.

## **6.8 Specific redemption provisions applicable to certain types of Exempt Notes**

This sub-Condition applies to Exempt Notes only.

### *(a) Variable Redemption Notes and Dual Currency Notes*

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of a Variable Redemption Note or a Dual Currency Note and, in the case of a Variable Redemption Note, any other relevant terms may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 6.2, Dual Currency Notes may be redeemed only on an Interest Payment Date.

### *(b) Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

## **6.9 Purchases**

Subject to Condition 6.10, the Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

## **6.10 Redemption or Purchase of Subordinated Notes**

### *(a) All Subordinated Notes*

Subordinated Notes may not be redeemed prior to their stated maturity date (if any) or purchased by or on behalf of the Issuer or any of its subsidiaries without the prior consent of the CSSF.

### *(b) Tier III Subordinated Notes*

Payments due from the Issuer in connection with the redemption of Tier III Subordinated Notes may be deferred in certain circumstances as described in Condition 5.8.

(c) *Undated Subordinated Notes*

Unless otherwise agreed by the CSSF, undated Subordinated Notes which are either, in the case of Exempt Notes only, Upper Tier II Subordinated Notes or, in the case of both Exempt Notes and Non-exempt Notes, Lower Tier II Subordinated Notes may be redeemed by the Issuer on giving 5 years' notice and undated Subordinated Notes which are Tier III Subordinated Notes may be redeemed by the Issuer on giving 2 years' notice. In addition, in the case of Upper Tier II Subordinated Notes redemption is subject to the prior approval of the CSSF.

(d) *Dated Subordinated Notes*

Dated Upper Tier II Subordinated Notes may only be redeemed at maturity with the prior approval of the CSSF.

(e) *Upper Tier II Subordinated Notes and absorption of losses*

This sub-Condition applies to Exempt Notes only.

Principal and interest due under Upper Tier II Subordinated Notes (fonds propres complémentaires) within the meaning of Circular 06/273 as amended may be used by the Issuer in certain circumstances to absorb its losses.

## **6.11 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph 6.1 above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

## **6.12 Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph 6.1, 6.2, 6.3, 6.4 or 6.5 above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused by the Issuer or its Agent, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph 6.6(d) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the due date or when paid to the Agent.

## **6.13 Other redemption and purchase provisions**

Notwithstanding the foregoing, the relevant provisions relating to the redemption and purchase of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth, in the case of Non-exempt Notes, in the applicable Final Terms or Drawdown Prospectus or, in the case of Exempt Notes only, in the applicable Pricing Supplement, as appropriate.

## **7. TAXATION**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such

withholding or deduction is required by law. In such event, and unless the provisions of this Condition 7 are specified not to apply in the relevant Final Terms, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment to, or to a third party on behalf, of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.6); or
- (c) where such withholding or deduction imposed on a payment is required to be made pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

- (i) "**Tax Jurisdiction**" means the Grand Duchy of Luxembourg, the jurisdiction in which the Specified Branch (if any) is located or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes, Receipts and Coupons; and
- (ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

## 8. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

The Luxembourg act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended (the "**Involuntary Dispossession Act 1996**") requires that, in the event that (i) an opposition has been filed in relation to the Notes, Receipts and Coupons and (ii) the Notes, Receipts

and Coupons mature prior to becoming forfeited (as provided for in the Involuntary Disposition Act 1996), any amount that is payable under the Notes, Receipts and Coupons, but has not yet been paid to the Noteholders or Couponholders, must be paid to the *Caisse de Consignations* in Luxembourg until the opposition has been withdrawn or the forfeiture of the Notes, Receipts and Coupons occurs.

## 9. EVENTS OF DEFAULT AND ENFORCEMENT

### 9.1 Provisions relating to Senior Notes

If any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Senior Note may give written notice to the Agent at its specified office that such Note is immediately repayable, whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6.6), together with accrued interest (if any) to the date of repayment, without presentation, demand, protest or other notice of any kind:

- (a) default is made for more than 14 days (in the case of interest) or 7 days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or
- (b) the Issuer defaults in performance or observance of, or compliance with, any of its other obligations in the Notes which default is incapable of remedy or which, if capable of remedy, is not remedied within 21 days after notice of such default shall have been given to the Agent at its specified office by any Noteholder; or
- (c) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the Issuer and is not stayed or discharged within 21 days; or
- (d) any present or future mortgage, charge, pledge, lien or other encumbrance on or over all or a material part of the property, assets or revenues of the Issuer becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager, administrator or other similar person) and such enforcement or step is not stayed or discharged within 21 days; or
- (e) (i) if any judgment has been rendered by any competent court for the liquidation (*liquidation judiciaire*) or the opening of a regime of suspension of payment (*sursis de paiement*) of the Issuer; or (ii) if the Issuer makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors or (iii) if an effective voluntary resolution is passed for the dissolution (*dissolution*) and liquidation (*liquidation*) of the Issuer (in each case save for the purposes of amalgamation, merger, consolidation, reorganisation or similar arrangement upon which all the assets of the Issuer are transferred to and all its debts and liabilities assumed by the continuing entity or entity formed as a result of such merger or reorganisation); or
- (f) the Issuer ceases to carry on business (except for the purpose of any amalgamation, merger or other reorganisation under which the continuing or successor corporation has assumed all of the assets and business undertakings of the Issuer pursuant to Condition 16 and has expressly and effectively assumed the obligations of the Issuer under the Notes).

## 9.2 Provisions relating to Subordinated Notes

### (a) *Liquidation*

The holder of any Subordinated Note may give written notice to the Agent at its specified office that such Note is due and payable, whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6.6), together with accrued interest (if any) to the date of repayment, (including, in the case of Tier III Subordinated Notes, any Payment Arrears) without presentation, demand, protest or other notice of any kind, if a judgment is made or an effective resolution is passed for the dissolution and liquidation of the Issuer.

### (b) *Non Payment*

If the Issuer does not make payment for a period of 7 days or more after the due date for payment of principal, premium (if any) or for a period of 14 days or more after an Interest Payment Date for the payment of interest due in respect of any of the Subordinated Notes on such date, any Subordinated Noteholder may ask the relevant authorities to institute proceedings in Luxembourg (but not elsewhere) in accordance with Part IV of the Luxembourg Law of 5 April 1993 on the financial sector (as amended) for the dissolution and liquidation of the Issuer.

**Although the relevant authorities may take into account a request from a Noteholder to institute proceedings in Luxembourg for the dissolution and liquidation of the Issuer, they are not in any way bound to do so following the receipt of such a request or on any other basis. In determining whether to institute any such proceeding against the Issuer, the relevant authorities act solely on the basis of their own discretion and in accordance with Luxembourg law. Subject to such request from a Noteholder as described in this Condition 9.2(b), a Noteholder shall not be able to take proceedings for the dissolution or liquidation of the Issuer.**

### (c) *Breach of Obligations*

To the extent permitted by applicable law and by these Conditions, a Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes or the Coupons but the institution of such proceedings shall not have the effect that the Issuer shall be obliged to pay any sum or sums sooner than would otherwise have been payable by it.

### (d) *Other Remedies*

No remedy against the Issuer other than the institution of the proceedings referred to in Condition 9.2(b) or (c) and the proving or claiming in any dissolution and liquidation of the Issuer, shall be available to the Noteholders or the Couponholders whether for the recovery of amounts owing in respect of the Notes or the Coupons or in respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Notes or the Coupons.

## 10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent in Luxembourg in accordance with any applicable legal requirements and upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, exchanged for further coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note,



Receipt, Coupon, Talon or further coupons as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **11. AGENT AND PAYING AGENTS**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or other relevant authority);
- (b) the Issuer will ensure that it maintains a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive; and
- (c) there will at all times be an Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.5. Notice of any variation, termination, appointment or change in Paying Agent shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

## **12. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

## **13. NOTICES**

### **13.1 Notes in global form**

So long as any Tranche of Notes is represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to Holders of Notes of that Tranche will, save where another means of effective communication has been specified herein or, in the case of Exempt Notes only, in the relevant Pricing Supplement, be deemed to be validly given if given by delivery of the relevant notice to the clearing system for communication by it to Noteholders in respect of the relevant Notes. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg. If such delivery is not practicable, notices will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe.

Notices to Holders of Notes of any Tranche may, at the sole discretion of the Issuer and solely for informational purposes, also be published on the website of the Issuer and/or of any other entity specified in the relevant Final Terms for this purpose.

### **13.2 Notes admitted to listing, trading and/or quotation**

So long as any Tranche of Notes is admitted to listing, trading and/or quotation by any competent authority, stock exchange or quotation system, notices to Holders of Notes of that Tranche will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if:

- (a) in the case a Tranche of Notes admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange (so long as such Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and any applicable laws, rules or regulations so require), published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), and/or in such other manner as may be required by applicable laws, rules and regulations from time to time; and/or
- (b) in the case of a Tranche of Notes admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, if published in such manner as may be required by applicable laws, rules and regulations from time to time;

### **13.3 In any other cases**

Where both Condition 13.1 and Condition 13.2 are inapplicable, notices will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the Financial Times), or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe.

### **13.4 General**

For the avoidance of doubt, where both Condition 13.1 and Condition 13.2 apply, notices must be given in the manner specified in Condition 13.1 and in the manner specified in Condition 13.2 in order to be deemed to have been validly given.

Any notice given in accordance with Condition 13.1, Condition 13.2 or Condition 13.3 above will be deemed to have been validly given on the date and time of first such notification (or, if required to be notified in more than one manner, on the first date on which notification shall have been made in all required manners).

Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice validly given to Holders of Notes in accordance with this Condition.

### **13.5 Notices by Noteholders**

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Definitive Note) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the

Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

#### 14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

Noteholders will belong to a *masse* (the "**Masse**") created, among other things, for the representation of their common interests pursuant to the provisions of the Law of the Grand Duchy of Luxembourg of 10 August 1915 on commercial companies, as amended (*loi du 10 août 1915 concernant les sociétés commerciales, telle qu'elle a été modifiée*) (the "**Luxembourg Company Law**"). The following is a summary of the relevant provisions of the Luxembourg Company Law. A general meeting of the Noteholders (the "**Masse Meeting**") or a court order may appoint and determine the powers of one or more representatives (the "**Representatives**"). Where Representatives have been appointed, Noteholders may no longer individually exercise their rights against the Issuer. A *Masse Meeting* may be called at any time by the Representatives (if any), the Board of Directors of the Issuer, or the auditors of the Issuer. The Representatives or the auditors of the Issuer, provided an advance on expenses has been paid to them by the Issuer, or the Board of Directors of the Issuer must convene a *Masse Meeting* if called upon to do so by the Noteholders representing 5 per cent. or more of the Notes outstanding. Meetings of Noteholders will be convened by notices published twice at least eight days' interval and eight days prior to the meeting in the *Mémorial* and in one Luxembourg newspaper. All *Masse Meetings* shall be held at the place specified in the notice calling the meeting. All Noteholders have the right to attend and vote at a *Masse Meeting* either personally or by proxy. Each voter shall have, on a show of hands one vote, and on a poll, one vote in respect of each unit of currency relating to the principal amount of Notes represented or held by him. A *Masse Meeting* may be called to approve certain changes in the rights of the Noteholders and may, generally, determine any measures designed to ensure the defence of interests or the exercise of the rights of the Noteholders in accordance with the provisions of the Luxembourg Company Law. A *Masse Meeting* may deliberate validly without a quorum and by a vote of a simple majority of Noteholders attending or represented at such *Masse Meeting* on the appointment and revocation of the Representatives, the revocation of special representatives appointed by the Issuer and the approval of any measures of a conservatory nature in the general interests of the Noteholders. On all other matters (except in respect of certain matters, including a change in the nationality of the Issuer, where unanimous consent is required) a *Masse Meeting* may deliberate validly on first convocation only if Noteholders present or represented hold at least 50 per cent. of the Notes then outstanding. The Board of Directors of the Issuer or Noteholders representing 20 per cent. of the Notes then outstanding may require the adjournment of the meeting for four weeks. A new meeting must be called for by convening notices to be published twice within a time period of 15 days and 15 days before the second meeting in two Luxembourg newspapers and in the *Mémorial*. On the second convocation no quorum is required (except in respect of certain matters, including a change in the nationality of the Issuer, where unanimous consent is required). Decisions at such meetings shall be taken by a majority of 662/3 per cent. of the votes cast by Noteholders attending such meetings or represented thereat. The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Agency Agreement which is not prejudicial to the interest of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

For the avoidance of doubt, no Noteholder, Receiptholder or Couponholder may initiate proceedings against the Issuer based on article 98 of the Luxembourg Company Law.

## 15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## 16. SUBSTITUTION

Subject to the provisions of this Condition, the Noteholders and the Couponholders, by subscribing to or purchasing any Notes or Coupons, expressly consent to the Issuer, or any previously substituted company, at any time, but where applicable, with the prior authorisation of the CSSF, substituting for itself as principal debtor under any Series of the Notes, the Receipts, the Coupons and the Talons any subsidiary branch or affiliate of the Issuer or the successor company of the Issuer or jointly and severally one or more companies to whom the Issuer has transferred all of its assets and business undertakings (in each case the "**Substitute**"), provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue, no steps have been taken to admit the Issuer to a regime of suspension of payments (*sursis de paiement*) and (except in the case of a solvent reorganisation or amalgamation) no judgment has been rendered or an effective voluntary resolution has been passed for the dissolution and liquidation of the Issuer. Such substitution effected in accordance with this Condition 16 will release the Issuer or any previous substituted company and the Noteholders and Couponholders expressly consent hereto. The substitution shall be made by a written undertaking (the "**Undertaking**") to be substantially in the form scheduled to the Agency Agreement and may take place only if:

- (a) the Substitute, by means of the Undertaking, agrees to indemnify each Noteholder and Couponholder against any tax, duty, assessment, withholding, deduction or governmental charge which is imposed on it by (or by any taxing authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon or Talon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty assessment or governmental charge, and any cost or expense, relating to the substitution;
- (b) unless the Substitute is the successor company of the Issuer or one or more companies to whom the Issuer has transferred all of its assets and business undertakings each of whom are to be jointly and severally liable as principal debtor, the obligations of the Substitute under the Undertaking, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Issuer or its successor or each of the companies to whom together the Issuer has transferred all of its assets and business undertakings (each a "**Guarantor**") by means of a guarantee substantially in the form contained in the Undertaking (the "**Guarantee**");
- (c) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Undertaking, the Notes, the Receipts, the Coupons and the Talons represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Guarantee, of the Guarantor have been taken, fulfilled and done and are in full force and effect;
- (d) the Substitute has become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

- (e) legal opinions addressed to the Noteholders have been delivered to them (care of the Agent) from a lawyer or a firm of lawyers with a leading securities practice in each jurisdiction referred to in (a) above as to the fulfilment of the preceding conditions of this Condition 16 and the other matters specified in the Undertaking;
- (f) the substitution does not affect adversely the rating of the Notes by Moody's, S&P and Fitch or, if any such rating agency does not exist at the relevant time, any two existing internationally recognised rating agencies; and
- (g) the Issuer has given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies of all documents (in draft or final form) in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

References in Condition 9 to obligations under the Notes shall be deemed to include obligations under the Undertaking and, where the Undertaking contains a Guarantee, the events listed in Conditions 9.1 and 9.2 shall be deemed to include such Guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. In addition, the Guarantee shall contain:

- (i) in the case of Senior Notes, events of default in respect of the Notes in the same terms as Condition 9.1 relating to the Guarantor (except that references in Condition 9.1(a) to failure to pay principal and interest on the Notes shall be a reference to failure to pay under the Guarantee); and
- (ii) in the case of Subordinated Notes, the Guarantee shall contain rights of enforcement in the form of Condition 9.2.

References to "outstanding" in relation to Senior Notes of any Series shall, on a substitution of the Issuer where the Guarantor guarantees the Notes, not include Notes held by the Guarantor and its subsidiaries for the purposes of (i) ascertaining the right to attend and vote at any meeting of the Noteholders and (ii) the determination of how many Notes are outstanding for the purposes of Condition 14.

In the event of any such substitution, the Issuer shall notify the CSSF and/or the Luxembourg Stock Exchange and prepare, or procure the preparation of, a supplement to this Base Prospectus.

## **17. CURRENCY INDEMNITY**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## 18. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

- 19.1 The Luxembourg Notes, the Receipts, the Coupons and the Talons relating to the Luxembourg Notes are governed by Luxembourg law.
- 19.2 The Agency Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.
- 19.3 (a) With regard to the Luxembourg Notes and the Receipts, Coupons and Talons relating to the Luxembourg Notes, subject to Condition 19.3(c) below, the courts of Luxembourg, the Grand Duchy of Luxembourg have exclusive jurisdiction to settle any dispute arising out of or in connection with the Luxembourg Notes and the Receipts, Coupons and/or Talons relating to the Luxembourg Notes (including any dispute as to their existence, validity interpretation, performance, breach or termination or the consequences of their nullity) (a "**Dispute**") and accordingly each of the Issuer, the Noteholders, the Receiptholders, the Couponholders and the Talonholders in relation to any Dispute submit to the exclusive jurisdiction of the courts of Luxembourg, the Grand Duchy of Luxembourg.
- (b) For the purposes of this Condition 19.3, the Issuer waives any objection to the courts of Luxembourg, the Grand Duchy of Luxembourg on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law the Noteholders, Receiptholders, Couponholders and Talonholders 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.

## SCHEDULE 1

### ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

The following terms and conditions (the "**Payout Conditions**"), subject to completion in the applicable Final Terms, relate to the payouts in respect of the Notes. In particular, certain sections of the Payout Conditions will be set out and completed in the applicable Final Terms. In the event of any inconsistency between the terms and conditions of the Notes (the "**Note Conditions**") or the Payout Conditions, the Payout Conditions shall prevail. In the event of any inconsistency between (a) the Note Conditions and/or the Payout Conditions and (b) the Final Terms, the Final Terms shall prevail. The descriptions of the payouts, interest rates and/or related provisions included in italics below do not form part of the Payout Conditions, are included for information purposes only and are subject to the detailed terms of the relevant payout or interest rate, as applicable.

#### 1. FIXED INCOME INTEREST RATES AND PAYOUTS

##### 1.1 Fixed Income Interest Rates

The following Interest Rate will apply to the Notes if specified in the applicable Final Terms:

(a) **FI Digital Coupon**

If FI Digital Coupon is specified as applicable in the applicable Final Terms:

- (i) if the FI Digital Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

$$\text{Min}\left(\text{Global Cap A}, \text{Max}\left(\text{Global Floor A}, \left(\sum_{i=1}^n \text{Gearing } A_{(i)} \times \text{FI Rate } A_{(i)}\right) + \text{Constant A}\right)\right); \text{ or}$$

- (ii) if the FI Digital Coupon Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

$$\text{Min}\left(\text{Global Cap B}, \text{Max}\left(\text{Global Floor B}, \left(\sum_{i=1}^n \text{Gearing } B_{(i)} \times \text{FI Rate } B_{(i)}\right) + \text{Constant B}\right)\right)$$

##### *Description of the Payout*

*A FI Digital Coupon provides that the Notes bear interest at one of 2 specified rates depending upon whether or not the specified Digital Coupon Condition is satisfied. The specified rate can be (i) a fixed percentage or (ii) a fixed percentage (which may be equal to zero) plus a floating rate, where the floating rate may be the sum of one or more floating interest rates or inflation rates with individual gearings applied. The payout may be subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap). The Gearing may be zero, a negative or a positive number and the fixed percentage may be equal to zero.*

*The Digital Coupon Condition is indexed to the value of the Underlying Reference(s) (which may be one or more Inflation Index/Indices or one or more Underlying Interest Rates) comparative to a barrier level(s) which can be fixed or step up or down.*

(b) **Range Accrual Coupon**

If Range Accrual Coupon is specified as applicable in the applicable Final Terms:

$$\text{Min}\left\{\text{Global Cap}, \text{Max}\left(\text{Global Floor}, \text{Min}\left[\text{Local Cap}, \text{Max}\left(\text{Local Floor}, \text{Global Margin} + \sum_{i=1}^n \text{Gearing}_{(i)} \times \text{FI Rate}_{(i)}\right)\right] \times \frac{n}{N}\right)\right\}$$

Where:

"n" is the number of Range Accrual Days in the relevant Range Period on which the Range Accrual Coupon Condition is satisfied; and

"N" is the number of Range Accrual Days in the relevant Range Period.

If Deemed Range Accrual is specified as applicable in the applicable Final Terms, the FI DC Barrier Value for each Range Accrual Day in the period from (and including) the Range Cut-off Date to (and including) the Range Period End Date will be deemed to be the FI DC Barrier Value on the Range Cut-off Date.

**Description of the Payout**

*A Range Accrual Coupon provides that the Notes bear interest on the basis of a rate calculated by reference to the number of Range Accrual Days in the relevant Range Accrual Period where the Range Accrual Coupon Condition is satisfied. The interest payable on each Interest Payment Date is equal to  $K * n/N$ , where n is the number of Range Accrual Days in the Range Accrual Period on which the Range Accrual Coupon Condition is satisfied and N is the total number of Range Accrual Days in the Range Accrual Period. K can be a fixed percentage or a floating rate plus a margin (which may be zero) and is subject to a minimum level (equal to the Local Floor) or a maximum level (equal to the Local Cap). The floating rate may be the sum of one or more floating interest rates or inflation rates with individual gearings applied.*

*The overall rate payable is also subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap).*

*The Range Accrual Coupon Condition is indexed to the value of the Underlying Reference(s) (which may be one or more Inflation Index/Indices or one or more Underlying Interest Rates) comparative to a barrier level(s) which can be fixed or step up or down.*

(c) **Combination Floater Coupon**

If Combination Floater is specified as applicable in the applicable Final Terms:

$$\text{Min}\left(\text{Global Cap}, \text{Max}\left(\text{Global Floor}, \text{Global Margin} + \sum_{i=1}^n \text{Gearing}_{(i)} \times \text{FI Rate}_{(i)}\right)\right)$$

**Description of the Payout**



*A Combination Floater Coupon may be any of the following (i) a fixed percentage or (ii) a floating rate plus a margin (which can be equal to zero), where the floating rate may be the sum of one or more floating interest rates or inflation rates with individual gearings applied. The rate payable is subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap). The Gearing may be zero, negative or positive.*

**(d) PRDC Coupon**

If PRDC Coupon is specified as applicable in the applicable Final Terms:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero); or

II. if a Knock-in Event has occurred:

Min (Cap, Max (Floor, (Coupon Percentage 1 x PRDC Performance) - Coupon Percentage 2));

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

Min (Cap, Max (Floor, (Coupon Percentage 1 x PRDC Performance) - Coupon Percentage 2));

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

I. if a Knock-in Event has occurred but a Knock-out Event has not occurred:

Min (Cap, Max (Floor, (Coupon Percentage 1 x PRDC Performance) - Coupon Percentage 2));

II. if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, 0 (zero);

Where:

**"PRDC Performance"** means the quotient of the Final Settlement Price (as numerator) and the Initial Settlement Price (as denominator).

***Description of the Payout***

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on whether such event(s) have occurred.*

*If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether a Knock-in Event and, if applicable, a Knock-out Event has occurred will determine whether the interest rate will be zero or a percentage that is (subject to a*

*specified minimum and/or maximum) equal to a specified percentage multiplied by the performance of the Underlying Reference over a specified period and reduced by a specified percentage.*

**(e) FI Digital Floor Coupon**

If the Notes are specified in the applicable Final Terms as being FI Digital Floor Coupon Notes:

- (A) if Knock-in Event is specified as applicable in the applicable Final Terms:
  - I. if no Knock-in Event has occurred, 0 (zero);
  - II. if a Knock-in Event has occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:  
  
Digital Floor Percentage 1; or
  - III. if a Knock-in Event has occurred and the FI Digital Floor Condition is not satisfied in respect of the relevant FI Interest Valuation Date:  
  
Digital Floor Percentage 2.
- (B) if Knock-in Event is not specified as applicable in the applicable Final Terms:
  - I. if the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:  
  
Digital Floor Percentage 1; or
  - II. if the FI Digital Floor Condition is not satisfied in respect of the relevant FI Interest Valuation Date:  
  
Digital Floor Percentage 2; or
- (C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
  - I. if no Knock-in Event has occurred, 0 (zero); or
  - II. if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:  
  
Digital Floor Percentage 1;
  - III. in all other cases:  
  
Digital Floor Percentage 2.

***Description of the Payout***

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on (i) whether such event(s) have occurred and (ii) whether the FI Digital Floor Condition is satisfied. If no Knock-in Event or Knock-out*

*Event is specified, the interest payable will vary depending on whether the FI Digital Floor Condition is satisfied.*

*The FI Digital Floor Condition will be satisfied if the FI Digital Value is less than or equal to the level specified or determined as provided in the applicable Final Terms. If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether (i) a Knock-in Event and, if applicable, a Knock-out Event has occurred and (ii) the FI Digital Floor Condition is satisfied will determine whether interest is payable and, if so, which specified rate will be used to calculate the interest payable.*

**(f) FI Digital Cap Coupon**

If the Notes are specified in the applicable Final Terms as being FI Digital Cap Coupon Notes:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero);

II. if a Knock-in Event has occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 1; or

III. if a Knock-in Event has occurred and the FI Digital Cap Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 2; or

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

I. if the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 1; or

II. if the FI Digital Cap Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 2; or

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero); or

- II. if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Cap Percentage 1; or

- III. in all other cases:

Digital Cap Percentage 2.

***Description of the Payout***

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on (i) whether such event(s) have occurred and (ii) whether the FI Digital Cap Condition is met. If no Knock-in Event or Knock-out Event is specified, the interest payable will vary depending on whether the FI Digital Cap Condition is satisfied.*

*The FI Digital Cap Condition will be satisfied if the FI Digital Value is greater than or equal to the level specified or determined as provided in the applicable Final Terms. If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as specified in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether (i) a Knock-in Event and, if applicable, a Knock-out Event has occurred and (ii) the FI Digital Cap Condition is satisfied will determine whether interest is payable and, if so, which specified rate will be used to calculate the interest payable.*

**(g) FI Target Coupon**

If the Notes are specified in the applicable Final Terms as being FI Target Coupon Notes and an Automatic Early Redemption Event has not occurred, the Interest Rate in respect of the Target Final Interest Period shall be the Final Interest Rate specified in the applicable Final Terms.

***Description of the Payout***

*If Target Automatic Early Redemption applies and an Automatic Early Redemption Event does not occur the rate of interest for the Interest Period ending on the Maturity Date will be the Final Interest Rate.*

*The Final Interest Rate may be*

*1. Capped only – In this case, the Final Interest Rate is the rate of interest calculated for the final interest period or, if less, the difference between the Automatic Early Redemption Percentage and the interest already paid;*

*2. Guaranteed only - In this case, the Final Interest Rate is the rate of interest calculated for the final interest period or, if greater, the difference between the Automatic Early Redemption Percentage and the interest already paid. If no Automatic Early*

*Redemption Event occurs, this Interest Rate provides a payment at maturity that means the overall sum of all interest paid will be at least equal to the Automatic Early Redemption Percentage;*

3. *Capped and guaranteed - In this case, the Final Interest Rate is the Automatic Early Redemption Percentage less previous interest paid which means that the overall interest paid will be equal to the Automatic Early Redemption Percentage;*

4. *Not capped and not guaranteed – In this case, the Final Interest Rate is the interest calculated for the relevant Interest Period.*

**(h) FI FX Vanilla Coupon**

If FI FX Vanilla is specified as applicable in the applicable Final Terms:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero); or

II. if a Knock-in Event has occurred:

Gearing x Option;

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

Gearing x Option;

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

I. if a Knock-in Event has occurred but a Knock-out Event has not occurred:

Gearing x Option;

II. if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, 0 (zero).

Where:

**"Option"** means  $\text{Min}(\text{Max}(\text{Performance Value}, \text{Floor}), \text{Cap})$ .

***Description of the Payout***

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on whether such event(s) have occurred.*

*If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether a Knock-in Event and, if applicable, a Knock-out Event has occurred will determine whether the interest rate will be zero or a percentage reflecting the product of the performance of the Underlying Reference over a specified period (which may be subject to a minimum and/or a maximum) and a gearing percentage.*

**(i) FI Digital Plus Coupon**

If the Notes are specified in the applicable Final Terms as being FI Digital Plus Coupon Notes:

- (A) if Knock-in Event is specified as applicable in the applicable Final Terms:
  - I. if no Knock-in Event has occurred, 0 (zero); or
  - II. if a Knock-in Event has occurred and the FI Digital Plus Condition is satisfied in respect of the relevant FI Valuation Date:  
Max (Digital Plus Percentage 1, (Gearing x FI Digital Value)); or
  - III. if a Knock-in Event has occurred and the FI Digital Plus Condition is not satisfied in respect of the relevant FI Valuation Date:  
Digital Plus Percentage 2;
- (B) if Knock-in Event is not specified as applicable in the applicable Final Terms:
  - I. if the FI Digital Plus Condition is satisfied in respect of the relevant FI Valuation Date:  
Max (Digital Plus Percentage 1, (Gearing x FI Digital Value)); or
  - II. if the FI Digital Plus Condition is not satisfied in respect of the relevant FI Valuation Date:  
Digital Plus Percentage 2;
- (C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
  - I. if no Knock-in Event has occurred, 0 (zero); or
  - II. if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Plus Condition is satisfied in respect of the relevant FI Valuation Date:  
Max (Digital Plus Percentage 1, (Gearing x FI Digital Value)); or
  - III. in all other cases:  
Digital Plus Percentage 2.

***Description of the Payout***

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on (i) whether such event(s) have occurred and (ii)*

*whether the FI Digital Plus Condition is satisfied. If no Knock-in Event or Knock-out Event is specified, the interest payable will vary depending on whether the FI Digital Plus Condition is satisfied.*

*The FI Digital Plus Condition will be satisfied if the FI Digital Value is greater than the level specified or determined as provided in the applicable Final Terms. If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether (i) a Knock-in Event and, if applicable, a Knock-out Event has occurred and (ii) the FI Digital Plus Condition is satisfied will determine whether the interest rate will be zero or a specified percentage or the greater of a specified percentage and the product of the performance of the Underlying Reference over a specified period and a gearing percentage.*

## **1.2 Definitions for Fixed Income Interest Rates**

"**Cap**" means the percentage specified as such in the applicable Final Terms;

"**Constant A**" means the percentage specified as such in the applicable Final Terms;

"**Constant B**" means the percentage specified as such in the applicable Final Terms;

"**Coupon Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Coupon Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**FI Lower Barrier Level**" means, in respect of an Underlying Reference, the number, level or percentage specified as such in the applicable Final Terms;

"**FI DC Barrier Value**" means, in respect of a FI Interest Valuation Date and an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference;

"**FI Digital Coupon Condition**" means:

- (a) in respect of Underlying Reference 1, that the FI DC Barrier Value for such Underlying Reference for the relevant FI Interest Valuation Date is (A)(i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the FI Upper Barrier Level and (B) if a FI Lower Barrier Level is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the FI Lower Barrier Level; and
- (b) if Underlying Reference 2 is specified as applicable in the applicable Final Terms, in respect of Underlying Reference 2, that the FI DC Barrier Value for such Underlying Reference for the relevant FI Interest Valuation Date is (A)(i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the FI Upper Barrier Level and (B) if a FI Lower Barrier Level is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the FI Lower Barrier Level;

**"FI Interest Valuation Date"** means each Underlying Interest Determination Date, Determination Date, Pricing Date, Averaging Date, Valuation Date, Interest Valuation Date and/or Settlement Price Date specified as such in the applicable Final Terms or each Range Accrual Day;

**"FI Rate"** means the Rate or Inflation Rate as specified in the applicable Final Terms;

**"FI Rate A"** means the Rate or Inflation Rate as specified in the applicable Final Terms;

**"FI Rate B"** means the Rate or Inflation Rate as specified in the applicable Final Terms;

**"FI Upper Barrier Level"** means, in respect of an Underlying Reference, the number, level or percentage specified as such in the applicable Final Terms;

**"Floor"** means the percentage specified as such in the applicable Final Terms;

**"Global Cap"** means the percentage specified as such in the applicable Final Terms;

**"Global Cap A"** means the percentage specified as such in the applicable Final Terms;

**"Global Cap B"** means the percentage specified as such in the applicable Final Terms;

**"Global Floor"** means the percentage specified as such in the applicable Final Terms;

**"Global Floor A"** means the percentage specified as such in the applicable Final Terms;

**"Global Floor B"** means the percentage specified as such in the applicable Final Terms;

**"Global Margin"** means the percentage specified as such in the applicable Final Terms;

**"Local Cap"** means the percentage specified as such in the applicable Final Terms;

**"Local Floor"** means the percentage specified as such in the applicable Final Terms;

**"Range Accrual Coupon Barrier Level Down"** means in respect of an Underlying Reference, the percentage specified as such in the applicable Final Terms;

**"Range Accrual Coupon Barrier Level Up"** means in respect of an Underlying Reference, the percentage specified as such in the applicable Final Terms;

**"Range Accrual Coupon Condition"** means, in respect of an Underlying Reference:

- (a) in respect of Underlying Reference 1, that the FI DC Barrier Value for such Underlying Reference for the relevant Range Accrual Day is (A)(i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down and (B) if a Range Accrual Coupon Barrier Level Up is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up; or
- (b) if Underlying Reference 2 is specified as applicable in the applicable Final Terms, in respect of Underlying Reference 2, that the FI DC Barrier Value for such Underlying Reference for the relevant Range Accrual Day is (A)(i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down and (B) if a Range Accrual Coupon Barrier Level Up is specified in the applicable Final Terms, (ii) greater than, (ii) less than, (iii) equal



to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up;

**"Range Accrual Day"** means a Scheduled Trading Day, Business Day, Underlying Interest Determination Day or calendar day, as specified in the applicable Final Terms;

**"Range Cut-off Date"** means the date specified as such in the applicable Final Terms;

**"Range Period"** means the period specified as such in the applicable Final Terms;

**"Range Period End Date"** means the date specified as such in the applicable Final Terms;

**"Rate"** means, in respect of a FI Interest Valuation Date, the fixed rate specified in or the floating rate calculated as provided in, the applicable Final Terms;

**"Target Coupon Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Target Determination Date"** means each date specified as such in the applicable Final Terms;

**"Target Final Interest Period"** means the Interest Period ending on the Maturity Date; and

**"YoY Inflation Rate"** means  $[\text{Inflation Index}(i)/\text{Inflation Index}(i-1)] - 1$ .

### 1.3 Fixed Income Final Payouts

The following final payouts which when multiplied by the applicable CA (each a **"Final Payout"**) will apply to the Notes if specified in the applicable Final Terms.

#### (i) FI FX Vanilla Notes

If the Notes are specified in the applicable Final Terms as being FI FX Vanilla Notes:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero); or

II. if a Knock-in Event has occurred:

Gearing x Option;

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

Gearing x Option;

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

I. if a Knock-in Event has occurred but a Knock-out Event has not occurred:

Gearing x Option;

II. if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, 0 (zero).

Where:

"Option" means  $\text{Min}(\text{Max}(\text{Performance Value}, \text{Floor}), \text{Cap})$ .

***Description of the Payout***

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable the final payout will vary depending on whether such event(s) have occurred.*

*If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether a Knock-in Event and, if applicable, a Knock-out Event has occurred will determine whether the final payout will be zero or a percentage reflecting the product of the performance of the Underlying Reference over a specified period (which may be subject to a minimum and/or a maximum) and a gearing percentage.*

**(ii) FI Inflation Notes**

If the Notes are specified in the applicable Final Terms as being FI Inflation Notes:

Max [100%, Cumulative Inflation Rate]

***Description of the Payout***

*The payout comprises an amount per Note equal to 100 per cent. of the Calculation Amount or, if greater, the total positive inflation accretion from the Strike Date to the FI Redemption Valuation Date multiplied by the Calculation Amount.*

**1.4 Fixed Income Automatic Early Redemption Payouts**

If Automatic Early Redemption is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, the Automatic Early Redemption Payout shall be:

- (a) If Target Automatic Early Redemption is specified as applicable in the applicable Final Terms,

CA x (100% + Final Interest Rate);

***Description of the Payout***

*If Target Automatic Early Redemption applies, the Notes redeem automatically if the cumulative coupon is greater than or equal to a target barrier, (the "Automatic Early Redemption Percentage"). The cumulative coupon is equal to the sum of all previous interest paid plus the interest calculated (but not necessarily paid) for the Interest Period during which the relevant Automatic Early Redemption Valuation Date falls.*

*The payout per Note, comprises the Calculation Amount multiplied by 100 per cent. plus the Final Interest Rate.*

*The Final Interest Rate may be*

1. *Capped only – In this case, the Final Interest Rate is the rate of interest calculated for the relevant interest period or, if less, the difference between the Automatic Early Redemption Percentage and the interest already paid;*

2. *Guaranteed only - In this case, the Final Interest Rate is the rate of interest calculated for the relevant interest period or, if greater, the difference between the Automatic Early Redemption Percentage and the interest already paid. If no Automatic Early Redemption Event occurs, this Interest Rate provides a payment at maturity that means the overall sum of all interest paid will be at least equal to the Automatic Early Redemption Percentage;*

3. *Capped and guaranteed - In this case, the Final Interest Rate is the Automatic Early Redemption Percentage less previous interest paid which means that the overall interest paid will be equal to the Automatic Early Redemption Percentage;*

4. *Not capped and not guaranteed – In this case, the Final Interest Rate is the interest calculated for the relevant Interest Period.*

- (b) If FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms,

CA

**Description of the Payout**

*If FI Underlying Automatic Early Redemption applies, the Notes redeem automatically if the Underlying Reference observed is greater than or equal to the lower barrier (the “Automatic Early Redemption Percentage Down”) or less than or equal to the upper barrier (the “Automatic Early Redemption Percentage Up”). In this case, the Notes will be redeemed on the next Interest Payment Date. The Underlying Reference (which may be one or more Inflation Index/Indices or one or more Underlying Interest Rates) can be observed on specified dates or continuously during a period.*

*Each Note will redeem at an amount equal to the Calculation Amount and may pay either (i) the interest accrued up to the Interest Payment Date on which the Notes are redeemed, (ii) no interest or (iii) the interest accrued up to date on which the Automatic Early Redemption Event occurred.*

- (c) If FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms,

CA x (100% + (Min (Coupon Cap, Final Coupon Rate) x Final Day Count Fraction))

**Description of the Payout**

*If FI Coupon Automatic Early Redemption applies, the Notes redeem automatically if the interest to be paid on an Interest Payment Date is greater than or equal to a target barrier, (the “Automatic Early Redemption Percentage”).*

*The amount payable per Note comprises the Calculation Amount multiplied by 100% plus the interest calculated for the relevant Interest Period (which may be capped which means*

*that the maximum interest that an investor may receive following an FI Coupon Automatic Early Redemption is equal to the Coupon Cap.*

## **1.5 Definitions for Fixed Income Automatic Early Redemption Payouts**

"**Coupon Cap**" means the percentage specified as such in the applicable Final Terms;

"**Cumulative Inflation Rate**" means  $\text{Inflation Index}_{(i)}/\text{Inflation Index}_{(\text{base})}$ ;

"**Final Interest Rate**" means:

(a) if Capped and Guaranteed Applicable is specified in the applicable Final Terms, the Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable less Paid Coupon;

(b) if Capped and Guaranteed Not Applicable is specified in the applicable Final Terms, the product of the Final Coupon Rate and the Final Day Count Fraction;

(c) if Capped Only is specified in the applicable Final Terms:

Min (Final Coupon Rate x Final Day Count Fraction, Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable – Paid Coupon);

(d) if Guaranteed Only is specified in the applicable Final Terms:

Max (Final Coupon Rate x Final Day Count Fraction, Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable – Paid Coupon).

## **1.6 General definitions for Fixed Income Interest Rates, Final Payouts and Automatic Early Redemption Payouts**

"**Best Value**" means, in respect of a FI Valuation Date, the highest Performance Value for any Subject Currency in the basket in respect of such FI Valuation Date;

"**CA**" means the Calculation Amount;

"**Cap**" means the percentage specified as such in the applicable Final Terms;

"**Current Interest Period**" means the Interest Period in which the relevant Automatic Early Redemption Valuation Date or in the case of the calculation of the FI Target Coupon, the Target Final Interest Period;

"**Digital Cap Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Cap Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Digital Floor Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Floor Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Digital Plus Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Plus Percentage 2**" means the percentage specified as such in the applicable Final Terms;

**"FI Digital Cap Condition"** means the FI Digital Value for the relevant FI Valuation Date is greater than or equal to the FI Digital Cap Level;

**"FI Digital Cap Level"** means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

**"FI Digital Floor Condition"** means the FI Digital Value for the relevant FI Valuation Date is less than or equal to the FI Digital Floor Level;

**"FI Digital Floor Level"** means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

**"FI Digital Plus Condition"** means the FI Digital Value for the relevant FI Valuation Date is greater than the FI Digital Plus Level;

**"FI Digital Plus Level"** means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

**"FI Digital Value"** means, in respect of a FI Valuation Date, the Performance Value, Worst Value, Best Value, Multi-Basket Value or Weighted Average FI Basket Value as specified in the applicable Final Terms;

**"FI Redemption Valuation Date"** means each Settlement Price Date specified as such in the applicable Final Terms;

**"FI Valuation Date"** means each FI Redemption Valuation Date or an FI Interest Valuation Date specified in the applicable Final Terms;

**"FI Weighting"** means, in respect of a Subject Currency, the number, amount or percentage specified as such for such Subject Currency in the applicable Final Terms;

**"Final Coupon Rate"** means the Interest Rate calculated in respect of the Current Interest Period or Target Final Interest Period, as applicable (the **"Final Interest Period"**);

**"Final Day Count Fraction"** means the Day Count Fraction applicable to the Final Interest Period;

**"Final Settlement Price"** means (i) if Averaging is specified as not applicable in the applicable Final Terms, the Settlement Price on the relevant FI Valuation Date or (ii) if Averaging is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all Averaging Dates;

**"Floor"** means the percentage specified as such in the applicable Final Terms;

**"G"** means, in respect of a Subject Currency, the percentage specified as such for such Subject Currency in the applicable Final Terms;

**"Gearing"** means the percentage specified as such in the applicable Final Terms;

**"Gearing A"** means the percentage specified as such in the applicable Final Terms;

**"Gearing B"** means the percentage specified as such in the applicable Final Terms;

**"Initial Settlement Price"** means, in respect of a Subject Currency:

(a) the amount specified as such in the applicable Final Terms; or

(b) if Initial Closing Value is specified as applicable in the applicable Final Terms, the Settlement Price for such Subject Currency on the Strike Date; or

(c) if Initial Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for such Subject Currency for all the Strike Days in the Strike Period;

**"Inflation Index(i)"** means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference in respect of the relevant FI Valuation Date;

**"Inflation Index(i-1)"** means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference on the immediately preceding FI Valuation Date (or, if none, the Strike Date);

**"Inflation Index(base)"** means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference on the Strike Date;

**"Inflation Rate"** means, in respect of a FI Valuation Date, YoY Inflation Rate or Cumulative Inflation Rate, as specified in the applicable Final Terms;

**"Multi-Basket Value"** means, in respect of a FI Valuation Date:

$$\sum_{j=1}^m \sum_{i=1}^n G_j * (W_i * Performance Value) ;$$

**"Paid Coupon"** 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 Interest Rate and (ii) the Day Count Fraction, in each case calculated 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);

**"Performance Value"** means, in respect of an FI Valuation Date:

(a) if Performance Value 1 is specified in the applicable Final Terms,  
Final Settlement Price – Initial Settlement Price;

(b) if Performance Value 2 is specified in the applicable Final Terms,  
Initial Settlement Price – Final Settlement Price;

(c) if Performance Value 3 is specified in the applicable Final Terms,  
$$\frac{(\text{Final Settlement Price} - \text{Initial Settlement Price})}{\text{Final Settlement Price}} ;$$

(d) if Performance Value 4 is specified in the applicable Final Terms,  
$$\frac{(\text{Initial Settlement Price} - \text{Final Settlement Price})}{\text{Final Settlement Price}} ;$$

(e) if Performance Value 5 is specified in the applicable Final Terms,

$$\left( \frac{1}{\text{Initial Settlement Price}} \right) - \left( \frac{1}{\text{Final Settlement Price}} \right);$$

- (f) if Performance Value 6 is specified in the applicable Final Terms,

$$\left( \frac{1}{\text{Final Settlement Price}} \right) - \left( \frac{1}{\text{Initial Settlement Price}} \right);$$

- (g) if Performance Value 7 is specified in the applicable Final Terms,

$$\frac{(\text{Final Settlement Price} - \text{Initial Settlement Price})}{\text{Initial Settlement Price}};$$

- (h) if Performance Value 8 is specified in the applicable Final Terms,

$$\frac{(\text{Initial Settlement Price} - \text{Final Settlement Price})}{\text{Initial Settlement Price}};$$

- (i) if Performance Value 9 is specified in the applicable Final Terms,

$$\frac{\text{Final Settlement Price}}{\text{Initial Settlement Price}};$$

- (j) if Performance Value 10 is specified in the applicable Final Terms,

$$\frac{\text{Initial Settlement Price}}{\text{Final Settlement Price}};$$

"**Underlying Reference**" means, for the purposes of the Fixed Income Payouts, each Inflation Index, Subject Currency, Underlying Interest Rate or other basis of reference to which the relevant Notes relate;

"**Underlying Reference 1**" means the Underlying Reference specified as such in the applicable Final Terms;

"**Underlying Reference 2**" means the Underlying Reference specified as such in the applicable Final Terms;

"**Underlying Reference Closing Value**" means, in respect of a FI Interest Valuation Date:

- (a) if the relevant Underlying Reference is an Inflation Index, the Relevant Level (as defined in the Inflation Index-Linked Note Conditions); or

- (b) if the relevant Underlying Reference is a rate of interest, the Underlying Reference Rate,

in each case in respect of such day;

"**W**" means, in respect of a Subject Currency, the FI Weighting for such Subject Currency;

**"Weighted Average FI Basket Value"** means, in respect of a FI Valuation Date, the sum of the values calculated for each Subject Currency in the basket as (a) the Performance Value for such Subject Currency for such FI Valuation Date (b) multiplied by the relevant FI Weighting; and

**"Worst Value"** means, in respect of a FI Valuation Date, the lowest Performance Value for any Subject Currency in the basket in respect of such FI Valuation Date.

## **2. FORMULAE CONSTITUENTS AND COMPLETION**

The constituent parts (each a **"Formula Constituent"**) of any formula (each a **"Formula"**) used in the Payout Conditions and which are to be specified in the applicable Final Terms may be replaced in the applicable Final Terms by the prescribed amount, level, percentage or other value, as applicable for such Formula Constituent.

If a Formula Constituent has a value of either 0 (zero) or 1 (one), or is not applicable in respect of the relevant Notes, then the related Formula may be simplified in the applicable Final Terms by deleting such Formula Constituent.

## **3. CALCULATION AGENT**

The calculation or determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to these Payout Conditions shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. Whenever the Calculation Agent is required to make any determination it may, inter alia, decide issues of construction and legal interpretation. In performing its duties pursuant to these Payout Conditions, the Calculation Agent shall act in good faith and in a commercially reasonable manner. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent or the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.



## SCHEDULE 2

### ADDITIONAL TERMS AND CONDITIONS FOR INFLATION INDEX-LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Inflation Index-Linked Interest Notes or Inflation Index-Linked Redemption Notes (together, "**Inflation Index-Linked Notes**") shall comprise either (i) the terms and conditions of the Euro Notes (the "**Euro Note Conditions**") or (ii) the terms and conditions of the Luxembourg Notes (the "**Luxembourg Note Conditions**" and, together with the Euro Note Conditions, the "**Note Conditions**") and, in each case, the additional Terms and Conditions for Inflation Index-Linked Notes set out below (the "**Inflation Index-Linked Note Conditions**") together with any other additional terms and conditions specified in the applicable Final Terms, the Payout Conditions and subject to completion in the applicable Final Terms. In the event of any inconsistency between (a) the Note Conditions and (b) the Inflation Index-Linked Note Conditions, the Inflation Index-Linked Note Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Inflation Index-Linked Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

#### 1. Delay in Publication

1.1 If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Determination Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Determination Date (the "**Substitute Inflation Index Level**") shall be determined by the Calculation Agent (subject to Inflation Index-Linked Note Condition 3.2 (*Substitute Inflation Index Level*) below, as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or
- (b) if (i) Related Bond is specified as not applicable in the relevant Final Terms, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (a) above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

Substitute Inflation Index Level = Base Level x (Latest Level/Reference Level); or

- (c) in the case of Exempt Notes only, otherwise in accordance with any formula specified in the relevant Final Terms;

where:

"**Base Level**" means the level of the Inflation 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 level of the Inflation 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; and

**"Reference Level"** means the level of the Inflation 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 in respect of the Latest Level.

- 1.2 The Issuer shall promptly give notice to the Noteholders in accordance with Note Condition Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, of any Substitute Inflation Index Level.
- 1.3 If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Inflation Index-Linked Note Condition 1 will be the definitive level for that Reference Month.

## **2. Successor Inflation Index**

- 2.1 If the Calculation Agent determines that the level of an Inflation Index is not calculated and announced 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 Inflation Index and/or the Index Sponsor cancels the Inflation Index, then the Calculation Agent shall determine a successor index (a **"Successor Inflation Index"**) (in lieu of any previously applicable Index) for the purposes of the Notes as follows:
  - (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a "Successor Inflation Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
  - (b) if (i) Related Bond is specified as not applicable in the applicable Final Terms or (ii) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Final Terms, the Index Sponsor announces that it will no longer publish or announce the Inflation Index but that it will be superseded by a replacement Inflation Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Inflation Index, such replacement index shall be designated a "Successor Inflation Index";
  - (c) if no Successor Inflation Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if fewer than three responses are received by the Cut-Off Date or if each of the responses state different indices the Calculation Agent will determine an appropriate alternative index for such affected payment date, and such index will be deemed a "Successor Inflation Index"; or
  - (d) if the Calculation Agent determines that there is no appropriate alternative index there will be deemed to be no Successor Inflation Index and an Index Cancellation will be deemed to have occurred.
- 2.2 For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Inflation Index shall be deemed to replace the Index for the purposes of the Inflation Index-Linked Notes. Notice of the determination of a Successor Inflation Index, the effective date of the Successor Inflation Index or the occurrence of an Index Cancellation will be given to Noteholders of

the Inflation Index-Linked Notes by the Issuer in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

### **3. Adjustments**

#### **3.1 Successor Inflation Index**

If a Successor Inflation Index is determined in accordance with Inflation Index-Linked Note Condition 2 (*Successor Inflation Index*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to any amount payable under the Notes and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

#### **3.2 Substitute Inflation Index Level**

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Index-Linked Note Condition 1 (*Delay in Publication*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to (a) the Substitute Inflation Index Level determined in accordance with Inflation Index-Linked Note Condition 1 (*Delay in Publication*) above and/or (b) any amount payable under the Notes and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

#### **3.3 Index Level Adjustment Correction**

- (a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Index-Linked Note Condition 3.6 (*Index Modification*) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index ("**CPI**") and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Noteholders of any valid revision in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.
- (b) If, within 30 days of publication or at any time prior to a Determination Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any amount payable under the Notes and/or any other relevant term of the Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Noteholders of any such adjustment and/or amount in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.
- (c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (i) determine that such Relevant Level shall not be used in any calculation or determination under the Notes and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (ii) make any

adjustment to any amount payable under the Notes and/or any other relevant term of the Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Noteholders of any determination in respect of (i) or (ii), together with any adjustment or amount in respect thereof, in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

### **3.4 Currency**

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any amount payable under the Notes and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to such amount and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

### **3.5 Rebasing**

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make (a) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (b) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, and in each case the Calculation Agent may make any adjustment(s) to any relevant amount payable under the Notes and/or any other term of the Notes as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (a) nor (b) above would produce a commercially reasonable result, the Issuer may redeem each Note on a date notified by the Issuer to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, 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 of unwinding or amending any related underlying hedging arrangements. Notice of any adjustment, redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

### **3.6 Index Modification**

- (a) If on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (i) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the relevant Inflation Index, any Relevant Level and/or any other relevant term of the Notes (including, without limitation, any amount payable under the Notes), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (ii) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Notes (including, without limitation, any amount payable under the Notes), as the Calculation Agent deems necessary for the modified Index to continue as the relevant Inflation Index and to account for the economic effect of the Index Modification.

- (b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Calculation Agent may determine either 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 (a) 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 (a) above.

### **3.7 Consequences of an Additional Disruption Event or an Optional Additional Disruption Event**

If the Calculation Agent determines that an Additional Disruption Event and/or an Optional Additional Disruption Event has occurred, the relevant Issuer may redeem each Note on the date notified by such Issuer to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, 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 and/or Optional Additional Disruption Event, as the case may be, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any redemption of the Notes shall be given to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

### **3.8 Index Cancellation**

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, 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 of unwinding or amending any related underlying hedging arrangements. Notice of any redemption of the Notes pursuant to this paragraph shall be given to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

## **4. Definitions**

**"Additional Disruption Event"** means each of Change in Law and Hedging Disruption.

**"Change in Law"** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes; or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes;

**"Cut-Off Date"** means, in respect of a Determination Date, three Business Days prior to such Determination Date, unless otherwise stated in the applicable Final Terms;

**"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 to be utilised in any calculation or determination to be made by the Issuer

or the Calculation Agent in respect of such Determination Date, at any time on or prior to the Cut-Off Date.

**"Fallback Bond"** means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

**"Hedging Disruption"** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge the equity price risk or any other relevant price risk, including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or option contract(s) or any relevant hedge positions relating to the Notes.

**"Increased Cost of Hedging"** means that the Issuer and/or any of its 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 (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 Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its respective Affiliates shall not be deemed an Increased Cost of Hedging.

**"Index Cancellation"** means a level for the Inflation Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the relevant Inflation Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation 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 Inflation Index or in any other way materially modifies the Inflation Index.

**"Index Sponsor"** means the entity that publishes or announces (directly or through an agent) the level of the relevant Inflation Index which as of the Issue Date of the Notes is the index sponsor in the applicable Final Terms.

**"Inflation Index"** or **"Inflation Indices"** means the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly.

**"Optional Additional Disruption Event"** means Increased Cost of Hedging, if specified in the applicable Final Terms.

**"Rebased Index"** has the meaning given to it under Inflation Index-Linked Note Condition 3.5.

**"Reference Month"** means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level was reported.

**"Related Bond"** means the bond specified as such in the relevant Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not applicable" is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the relevant Maturity Date, unless "Fallback Bond: Not applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination.

**"Related Bond Redemption Event"** means, if specified as applicable in the relevant Final Terms, at any time prior to the Maturity Date, (a) the Related Bond is redeemed, repurchased or cancelled, (b) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (c) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity.

**"Relevant Level"** has the meaning given to it in the definition of Delayed Index Level Event.

**"Strike Date"** means the date specified as such in the applicable Final Terms.

**"Successor Inflation Index"** has the meaning given to it in Inflation Index-Linked Note Condition 2.

**"Substitute Inflation Index Level"** means, in respect of a Delayed Index Level Event, the index level determined by the Issuer in accordance with Inflation Index-Linked Note Condition 1.1.

### SCHEDULE 3

#### ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE-LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Foreign Exchange (FX) Rate-Linked Interest Notes or Foreign Exchange (FX) Rate-Linked Redemption Notes (together, "**Foreign Exchange (FX) Rate-Linked Notes**") shall comprise either (i) the terms and conditions of Notes (the "**Euro Note Conditions**") or (ii) the terms and conditions of the Luxembourg Notes (the "**Luxembourg Note Conditions**" and, together with the Euro Note Conditions, the "**Note Conditions**") and, in each case, the additional Terms and Conditions for Foreign Exchange (FX) Rate-Linked Notes set out below (the "**Foreign Exchange (FX) Rate-Linked Note Conditions**") together with any other additional terms and conditions specified in the applicable Final Terms, the Payout Conditions and subject to completion in the applicable Final Terms. In the event of any inconsistency between (a) the Note Conditions and (b) the Foreign Exchange (FX) Rate-Linked Note Conditions, the Foreign Exchange (FX) Rate-Linked Note Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Foreign Exchange (FX) Rate-Linked Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

#### 1. Disruption Events

1.1 Unless, in the case of Exempt Notes only, otherwise stated in the applicable Pricing Supplement, 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:

- (a) Price Source Disruption;
- (b) Illiquidity Disruption;
- (c) Dual Exchange Rate;
- (d) any other event that, in the opinion of the Calculation Agent, is analogous to (a), (b) or (c);  
or
- (e) in the case of Exempt Notes only, any other event specified in the applicable Pricing Supplement.

1.2 The Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, of the occurrence of a Disrupted Day on any day that but for the occurrence of the Disrupted Day would have been an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be.

#### 2. Consequences of a Disruption Event

Upon a Disruption Event occurring or continuing on an Averaging Date or any Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published by the Price Source) as determined by the Calculation Agent, the Calculation Agent shall, in its sole and absolute discretion:

- (a) 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 in respect of a Base Currency, Subject Currency and/or Subject Currencies when a Disruption Event occurs or exists on a day that is an Averaging Date or 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 (i), (ii) or (iii) below.

- (i) if an Averaging Date or any Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Averaging Date or Settlement Price Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (in the case of any Settlement Price Date) or Valid Date (in the case of an Averaging Date or Settlement Price Date that is not the Strike Date) unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Averaging Date or Settlement Price Date, as the case may be, is a Disrupted Day in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date or Settlement Price Date, as the case may be (irrespective, in the case of an Averaging Date or Settlement Price Date, of whether that last consecutive Scheduled Trading Day is already an Averaging Date or Settlement Price Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level for the Base Currency, Subject Currency and/or Subject Currencies as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that in good faith it deems relevant; or
- (ii) if an Averaging Date or any 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 applicable Final Terms, on giving notice to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be; or
- (iii) if an Averaging Date or any 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 applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Foreign Exchange (FX) Disruption Amount**") as soon as practicable following the occurrence of the Disruption Event (the "**Calculated Foreign Exchange (FX) Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Foreign Exchange (FX) Disruption Amount plus interest accrued from and including the Calculated Foreign Exchange (FX) Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to the Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, its nominal amount; and/or

- (b) notwithstanding any provisions in the Conditions to the contrary, postpone any payment date related to such Averaging Date or Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be provided or announced by the Price Source), as the case may be (including, if applicable, the Maturity Date) until the Business Day following the date on which a Disruption Event is no longer subsisting and no interest or other amount shall be paid by the Issuer in respect of such postponement.

### **3. Settlement Price**

**"Settlement Price"** means, in respect of a Subject Currency and a Settlement Price Date, and subject to Foreign Exchange (FX) Rate-Linked Note Condition 2 above, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on such 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). Provided That if the relevant rate of exchange is derived from two or more rates of exchange, the Settlement Price shall be calculated by the Calculation Agent as provided above acting in good faith and in a commercially reasonable manner on the basis of each such rate of exchange.

### **4. Knock-in Event and Knock-out Event**

- 4.1 If "Knock-in Event" is specified as applicable in the Final Terms, then any payment under the relevant Notes which is expressed in the applicable Final Terms to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.
- 4.2 If "Knock-out Event" is specified as applicable in the Final Terms, then any payment under the relevant Notes which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 4.3 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if a Disruption Event has occurred on any Knock-in Determination Day or Knock-out Determination Day, then, unless Disruption Consequences are specified in the applicable Final Terms as not applicable, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.
- 4.4 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours for the Base Currency, Subject Currency and/or Subject Currencies and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Subject Currency or Subject Currencies trigger the Knock-in Level or the Knock-out Level, a Disruption Event occurs or exists, then, unless Disruption Consequences are specified in the applicable Final Terms as not applicable, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

4.5 Definitions relating to Knock-in Event/Knock-out Event.

**"Knock-in Determination Day"** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period.

**"Knock-in Determination Period"** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

**"Knock-in Event"** means (a) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (b) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (i) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant Weighting is, in each case (A)(i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level, or (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, as specified in the applicable Final Terms.

**"Knock-in Level"** means the FX Knock-in Level or the price, level, amount, percentage or value specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions set forth in Foreign Exchange (FX) Rate-Linked Note Condition 1 and Foreign Exchange (FX) Rate-Linked Note Condition 2.

**"Knock-in Period Beginning Date"** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Convention is specified as applicable in the applicable Final 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 applicable Final Terms or, if the Knock-in Period Ending Date Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Knock-in Range Level"** means the range of levels specified as such or otherwise determined in the applicable Final Terms.

**"Knock-in Valuation Time"** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

**"Knock-out Determination Day"** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period.

**"Knock-out Determination Period"** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

**"Knock-out Event"** means (a) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is or (b) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (i) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant Weighting is, in each case (A)(i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level, or (B) "within" the Knock-out Range Level, in each case as specified in the applicable Final Terms (x)

on a Knock-out Determination Day or (y) in respect of a Knock-out Determination Period, as specified in the applicable Final Terms.

**"Knock-out Level"** means the FX Knock-out Level or the price, level, amount, percentage or value specified as such in the applicable Final Terms, subject to adjustment in accordance with Foreign Exchange (FX) Rate-Linked Note Condition 1 and Foreign Exchange (FX) Rate-Linked Note Condition 2.

**"Knock-out Period Beginning Date"** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Convention is specified as applicable in the applicable Final 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 applicable Final Terms or, if the Knock-out Period Ending Date Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Knock-out Valuation Time"** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## 5. Automatic Early Redemption Event

If "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) in respect of an Automatic Early Redemption Valuation Period, as specified in the applicable Final Terms, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date at an amount equal to the relevant Automatic Early Redemption Amount.

### Definitions

**"Automatic Early Redemption Amount"** means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount equal to the Automatic Early Redemption Payout set out in the applicable Final Terms. If the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on redemption of the Note pursuant to this Condition.

**"Automatic Early Redemption Date"** means each date specified as such in the applicable Final Terms or if such date is not a Business Day, the next following Business Day, and no Noteholder shall be entitled to any interest or further payment in respect of such delay.

**"Automatic Early Redemption Event"** means (a) in case of a single Subject Currency that the value of the Subject Currency determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on any Automatic Early Redemption Valuation Date is, and (b) in the case of a Basket of Subject Currencies, the amount determined by the Calculation Agent equal to the sum of the values for each Subject Currency as the product of (i) the value of such Subject Currency as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time and (ii) the relevant Weighting is, in each case (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Level as specified in the Final Terms.

**"Automatic Early Redemption Level"** means the value, price, level or percentage specified as such in the applicable Final Terms.

**"Automatic Early Redemption Valuation Date"** means each date specified as such in the applicable Final Terms or if that is not a Scheduled Trading Day, the next following Scheduled Trading Day unless in the opinion of the Calculation Agent a Disruption Event occurs on that day. If a Disruption Event occurs on that day then the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply mutatis mutandis as if references in such provisions to "Settlement Price Date" were to "Automatic Early Redemption Valuation Date".

**"Automatic Early Redemption Valuation Period"** means the period specified as such in the applicable Final Terms.

**"Automatic Early Redemption Valuation Time"** has the meaning given it in the applicable Final Terms.

## **6. Consequences of an Additional Disruption Event and/or an Optional Additional Disruption Event**

If the Calculation Agent determines that an Additional Disruption Event and/or an Optional Additional Disruption Event has occurred, the Issuer may redeem the Notes by giving notice to the Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him, which amount shall be the fair market value of a Note taking into account the Additional Disruption Event and/or the Optional Additional Disruption Event, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

**"Additional Disruption Event"** means each of Change in Law and Hedging Disruption.

**"Change in Law"** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

(a) it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes; or

(b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes;

**"Hedging Disruption"** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge the equity price risk and 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 Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or options contract(s) or any relevant hedge positions relating to the Notes.

**"Increased Cost of Hedging"** means that the Issuer and/or any of its 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 (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its respective Affiliates shall not be deemed an Increased Cost of Hedging.

**"Optional Additional Disruption Event"** means Increased Cost of Hedging, if specified in the applicable Final Terms.

## 7. Definitions

**"Averaging Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply.

**"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 has occurred.

**"FX Averaging Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"FX Digital Level"** means:

- (a) if FX Digital Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all the FX Averaging Dates;
- (b) if Single Resettable Level is specified as applicable in the applicable Final Terms, the Settlement Price on the FX Digital Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or
- (c) if Multiple Resettable Level is specified as applicable in the applicable Final Terms, in respect of a Resettable Period, the Settlement Price on the FX Digital Observation Date specified for such Resettable Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

**"FX Knock-in Level"** means:

- (a) if Knock-in Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-in Averaging Dates;

(b) if Single Resettable Knock-in is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-in Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or

(c) if Multiple Resettable Knock-in is specified as applicable in the applicable Final Terms, in respect of a Resettable Knock-in Period, the Settlement Price on the Knock-in Observation Date specified for such Resettable Knock-in Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

**"FX Digital Observation Date"** means each date specified as such in the applicable Final Terms;

**"FX Knock-out Level"** means:

(a) if Knock-out Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-out Averaging Dates;

(b) if Single Resettable Knock-out is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-out Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or

(c) if Multiple Resettable Knock-out is specified as applicable in the applicable Final Terms, in respect of a Resettable Knock-out Period, the Settlement Price on the Knock-out Observation Date specified for such Resettable Knock-out Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

**"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 Issuer to hedge its obligations under the Notes (in one or more transaction(s)) on the relevant Averaging Date or any Settlement Price Date (or, if different, the day on which rates for such Averaging Date or Settlement Price Date would, in the ordinary course, be published or announced by the relevant price source);

**"Knock-in Averaging Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"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 applicable Final Terms;

**"Price Source Disruption"** means that it becomes impossible to obtain the rate or rates from which the Settlement Price is calculated;

**"Scheduled Trading Day"** means 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 centres of the Base Currency and Subject Currency or Subject Currencies;

**"Settlement Price Date"** means the Strike Date, Observation Date or Valuation Date, as the case may be;

**"Specified Maximum Days of Disruption"** means the number of days specified in the applicable Final Terms, or if not so specified, five Scheduled Trading Days;

**"Strike Date"** means the Strike Date specified in the applicable Final 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, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"Strike Day"** means each date specified as such in the applicable Final Terms and, if Averaging Date Consequences are specified as applicable in the applicable Final Terms, the provisions contained in the definition of "Averaging Date" shall apply mutatis mutandis as if references in such provisions to "Averaging Date" were to "Strike Day";

**"Strike Period"** means the period specified as such in the applicable Final Terms;

**"Valuation Date"** means any Interest Valuation Date and/or Redemption Valuation Date, as the case may be, specified in the applicable Final 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, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"Valuation Time"** means, unless otherwise specified in the applicable Final Terms, the time at which the Price Source publishes the relevant rate or rates from which the Settlement Price is calculated; and

**"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.



## SCHEDULE 4

### ADDITIONAL TERMS AND CONDITIONS FOR UNDERLYING INTEREST RATE-LINKED NOTES)

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Underlying Interest Rate-Linked Interest Notes or Underlying Interest Rate-Linked Redemption Notes (together, "**Underlying Interest Rate-Linked Notes**") shall comprise either (i) the terms and conditions of Notes (the "**Euro Note Conditions**") or (ii) the terms and conditions of the Luxembourg Notes (the "**Luxembourg Note Conditions**" and, together with the Euro Note Conditions, the "**Note Conditions**") and, in each case, the additional Terms and Conditions for Underlying Interest Rate-Linked Notes set out below (the "**Underlying Interest Rate-Linked Note Conditions**") together with any other additional terms and conditions specified in the applicable Final Terms, the Payout Conditions and subject to completion and/or (in the case of Exempt Notes only) amendment in the applicable Final Terms. In the event of any inconsistency between (a) the Note Conditions and (b) the Underlying Interest Rate-Linked Note Conditions, the Underlying Interest Rate-Linked Note Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Underlying Interest Rate-Linked Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

#### 1. **Underlying Interest Rate Determination**

In respect of each Underlying Interest Determination Date specified in the applicable Final Terms, the Underlying Interest Rate will be determined in the manner specified in the applicable Final Terms.

#### 2. **ISDA Determination**

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Underlying Interest Rate is to be determined, the Underlying Reference Rate will be the relevant Underlying ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Underlying Margin (if any) specified in the applicable Final Terms. For the purposes of these Underlying Interest Rate-Linked Note Conditions, "**Underlying ISDA Rate**" means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

- (a) the Floating Rate Option is as specified in the applicable Final Terms;
- (b) the Designated Maturity is a period specified in the applicable Final Terms; and
- (c) the relevant Reset Date is as specified in the applicable Final Terms.

For the purposes of these Underlying Interest Rate-Linked Note Conditions, "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

#### 3. **Screen Rate Determination**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Underlying Interest Rate is to be determined, the Underlying Reference Rate 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 Underlying Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time (Underlying) indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Underlying Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Underlying Margin (if any), all as determined by the Calculation 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 Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the event that the Relevant Screen Page is not available or if, in the case of (a) above, no such offered quotation appears or, in the case of (b) above, fewer than three such offered quotations appear, in each case as at the Specified Time (Underlying) indicated above or in the applicable Final Terms, the Calculation Agent will determine the Underlying Reference Rate as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and using its reasonable judgment.

#### **4. Determination of Underlying Interest Rate**

The Calculation Agent will, on or as soon as practicable after each date on which the Underlying Interest Rate is to be determined (the "**Underlying Interest Determination Date**"), determine the Underlying Reference Rate (subject to any Minimum Underlying Reference Rate or Maximum Underlying Reference Rate specified in the applicable Final Terms). The Calculation Agent will notify the Principal Paying Agent of the Underlying Reference Rate as soon as practicable after calculating the same.

#### **5. Minimum and/or Maximum Underlying Reference Rate**

- 5.1 If the applicable Final Terms specifies a Minimum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Underlying Interest Rate-Linked Note Conditions 2 or 3 above (as appropriate) is less than such Minimum Underlying Reference Rate, the Underlying Reference Rate shall be such Minimum Underlying Reference Rate.
- 5.2 If the applicable Final Terms specifies a Maximum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Underlying Interest Rate-Linked Note Conditions 2 or 3 above (as appropriate) is greater than such Maximum Underlying Reference Rate, the Underlying Reference Rate shall be such Maximum Underlying Reference Rate.

#### **6. Knock-in Event and Knock-out Event**

- 6.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then any payment under the relevant Notes which is expressed in the Conditions to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

6.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then any payment under the relevant Notes which is expressed in the Conditions to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

6.3 Definitions relating to Knock-in Event/Knock-out Event

**"Knock-in Determination Day"** means the date(s) specified as such in the applicable Final Terms, or each 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 (a) in respect of a single Underlying Interest Rate, that the Underlying Reference Rate determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; and (b) in respect of a Basket of Underlying Interest Rates, that the amount determined by the Calculation Agent equal to the sum of the values calculated for each Underlying Interest Rate as the product of (i) the Underlying Reference Rate as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant Weighting is, in each case, (A)(I) "greater than", (II) "greater than or equal to", (III) "less than" or (IV) "less than or equal to" the Knock-in Level; or (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (i) on a Knock-in Determination Date or (ii) in respect of a Knock-in Determination Period, as specified in the applicable Final Terms.

**"Knock-in Level"** means the level, amount, price or percentage specified as such in the applicable Final Terms.

**"Knock-in Period Beginning Date"** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Convention is specified as applicable in the applicable Final Terms and such date is not a Business Day, the next following Business Day.

**"Knock-in Period Ending Date"** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Convention is specified as applicable in the applicable Final Terms and such date is not a Business Day, the next following Business Day.

**"Knock-in Range Level"** means the level specified as such or otherwise determined in the applicable Final Terms.

**"Knock-in Valuation Time"** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms.

**"Knock-out Determination Day"** means the date(s) as specified in the applicable Final Terms, or each 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 (a) in respect of a single Underlying Interest Rate, that the Underlying Reference Rate determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; and (b) in respect of a Basket of Underlying Interest Rates, that the amount determined by the Calculation Agent equal to the sum of the values for each Underlying Interest Rate as the product of (i) such Underlying Interest Rate as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant Weighting is, in each case (A)(I) "greater than", (II) "greater than or equal to", (III) "less than", or (IV) "less than or equal to" the Knock-out Level; or (B) "within" the Knock-out Range Level, in each case as specified in the applicable Final

Terms (i) on a Knock-out Determination Day or (ii) in respect of a Knock-out Determination Period, as specified in the applicable Final Terms.

**"Knock-out Level"** means the level, amount, price or percentage specified as such or otherwise determined in the applicable Final Terms.

**"Knock-out Period Beginning Date"** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Convention is specified as applicable in the applicable Final Terms and such date is not a Business Day, the next following Business Day.

**"Knock-out Period Ending Date"** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Convention is specified as applicable in the applicable Final Terms and such date is not a Business Day, the next following Business Day.

**"Knock-out Valuation Time"** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms.

## 7. Automatic Early Redemption Event

If "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if (i) on any Automatic Early Redemption Valuation Date or (ii) in respect of an Automatic Early Redemption Valuation Period, as specified in the applicable Final Terms, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date at an amount equal to the relevant Automatic Early Redemption Amount.

### Definitions

**"Automatic Early Redemption Amount"** means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount equal to the Automatic Early Redemption Payout set out in the applicable Final Terms. If the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on redemption of the Note pursuant to this Condition.

**"Automatic Early Redemption Date"** means (i) if Target Automatic Early Redemption, FI Underlying Automatic Early Redemption or FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms, the Interest Payment Date immediately following the Automatic Early Redemption Valuation Date on which an Automatic Early Redemption Event occurs, or otherwise, (ii) each date specified as such in the applicable Final Terms or if such date is not a Business Day, the next following Business Day, and no Noteholder shall be entitled to any interest or further payment in respect of such delay.

**"Automatic Early Redemption Event"** means:

- (a) if Target Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the Cumulative Coupon is equal to or greater than the Automatic Early Redemption Percentage;
- (b) if FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the Underlying Reference Level is (i) equal to or greater than the Automatic Early Redemption Percentage Down and (ii) less than or equal to the Automatic Early Redemption Percentage Up;
- (c) if FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case in

respect of the Current Interest Period is equal to or greater than the Automatic Early Redemption Percentage; or

(d) if Standard Automatic Early Redemption is specified as applicable in the applicable Final Terms, that (A) in the case of a single Underlying Reference, the Underlying Reference Level or (B) in the case of a Basket of Underlying References, the Basket Price is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms;

**"Automatic Early Redemption Level"** means the amount, price, percentage or level specified as such in the applicable Final Terms.

**"Automatic Early Redemption Percentage"** means the percentage specified as such in the applicable Final Terms.

**"Automatic Early Redemption Percentage Down"** means the percentage specified as such in the applicable Final Terms;

**"Automatic Early Redemption Percentage Up"** means the percentage specified as such in the applicable Final Terms;

**"Automatic Early Redemption Valuation Date"** means each date specified as such in the applicable Final Terms or, if such date is not a Business Day, the next following Business Day.

**"Automatic Early Redemption Valuation Period"** means the period specified as such in the applicable Final Terms.

**"Automatic Early Redemption Valuation Time"** has the meaning given it in the applicable Final Terms.

**"Cumulative Coupon"** means, in respect of an Automatic Early Redemption Valuation Date, (a) the sum of the values calculated for each Interest Period preceding the Current Interest Period as the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case for such Interest Period plus (b) the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case for the Current Interest Period.

**"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.

## **8. Automatic Early Redemption Event Accrual**

Notwithstanding Condition 5.4 (in the case of the Euro Notes) or Condition 4.4 (in the case of the Luxembourg Notes), if FI Underlying Automatic Early Redemption and Accrual to Automatic Early Redemption are specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs on an Automatic Early Redemption Valuation Date, interest will cease to accrue on such Automatic Early Redemption Valuation Date.

## **9. Definitions**

**"Strike Day"** means each date specified as such in the applicable Final Terms;

**"Strike Date"** means the date specified as such in the applicable Final Terms; and

**"Strike Period"** means the period specified as such in the applicable Final Terms.